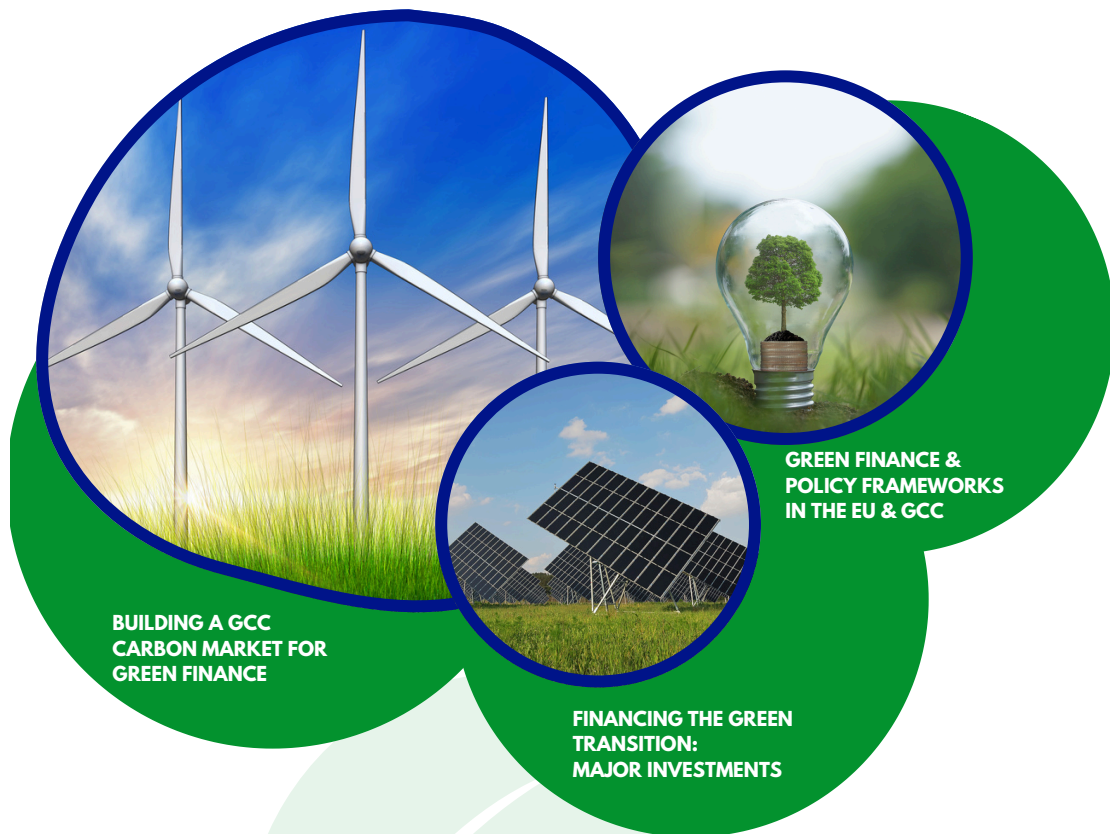




1st EU-GCC INVESTMENT & FINANCE GREEN TRANSITION FORUM

ABU DHABI, 26 NOVEMBER 2024



SUMMARY REPORT

THE EU-GCC COOPERATION ON
GREEN TRANSITION PROJECT



Funded by
the European Union

EXECUTIVE SUMMARY

The EU-GCC Investment & Finance Green Transition Forum, held on 26 November 2024 at the St. Regis Hotel, Abu Dhabi, brought together over 120 senior representatives from governments, international organizations, financial institutions, industry leaders, and policymakers. Hosted by the EU-GCC Cooperation on Green Transition Project, in collaboration with the EU Commission and the EU Delegations in the region and the support of IRENA, ADGM, IEF, and ICE, this event served as a platform to discuss policy, financing, and tools essential for accelerating the green transition and strengthening the EU-GCC partnership on climate action.

The agenda featured high-level discussions, including a keynote Fireside Chat with H.E. Ioannis Tsakiris, Vice President of the European Investment Bank (EIB), and Mr Spyros Kouvelis, Team Leader of the EU-GCC Cooperation on Green Transition Project. The conversation underscored the EIB's pivotal role in financing green projects globally, with a particular emphasis on leveraging innovative financial instruments to address climate challenges and mobilising private-sector investments. Key takeaways included the importance of scalable financing solutions and fostering international cooperation to drive impactful climate initiatives.

The event also featured three key sessions addressing critical aspects of the green transition:

Session I: Green Finance and Investment in the EU and GCC Regions – Policy and Regulatory Frameworks

This session explored the frameworks driving green finance. Mr Serge Giacomotto (EU Commission, DG CLIMA) highlighted the EU's leadership in sustainable finance through initiatives such as the European Green Deal and the EU taxonomy. From the GCC perspective, Mr. Philippe Richard (ADGM) emphasized the region's progress in aligning green finance strategies with global standards and fostering robust regulatory ecosystems. Key outcomes included identifying best practices for increasing investor confidence through regulatory clarity and ESG integration.

Session II: Green Transition for the Future – Financing and Investing in Major Scale Projects

This session delved into financing mechanisms for transformative projects in renewable energy, modern grids, and green hydrogen. Mr. Atanu Das (ACWA Power) showcased successful capital-raising strategies for large-scale renewable projects in a keynote presentation. In the panel discussion, H.E. Lucie Berger (EU Ambassador to the UAE) emphasized the EU's leadership in green bonds and carbon markets as tools for climate action. Outcomes included a call for expanded regional collaboration, public-private partnerships, and the scaling of green investments to meet net-zero commitments.

Session III: Building a Green Finance and Investment Ecosystem in the GCC – A GCC Carbon Market as an Innovative Finance Tool

This session examined the potential for a GCC carbon market inspired by the EU Emissions Trading System (ETS). Mr. Thomas Berheim (EU Commission, DG CLIMA) shared lessons from the EU ETS, emphasizing the need for robust monitoring, reporting, and verification (MRV) systems. Mr. George von Waldburg (ICE) highlighted the role of carbon markets in incentivizing decarbonization through transparent pricing and liquidity. Key outcomes included recognising a need for a coordinated GCC approach to developing a unified carbon market to support regional collaboration and sustainable growth.

The forum concluded with closing remarks by Mr. Spyros Kouvelis, who emphasized the importance of sustained EU-GCC collaboration, robust regulatory frameworks, and partnerships to scale green finance initiatives. He also highlighted plans for follow-up technical sessions to build on the discussions and strengthen practical implementation.

The forum reinforced the shared EU-GCC commitment to building a resilient, sustainable, and climate-friendly future by addressing policy frameworks, innovative financing mechanisms, and tools like carbon markets.

SPEAKERS



H.E. Lucie Berger
Ambassador of the European Union to the United Arab Emirates



H.E. Ioannis Tsakiris
Vice President,
European Investment Bank



Mr Gurbuz Gonul
Director of Country,
Engagement and Partnerships
(CEP) Division, IRENA



Mr Philippe Richard
Executive Director -
International Affairs, ADGM



Mr George von Waldburg
Director of Environmental
Markets,
ICE Futures Europe



Mr Atanu Das
Executive Vice President, Head
of Project Finance, ACWA Power



Mr Jan Haizmann
CEO,
Zeta Global



Mr Serge Giacomotto
Policy Officer on Sustainable
Finance, EU Commission



Mr Thomas Bernheim
Policy Analyst, Task Force on
Climate Pricing and Markets
Diplomacy, DG Climate Action,
European Commission



Ms Eva Torreblanca
Division Director -
Environmental Policy Analysis
and Economics Integrated
Environment Policy and
Planning, Environment Agency -
Abu Dhabi



Mr Erick Ruiz Araya
Deputy Director of Project
Facilitation and Support (PFS)
Division, IRENA



Mr Spyros Kouvelis
Team Leader,
EU-GCC Cooperation
on Green Transition Project



Ms Eva Levesque
Senior Editor,
Arabian Gulf Business Insight



Mr Georges El Hajj
Senior Director
Sustainable Finance,
Emirates NBD

AGENDA

08:30 - 09:30

Registration & Welcome Refreshments

09:30 - 10:00

Welcome & Opening Remarks

- H.E. Lucie Berger, Ambassador of the European Union to the United Arab Emirates
- Mr Gurbuz Gonul, Director of Country, Engagement and Partnerships (CEP) Division, IRENA
- Mr Philippe Richard, Executive Director - International Affairs, ADGM
- Mr George von Waldburg, Director, Environmental Markets, ICE Futures Europe

FIRESIDE CHAT - Setting the stage for Green Finance in the GCC and cooperation with the EU

H.E. Ioannis Tsakiris, Vice President, European Investment Bank in discussion with **Mr Spyros Kouvelis**, Team Leader, EU-GCC Cooperation on Green Transition Project

10:00 - 10:50

SESSION I

Green Finance and Investment in the EU and the GCC regions: Policy and Regulatory Frameworks

- Introductory Presentation from the EU perspective by **Mr Serge Giacomotto**, Policy Officer on Sustainable Finance, EU Commission: Finance & Investment (F&I) for Green Transition
- Introductory Presentation from the GCC perspective by **Mr Philippe Richard**, Executive Director - International Affairs, ADGM: Finance & Investment(F&I) for Green Transition

Panel Discussion:

- **Mr Philippe Richard**, Executive Director - International Affairs, ADGM
- **Mr Serge Giacomotto**, Policy Officer on Sustainable Finance, EU Commission (online)
- **Ms Eva Torreblanca**, Division Director - Environmental Policy Analysis and Economics Integrated Environment Policy and Planning, Environment Agency - Abu Dhabi

Moderator:

Mr Erick Ruiz Araya, Deputy Director of Project Facilitation and Support (PFS) Division, IRENA

10:50 - 11:15

Coffee Break

11:15 - 12:10

SESSION II

Green Transition for the Future Financing and Investing: Significant and Upcoming Major Scale Investments

- Introductory Presentation by **Mr Atanu Das**, Executive Vice President, Head of Project Finance, ACWA Power: Raising Large-Scale Capital for Green Transition in the GCC Region
ACWA Power: USD 2.9 billion for Solar Power

Panel Discussion:

- **H.E. Lucie Berger**, Ambassador of the European Union to the United Arab Emirates
- **Mr Atanu Das**, Executive Vice President, Head of Project Finance, ACWA Power
- **Mr Georges El Hajj**, Senior Director Sustainable Finance, Emirates NBD

Moderator:

Ms Eva Levesque, Senior Editor, Arabian Gulf Business Insight

AGENDA

12:10 - 13:00

SESSION III

Building a Green Finance & Investment Ecosystem in the GCC: A GCC Carbon Market as an Innovative Finance Tool

- Introductory Presentation by **Mr Thomas Berheim**, Policy Analyst, Task Force on Climate Pricing and Markets Diplomacy, DG Climate Action, European Commission: EU High Level on Europe's ETS and Carbon Markets
- Introductory Presentation by **Mr George von Waldburg**, Director of Environmental Markets, ICE Futures Europe: ICE on Carbon Markets in the GCC and global

Panel Discussion:

- **Mr George von Waldburg**, Director of Environmental Markets, ICE Futures Europe
- **Mr Thomas Berheim**, Policy Analyst, Task Force on Climate Pricing and Markets Diplomacy, DG Climate Action, European Commission (online)
- **Mr Jan Haizmann**, CEO, Zeta Global

Moderator:

Mr Spyros Kouvelis, Team Leader, EU-GCC Cooperation on Green Transition Project

13:00 - 13:10

Closing Remarks: Mr Spyros Kouvelis, Team Leader, EU-GCC Cooperation on Green Transition Project

13:10 - 14:00

Lunch & Networking

OPENING REMARKS



Opening remarks by H.E. Lucie Berger, Ambassador of the European Union to the United Arab Emirates

H.E. Lucie Berger began her opening remarks by highlighting the enduring collaboration between the EU and GCC, emphasizing their shared goals of fostering prosperity and development across various sectors, particularly trade, investment, and cultural exchange. She noted the significant economic relationship between the two regions, with the EU being the GCC's second-largest trading partner in 2023, accounting for 11.1% of the GCC's total trade in goods and 16.2% of its imports. This robust economic interdependence, she remarked, forms a strong foundation for deeper collaboration.

H.E. Berger stressed the urgency of addressing climate change as a pivotal challenge that transcends borders. She positioned it as not just an environmental necessity but also as a critical driver of economic growth, innovation, and job creation. In this context, she underscored the EU's leadership through the European Green Deal, which aims to achieve climate neutrality by 2050. She highlighted key initiatives such as the expansion of renewable energy and the adoption of circular economy practices as integral to the EU's green transition strategy.

The Ambassador also acknowledged the progressive efforts of GCC countries, particularly the UAE, in advancing sustainability. She commended initiatives like the UAE's "Energy Strategy 2050," which aims to significantly increase the integration of clean energy into the energy mix, as a demonstration of regional commitment to sustainability.

Recognizing the importance of the forum, H.E. Berger identified its objectives as critical to advancing EU-GCC collaboration. These objectives include establishing robust policy and regulatory frameworks, exploring innovative green financing mechanisms such as green bonds and sustainability-linked loans, highlighting investment opportunities in renewable energy and sustainable infrastructure, and facilitating knowledge exchange to inspire actionable outcomes. She also extended her gratitude to key event associates, including ICE, ADGM, IEF, and IRENA, for their instrumental roles in enabling the forum and fostering cooperation in the green transition.

In closing, H.E. Berger urged stakeholders to leverage collective expertise and resources to create a sustainable and economically resilient future. She called for a balanced approach that ensures environmental stewardship while driving prosperity, envisioning a future where the EU and GCC deepen their partnership for the benefit of both regions and the planet.

OPENING REMARKS



Opening remarks by Mr Gurbuz Gonul, Director of Country, Engagement and Partnerships (CEP) Division, IRENA

Mr. Gurbuz Gonul opened his remarks by emphasizing the urgency of translating global climate commitments into concrete actions, especially in light of discussions at COP29 in Baku and the strong political momentum from COP28 to triple renewable energy capacity and double energy efficiency by 2030. He highlighted that despite significant growth in renewables—473 GW added globally last year—much faster progress is required to meet the 2030 targets.

Key challenges include the lack of critical infrastructure, such as grids, storage, e-mobility systems, and hydrogen networks, which are missing in both developing and industrialized economies. Additionally, he pointed to global supply chain vulnerabilities, such as access to critical minerals, scaling manufacturing capacity, and workforce development, which must be addressed to support clean energy expansion.

Mr. Gonul noted that while renewable energy investments reached USD 570 billion in 2023, a 27% increase from the previous year, this figure must increase drastically to USD 4.5 trillion annually by 2030 to stay on track with global net-zero goals. He also underscored the need for a more equitable distribution of investments, as over 150 economies received only 10% of global renewable energy investments.

To scale up investments, he outlined key considerations:

1. Policy de-risking to lower prohibitive costs in high-risk environments and attract private capital.
2. A shift in focus from short-term bankability to long-term impact potential, aligning investments with climate, environmental, and socio-economic goals.
3. Public financing to de-risk projects in high-risk countries and address the infrastructure gap in underserved regions.

Turning to the GCC region, Mr. Gonul acknowledged its dual status as a major fossil fuel exporter and growing renewable energy market. He highlighted the region's progress, particularly the UAE's contribution to over 60% of the GCC's 10 GW renewable capacity, a significant leap from virtually no capacity a decade ago. He concluded by reaffirming IRENA's commitment to partnering with the EU and GCC to accelerate the renewable energy transition and address emerging challenges and opportunities.

OPENING REMARKS



Opening remarks by Mr Philippe Richard, Executive Director - International Affairs, ADGM

Mr. Philippe Richard welcomed the opportunity for dialogue between UAE stakeholders and EU representatives, emphasizing the value of such events in fostering knowledge exchange. He highlighted the UAE's commitment to advancing sustainable finance and the importance of staying informed about developments in Europe.

Mr. Richard reflected on ADGM's journey toward net zero, which began several years ago with a focus on supporting the UAE's economic diversification away from oil and gas. As a financial regulator, ADGM plays a pivotal role in providing the legal and regulatory frameworks needed to enable and scale sustainable finance. He stressed that while public funding is limited, mobilizing private sector investment is essential to achieving long-term sustainability goals.



OPENING REMARKS



Opening remarks by Mr George von Waldburg, Director, Environmental Markets, ICE Futures Europe

Mr. von Waldburg highlighted the transformative power of market-based approaches in addressing environmental challenges, drawing on historical examples such as the acid rain program in the 1980s, which leveraged cap-and-trade mechanisms to effectively eliminate sulphur emissions. He emphasized the potential of carbon pricing to drive innovation and economic value, citing the UK's recent decarbonization of its power sector as a testament to the success of such policies.

In the Gulf region, he noted the progress made over the past 15 years, with nearly all GCC states committing to net-zero targets by 2050. However, he stressed the importance of regional cooperation in creating liquid, efficient markets that can support cost-effective decarbonization.

Highlighting ICE Futures Abu Dhabi's role as a potential carbon trading hub, Mr. von Waldburg underscored the Gulf's unique position to connect with the world's largest energy and environmental networks. He concluded by affirming the relevance of the EU-GCC partnership, emphasizing its potential to foster knowledge-sharing and collaborative solutions for common environmental challenges.



FIRESIDE CHAT



Fireside Chat: Setting the Stage for Green Finance in the GCC and Cooperation with the EU

Speakers:

- **H.E. Ioannis Tsakiris, Vice President, European Investment Bank (EIB)**
- **Mr. Spyros Kouvelis, Team Leader, EU-GCC Cooperation on Green Transition Project**

This session set the tone for the forum by focusing on the vital role of international cooperation in advancing green finance, with an emphasis on bridging strategies between the EU and GCC regions.

Key Points Discussed:

EIB's Commitment to Green Finance:

- H.E. Ioannis Tsakiris highlighted the EIB's ambitious target of supporting €1 trillion in climate investments by 2030. He emphasized the use of innovative financial instruments, such as green bonds and blended finance models, to scale up investments in renewable energy, energy efficiency, and sustainable infrastructure globally and within the GCC.
- In 2022, the EIB invested €17.06 billion in sustainable energy projects in Europe, serving as a benchmark for the GCC to develop robust green finance mechanisms.

Green Bond Development:

- The EIB's leadership in green and climate bonds was discussed as a model for the GCC to establish its own standardized green bond market. Collaborative efforts between the EU and GCC can leverage the EIB's experience in issuing and managing these instruments to attract international investors.

Public-Private Partnerships (PPPs):

- The session underscored the importance of public-private partnerships to drive sustainable infrastructure development. Drawing on the EU's successful models, the discussion explored how PPP frameworks could be adapted to the GCC context to mobilize private capital and ensure effective project implementation.

Policy Alignment for Cross-Border Investments:

- Aligning green finance policies between the EU and GCC is critical for facilitating cross-border investments and technology transfers. Practical steps to harmonize frameworks and reduce barriers to investment were discussed as priorities for collaboration.

FIRESIDE CHAT

Capacity Building and Knowledge Sharing:

- Recognizing the nascent state of green finance in the GCC, the speakers emphasized the need for capacity-building initiatives and knowledge transfer programs between EU and GCC financial institutions. These programs aim to enhance expertise in green finance instruments and foster sustainable investment practices.

Addressing Regional Challenges:

- The GCC's reliance on fossil fuels and its nascent green finance market were identified as challenges. However, the region's ongoing economic diversification, supported by initiatives such as the UAE's "Energy Strategy 2050," offers opportunities to scale up investments in renewable energy and sustainable technologies.

Takeaways:

- The GCC has the potential to become a hub for green finance and innovative financial tools, leveraging EU expertise and collaborative models.
- International cooperation, particularly between the EU and GCC, is critical for scaling investments, sharing best practices, and building resilient and sustainable economies.
- Harmonized green finance policies and targeted capacity-building efforts are key enablers for advancing the green transition in the GCC.

The session concluded with a strong call for action to build on the synergies between the EU and GCC to promote green finance, develop standardized frameworks, and foster a shared commitment to the global green transition.



SESSION I: GREEN FINANCE AND INVESTMENT IN THE EU AND THE GCC REGIONS: POLICY AND REGULATORY FRAMEWORKS

**Introductory Presentation from the EU perspective by
Mr Serge Giacomotto, Policy Officer on Sustainable
Finance, EU Commission: Finance & Investment (F&I) for
Green Transition**



Key Points Discussed:

- **EU Climate Goals and Frameworks:**
 - The EU is committed to achieving climate neutrality by 2050, with intermediate targets of reducing greenhouse gas (GHG) emissions by 55% by 2030 and 90% by 2040.
 - Carbon pricing plays a pivotal role in achieving these goals, supported by mechanisms like the EU Emissions Trading System (ETS) and complementary policies under the European Green Deal.
- **EU Emissions Trading System (ETS):**
 - The EU ETS, the world's first and largest carbon market, has significantly contributed to reducing emissions in the EU by 47% in electricity, heat generation, and industrial production.
 - It operates on a cap-and-trade principle, setting a limit on emissions and allowing companies to trade allowances, thereby promoting cost-effective decarbonization and innovation.
- **Innovative Financial Tools:**
 - The EU utilizes instruments like green bonds, the Innovation Fund, and the Modernisation Fund to support the transition. Auction revenues from the ETS, exceeding €210 billion, are reinvested in climate action and energy transformation.
 - Recent revisions to the EU ETS include the integration of new sectors such as maritime transport (from 2024) and a second system (ETS2) for buildings and road transport (from 2027).
- **Carbon Border Adjustment Mechanism (CBAM):**
 - CBAM is being introduced to prevent carbon leakage and ensure a level playing field. It will gradually phase in reporting and payment requirements for imported goods with embedded emissions, starting in 2026.
- **Lessons Learned from EU ETS:**
 - Strong regulatory frameworks and transparency are essential for environmental integrity and investor confidence.
 - Revenues from carbon pricing must be reinvested in low-carbon technologies and just transition initiatives.
 - Public consultations and political support are key to the success of carbon markets.
 - Pilot testing and robust monitoring, reporting, and verification (MRV) systems are vital for effective implementation.
- **Global and Regional Context:**
 - The EU's experiences and frameworks can serve as a model for the GCC to develop carbon pricing mechanisms.
 - The presentation emphasized opportunities for collaboration in areas like capacity building, policy exchange, and technology transfer to establish robust green finance ecosystems in the GCC.
- **Call to Action:**
 - The EU encourages the GCC to integrate comprehensive carbon pricing mechanisms and invest in low-carbon technologies, aligning with international climate goals and supporting regional economic diversification.

Link to Mr Serge Giacomotto's presentation can be viewed [here](#).

SESSION I: GREEN FINANCE AND INVESTMENT IN THE EU AND THE GCC REGIONS: POLICY AND REGULATORY FRAMEWORKS

Introductory Presentation from the GCC perspective by Mr Philippe Richard, Executive Director - International Affairs, ADGM: Finance & Investment(F&I) for Green Transition

Key Points Discussed:

- **ADGM's Vision and Role in Sustainable Finance:**
 - The Abu Dhabi Global Market (ADGM) aims to be a leading financial center in the MEASA (Middle East, Africa, and South Asia) region, fostering technological innovation, financial resilience, and global regulatory alignment.
 - ADGM's Financial Services Regulatory Authority (FSRA) plays a pivotal role in advancing sustainable finance through sound regulation, capacity building, and stakeholder engagement.
- **Current Sustainable Finance Framework:**
 - Financing Green: ADGM provides a regulatory framework for green and sustainability-linked bonds, sukuks, and climate transition funds to attract investments aligned with global sustainability goals.
 - Greening Finance: ESG disclosure requirements for ADGM entities and the regulation of carbon offsets as environmental instruments ensure market integrity and prevent greenwashing.
- **Enhancements to FSRA Sustainable Finance Framework:**
 - New guidelines and principles have been introduced to manage climate-related financial risks, focusing on proportionality for large financial institutions.
 - Transition Planning: ADGM emphasizes the importance of transition planning for financial institutions, ensuring alignment with international best practices and allowing flexibility for evolving frameworks.
- **Sustainable Finance Working Group (SFWG):**
 - Established in 2019, the SFWG includes all UAE financial regulators and key ministries, such as MOCCAE and MoF.
 - Recent achievements include:
 - Climate-related Financial Risks Principles introduced by CBUAE in 2023.
 - Sustainability-Related Disclosures Principles aligned with ISSB standards.
 - Taxonomy Design Principles and Transition Planning Principles for 2024-2025 aim to add clarity and consistency across UAE's regulatory landscape.
- **Taxonomy and Traffic-Light Principles:**
 - ADGM is working on a traffic-light taxonomy system to classify activities based on their sustainability:
 - Green: Activities aligned with net-zero goals.
 - Amber: Transition activities.
 - Brown: Non-sustainable activities.
 - The taxonomy framework incorporates international benchmarks, evolving with market and technological advancements.
- **Strategic Focus for the UAE:**
 - ADGM supports building capacity within the financial sector to handle climate-related risks and implement sustainable finance mechanisms.
 - Collaboration with international and local stakeholders is essential to align UAE's sustainable finance framework with global standards.
- **Call to Action:**
 - ADGM urges financial institutions in the UAE to adopt robust ESG reporting and transition planning frameworks.
 - Continued alignment with international initiatives and innovation in financial instruments is key to scaling sustainable investments in the GCC region.

Link to Mr Philippe Richard's presentation can be viewed [here](#).

SESSION I: GREEN FINANCE AND INVESTMENT IN THE EU AND THE GCC REGIONS: POLICY AND REGULATORY FRAMEWORKS

Summary of Panel Discussion: Green Finance and Investment in the EU and GCC Regions – Policy and Regulatory Frameworks

Moderator:

- **Mr. Erick Ruiz Araya, Deputy Director of Project Facilitation and Support (PFS) Division, IRENA**

Panelists:

- **Mr. Philippe Richard, Executive Director - International Affairs, ADGM**
- **Mr. Serge Giacomotto, Policy Officer on Sustainable Finance, EU Commission**
- **Ms. Eva Torreblanca, Division Director - Environmental Policy Analysis and Economics, Environment Agency - Abu Dhabi**



Key Points Discussed:

- **Policy Needs for Green Finance:**
 - Mr. Philippe Richard emphasized the GCC's efforts to create regulatory frameworks that support green finance, particularly through initiatives such as ADGM's sustainable finance guidelines and disclosure requirements. He highlighted the necessity of public-private partnerships to bridge the investment gap for sustainable infrastructure projects.
 - Mr. Serge Giacomotto provided an overview of the EU's Emissions Trading System (ETS) and its impact on mobilizing capital for green investments. He stressed the role of carbon pricing and subsidies as essential tools to incentivize private investment in low-carbon technologies.
- **Regional Policy Initiatives:**
 - Ms. Eva Torreblanca shared insights into Abu Dhabi's climate change strategy, developed in collaboration with 30 government entities. The strategy includes implementing robust MRV (Measurement, Reporting, and Verification) systems and exploring carbon pricing mechanisms. She also highlighted initiatives to incentivize companies to invest in decarbonization technologies.
- **Alignment with International Standards:**
 - The panelists agreed on the critical importance of aligning with international sustainability reporting standards, such as the EU Taxonomy and ISSB guidelines, to enhance investor confidence and attract global investments to the GCC.

SESSION I: GREEN FINANCE AND INVESTMENT IN THE EU AND THE GCC REGIONS: POLICY AND REGULATORY FRAMEWORKS

- **Challenges in Policy Implementation:**

- Mr. Giacomotto noted that adopting sustainability frameworks is a multi-step process, requiring continuous refinement. For example, the EU initially faced challenges with data gaps, where financial institutions lacked the necessary corporate disclosures to assess sustainability risks effectively.
- Mr. Richard highlighted the importance of a traffic-light taxonomy system to classify activities into green, amber, or brown categories, ensuring clarity for investors while adapting to regional needs.

- **Innovative Approaches and Success Stories:**

- Ms. Torrealblanca discussed Abu Dhabi's focus on strengthening the environmental innovation and investment ecosystem by supporting startups, research and development, and investor education programs.
- The panelists highlighted the EU's green bond market and carbon pricing mechanisms as examples of successful policies that could inspire the GCC.

- **Collaborative Opportunities Between EU and GCC:**

- The discussion emphasized the need for closer collaboration between the EU and GCC in policy alignment, knowledge sharing, and capacity building to drive a cohesive green finance agenda. The GCC can benefit from the EU's expertise in standardization and innovative finance instruments.

Key Takeaways:

- Both regions recognize the importance of developing transparent regulatory frameworks to foster green investments.
- Collaborative efforts between public and private sectors are essential to overcoming barriers such as regulatory inconsistencies and market readiness.
- The EU's experience in carbon markets and green bonds serves as a valuable model for the GCC to adapt and scale regionally.
- International alignment on sustainability standards and robust MRV systems are critical to building investor confidence and ensuring the success of green finance initiatives in both regions.



SESSION II:

GREEN TRANSITION FOR THE FUTURE FINANCING AND INVESTING: SIGNIFICANT AND UPCOMING MAJOR SCALE INVESTMENTS

Summary of Introductory Presentation by Mr Atanu Das, Executive Vice President, Head of Project Finance, ACWA Power

Key Focus:

Raising Large-Scale Capital for Green Transition in the GCC Region

Key Points Discussed:

- **ACWA Power's Role in Vision 2030:**
 - ACWA Power is a key enabler of Saudi Arabia's Vision 2030, aiming to lead the region in renewable energy, green hydrogen, and water desalination.
 - The company has positioned itself as the largest private water desalinator globally and a leading private power producer in the Middle East.
- **Scaling Investments for the Green Transition:**
 - Over the last five years, ACWA Power has seen a 2.9x growth in its power and water portfolios, highlighting its rapid scale-up in renewable energy projects.
 - Investment in renewable energy projects has exceeded \$92 billion as of September 2024, focusing on technologies such as CSP (Concentrated Solar Power), PV (Photovoltaics), and wind energy.
- **Notable Achievements in Green Transition:**
 - The company successfully raised USD 2.9 billion to fund large-scale solar power projects, showcasing its ability to attract global investments for sustainable infrastructure.
 - Achievements include being the preferred partner for 70% of Vision 2030's Renewable Power Program in KSA and pioneering green hydrogen development in NEOM.
- **Innovative Financial Models:**
 - ACWA Power has utilized capital recycling strategies, monetizing stakes in select assets to reinvest in high-priority projects.
 - Through partnerships with global and regional stakeholders, the company has implemented financial models to de-risk investments and attract private capital.
- **Future Ambitions and Growth:**
 - ACWA Power plans to triple its assets under management (AUM) to USD 250 billion by 2030, with significant growth anticipated in renewable energy, energy storage, and water solutions.
 - The company remains focused on developing giga-projects such as green hydrogen in NEOM and multi-utility infrastructure for the Red Sea Development.
- **Regional Leadership in Green Hydrogen:**
 - As a first mover in green hydrogen, ACWA Power has taken a leadership role in advancing the technology within the GCC, solidifying its position in the global transition to sustainable energy systems.
- **Global Partnerships for Sustainable Development:**
 - By fostering collaborations with public and private sectors, ACWA Power has positioned itself as a critical player in bridging investment gaps and driving large-scale sustainable projects in the GCC region.

Takeaways:

- ACWA Power's ability to mobilize significant capital highlights the importance of innovative financial models and strategic partnerships in achieving regional and global green transition goals.
- The GCC's green transition agenda is bolstered by key players like ACWA Power, whose vision aligns with sustainable economic growth and energy diversification under Vision 2030.
- Collaboration and scalability remain essential to overcoming financial and infrastructural challenges in the renewable energy sector.

Link to Mr Atanu Das's presentation can be viewed [here](#).

SESSION II: GREEN TRANSITION FOR THE FUTURE FINANCING AND INVESTING: SIGNIFICANT AND UPCOMING MAJOR SCALE INVESTMENTS

Summary of Session II: Green Transition for the Future Financing and Investing – Significant and Upcoming Major Scale Investments

Moderator:

- Ms. Eva Levesque, Senior Editor, Arabian Gulf Business Insight

Panelists:

- H.E. Lucie Berger, Ambassador of the European Union to the United Arab Emirates
- Mr. Atanu Das, Executive Vice President, Head of Project Finance, ACWA Power
- Mr. Georges El Hajj, Senior Director Sustainable Finance, Emirates NBD



Key Points Discussed:

Challenges and Opportunities in Green Finance in the GCC:

- H.E. Lucie Berger highlighted challenges in the Gulf, such as cheap energy acting as a disincentive for the green transition and the high risks associated with diversification. However, she noted that countries like the UAE demonstrate substantial commitment, vision, and investment.
- Mr Georges El Hajj underscored the evolving mindset of banks regarding risk and credit appetite for green projects. Sustainability transformation within financial institutions is gradually embedding ESG considerations in decisions.
- Mr. Atanu Das emphasized the progress in financing green assets, stating that the region is moving beyond challenges and focusing on opportunities. He observed increasing acceptance of green financing, though conventional projects still dominate.

Role of Public-Private Partnerships (PPPs):

- Panelists agreed on the importance of PPPs in bridging the financing gap for major green transition projects. Collaborative efforts between governments and private investors are critical for scaling up renewable energy, hydrogen, and climate-resilient infrastructure.

EU's Framework and Expertise in Green Finance:

- H.E. Lucie Berger discussed how the EU's regulatory framework, such as the EU Taxonomy, fosters investor confidence. She highlighted initiatives like the European Green Deal, the Global Gateway, and the EU's leadership in green bond issuance as examples of expertise that could support the GCC in scaling its green transition efforts.

Financing Innovations and Green Bonds:

- Mr. Atanu Das described how ACWA Power is utilizing innovative financial mechanisms, such as green bonds and sustainability-linked loans, to fund large-scale renewable energy projects. He shared how structuring financial products tailored to project requirements and engaging with rating agencies and capital markets have been critical to their success.
- Mr Georges El Hajj noted a significant uptick in sustainable finance issuance, with the UAE and Saudi Arabia dominating the market in the region.

SESSION II: GREEN TRANSITION FOR THE FUTURE FINANCING AND INVESTING: SIGNIFICANT AND UPCOMING MAJOR SCALE INVESTMENTS

Integrating ESG into Investment Decisions:

- The panel highlighted the importance of integrating ESG and sustainability impact assessments to ensure alignment with long-term goals. Mr. Georges El Hajj emphasized the growing need for comprehensive frameworks and enhanced data reporting to address greenwashing concerns.

Hydrogen Economy and Climate-Resilient Cities:

- The discussion explored the potential for hydrogen projects, with panelists noting the GCC's ambitious plans and the need for substantial investment. Attracting international capital for climate-resilient cities and modernizing infrastructure was seen as a priority.

Future Directions and Collaboration:

- The session emphasized the need for knowledge exchange between the EU and GCC to align on sustainability frameworks, harmonize policies, and attract diverse investors. International collaboration was identified as a driver for innovation and project scalability.

Outcomes:

- Policy Recommendations: Harmonize green finance frameworks between the EU and GCC, including ESG criteria and impact assessments.
- Investment Strategies: Identify innovative financial instruments, such as blended finance and green bonds, to address the financing gap.
- Best Practices: Learn from landmark projects like ACWA Power's solar investments to scale similar initiatives.
- Public-Private Models: Develop robust PPP frameworks to accelerate project implementation.

This panel discussion highlighted the transformative potential of green finance in fostering sustainable economic growth while addressing key challenges and leveraging collaborative synergies between the EU and GCC.



SESSION III: BUILDING A GREEN FINANCE & INVESTMENT ECOSYSTEM IN THE GCC: A GCC CARBON MARKET AS AN INNOVATIVE FINANCE TOOL

Introductory Presentation by Mr Thomas Berheim, Policy Analyst, Task Force on Climate Pricing and Markets Diplomacy, DG Climate Action, European Commission: EU High Level on Europe's ETS and Carbon Markets

Key Points Discussed:

European Climate Framework and Goals:

- The European Union has established legally binding climate targets under the European Climate Law.
- Goals include achieving climate neutrality by 2050, reducing greenhouse gas (GHG) emissions by at least 55% by 2030 (compared to 1990 levels), and a 90% reduction by 2040.

EU Emissions Trading System (EU ETS):

- Core Mechanism: The EU ETS is a cap-and-trade system aimed at cost-effectively reducing emissions across key sectors, such as electricity, heat, industrial manufacturing, and aviation.
- Achievements: Since its inception in 2005, the EU ETS has helped reduce emissions from covered sectors by 47% and has generated over \$210 billion in auction revenues, all allocated to climate purposes.
- Expansion: The ETS has recently been extended to include maritime transport, buildings, and road transport sectors.

Rationale for Carbon Pricing:

- Carbon pricing is a key policy tool for achieving climate goals, fostering cost-effective emission reductions, stimulating innovation, and generating revenues for climate investments.
- The mechanism promotes a level playing field for clean alternatives and facilitates economic benefits like job creation and improved air quality.

Global Context:

- Globally, 36 emissions trading systems (ETSs) are operational, with 14 more under development. ETSs now cover 27% of CO₂ emissions from energy use.
- The EU collaborates with other regions to develop carbon pricing strategies, sharing lessons learned and offering technical assistance.

Mechanism of Cap-and-Trade:

- A fixed emissions cap is established, and allowances are distributed to entities. These allowances can be traded, creating flexibility and cost-efficiency in achieving emission reductions.
- The system includes a Market Stability Reserve to adjust the flow of allowances and mitigate price volatility.

Lessons for the GCC:

- A GCC carbon market could draw on the EU's experience, focusing on strong regulatory frameworks, pilot testing, accurate monitoring, and public engagement.
- Recommendations include:
 - Maximizing transparency and legal certainty.
 - Embedding carbon markets into broader climate and economic strategies.
 - Limiting offsets while investing in domestic low-carbon technologies.
 - Using auction revenues for climate action and just transition policies.
- Ensuring system resilience to external shocks, such as economic fluctuations, is critical.

Revenue Utilization:

- Revenues generated through the ETS are dedicated to innovation funds, modernization efforts, and social climate initiatives.

Outlook for GCC Carbon Markets:

- With increasing interest in carbon markets in the GCC, a focus on collaboration, knowledge transfer, and leveraging global carbon pricing expertise can position the region as a leader in innovative climate finance tools.

Link to Mr Thomas Berheim's presentation can be viewed [here](#).

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Introductory Presentation by Mr George von Waldburg, Director of Environmental Markets, ICE Futures Europe: ICE on Carbon Markets in the GCC and global

- **Introduction to ICE and Its Role in Carbon Markets:**
 - ICE (Intercontinental Exchange) is a global energy exchange, critical for providing transparency and price discovery in energy markets.
 - Hosts the world's largest environmental markets, trading over 50% of the global greenhouse gas compliance markets, including 115 billion tonnes of allowances equivalent to 3x the world's annual CO₂ footprint.
- **Importance of Carbon Markets in the Energy Transition:**
 - Carbon pricing is essential to drive decarbonization by integrating externalities into energy costs.
 - ICE facilitates futures trading to enable long-term planning and financing for clean energy projects, promoting investments in renewable energy, carbon offsets, and emission allowances.
- **How Carbon Markets Work:**
 - Markets operate on the principle of "cap and trade," allowing entities to trade emission allowances within a capped total.
 - Pricing mechanisms incentivize reductions in emissions, as high-carbon emitters must either reduce emissions or buy allowances.
- **Net Zero and the Carbon Budget:**
 - ICE emphasizes the "carbon budget" concept, which limits the total allowable emissions to meet climate goals.
 - Tools such as renewable energy certificates (RECs), carbon offsets, and allowances play roles in aligning corporate actions with net zero pathways.
- **Case Study – UK Carbon Market:**
 - Highlighted the UK's success in displacing coal from its energy mix through carbon pricing mechanisms like the Carbon Price Support (CPS), which complemented the EU ETS.
 - Resulted in coal dropping from 40% to 2% of the UK's energy mix.
- **Environmental Markets Today:**
 - Despite the success of compliance markets, 80% of global emissions remain unpriced, representing a significant challenge.
 - Voluntary Carbon Markets (VCMs) account for less than 5% of global volumes but hold potential if integrated into mandatory schemes.
- **Challenges and Recommendations:**
 - Integrity and transparency are critical for scaling carbon markets.
 - Recommendations for the GCC include integrating carbon credits into compliance programs and adopting high standards (e.g., CORSIA).
 - A mindset shift is necessary to prioritize financial offsetting alongside physical offsetting for emissions reduction.
- **Opportunities in the GCC:**
 - The region's focus on energy exports and the growing interest in hydrogen and renewables position it well for leveraging carbon markets.
 - ICE's experience in compliance markets globally could inform the design of effective carbon trading systems in the GCC.

Link to Mr George von Waldburg's presentation can be viewed [here](#).

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Panel Discussion:

- Mr George von Waldburg, Director of Environmental Markets, ICE Futures Europe
- Mr Thomas Berheim, Policy Analyst, Task Force on Climate Pricing and Markets Diplomacy, DG Climate Action, European Commission (online)
- Mr Jan Haizmann, CEO, Zeta Global

Moderator: Mr Spyros Kouvelis, Team Leader, EU-GCC Cooperation on Green Transition Project



Key Points Discussed

EU Emissions Trading System (ETS) Insights:

- Thomas Berheim (DG Climate Action):
 - Highlighted the success of the EU ETS, the world's largest carbon market, as a benchmark for GCC.
 - Emphasized the need for strong regulatory frameworks, robust monitoring, reporting, and verification (MRV) systems, and transparent price discovery mechanisms.
 - Discussed the role of carbon pricing in driving emissions reductions and promoting innovation.
 - Advocated for regional cooperation and alignment of carbon markets to ensure liquidity, price stability, and investor confidence.
 - Suggested gradual development of carbon markets in the GCC, starting with foundational data collection and benchmarking.

Market Dynamics and Operational Considerations:

- **George von Waldburg (ICE Futures Europe):**
 - Stressed the importance of liquidity and size in building credible and efficient carbon markets.
 - Suggested that GCC countries collaborate to establish a regional market, avoiding fragmented, small-scale systems that hinder price discovery and efficiency.
 - Shared insights into ICE's role in providing price signals and fostering innovation in carbon trading.
 - Highlighted the importance of aligning market structures with environmental and economic objectives to attract private investment and international participants.

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Economic and Regulatory Conditions:

- Jan Haizmann (Zeta Global):
 - Addressed the role of digital tools and data analytics in enhancing market transparency and investor confidence.
 - Emphasized the necessity of aligning carbon markets with international standards to ensure compatibility and scalability.
 - Highlighted the potential of GCC carbon markets to incentivize low-carbon projects and attract private sector engagement, provided regulatory certainty and consistent policy frameworks are established.

Carbon Pricing and Credits:

- All panelists agreed on the importance of carbon credits and offsets as tools for financing green projects while cautioning against their over-reliance.
- Discussed the balance between voluntary and compliance-based markets, suggesting that GCC markets adopt best practices from successful systems like the EU ETS.

Challenges and Opportunities in the GCC:

- The region's cheap energy sources were identified as both a challenge and an opportunity for carbon market adoption.
- Panelists emphasized the need for government commitment and regional collaboration to create the critical mass needed for effective carbon markets.
- Proposed integrating carbon markets with broader green finance strategies, including renewable energy investments and ESG-aligned financial products.

EU-GCC Collaboration:

- Panelists advocated for knowledge sharing and technical assistance from the EU to help GCC countries design and implement carbon markets.
- Discussed the potential for joint projects and alignment of policies to facilitate cross-border trading and compliance with international climate goals.

Expected Outcomes

- Development of a roadmap for GCC carbon markets leveraging EU expertise and market insights.
- Policy recommendations to integrate carbon markets with broader climate and sustainability strategies.
- Identification of collaboration opportunities between EU and GCC stakeholders to align regional carbon markets with global best practices.

This session underscored the transformative potential of carbon markets as a tool for green finance and sustainable development, with clear takeaways for GCC countries to begin building a cohesive and efficient carbon market ecosystem.



CLOSING REMARKS: MR SPYROS KOUVELIS, TEAM LEADER, EU-GCC COOPERATION ON GREEN TRANSITION PROJECT



In his closing remarks, Mr. Spyros Kouvelis emphasized the forum's commitment to fostering deeper collaboration and understanding through future technical sessions and masterclasses. These follow-up sessions will focus on detailed discussions across various topics, with a structured program of events planned across multiple GCC countries.

Key outcomes from the forum were highlighted, including the critical importance of clear regulations and well-defined objectives in driving green finance and supporting the green transition. The European Union's expertise in crafting effective regulatory frameworks was recognized as a global benchmark for green transition initiatives. Furthermore, the significance of collaboration and partnerships between the EU and GCC was underscored as a vital element in achieving shared green transition goals.

Mr. Kouvelis expressed gratitude to all participants, speakers, and moderators for their contributions to the forum's discussions. Special thanks were extended to supporting organizations, including the International Renewable Energy Agency (IRENA), International Energy Agency (IEA), Abu Dhabi Global Market (ADGM), and ICE Futures Europe, as well as to the European Delegation in the UAE and all GCC countries EU Delegations for their invaluable support. He also acknowledged the dedication and efforts of the project team and the technical and logistical staff, in ensuring the event's success.

Looking ahead, Mr. Kouvelis announced that a comprehensive report summarizing the forum would be shared soon, providing access to presentations and additional technical references for continued learning. He concluded by thanking attendees for their active engagement and invited them to enjoy lunch, marking the end of a productive and insightful event.

IMPRESSIONS



Link to Photo Album can be viewed [here](#).

ABOUT THE PROJECT

THE EU-GCC COOPERATION ON GREEN TRANSITION PROJECT



Launched in August 2023, this project funded by the European Union marks a significant milestone in the long partnership between the European Union (EU) and the Gulf Cooperation Council (GCC). By addressing critical global challenges such as climate change and sustainable development, the project builds upon the EU-GCC Cooperation Agreement Document signed in 1989. The Joint Action Programme for 2022-2027 endorsed in February 2022 outlines the strategic framework for cooperation, emphasizing the need to join forces in addressing climate change and make progress on green transition. This project reflects the shared commitment to leveraging EU expertise to deepen cooperation and engagement, promote green policies and technologies, and create a conducive business environment for collaboration among energy-related and green tech companies in the Gulf.

KEY OBJECTIVES

The project aims to strengthen political and technical relationships at regional and bilateral levels by:

- Deepening engagement towards green transition and climate change mitigation and adaptation.
- Promoting the uptake of green transition policies and technologies by the GCC countries.
- Facilitating a conducive business environment between EU and GCC green tech companies in the Gulf region.

IMPACT

- Enhanced knowledge exchange on climate action and green transition.
- Raised awareness on climate change, sustainable practices and circular economy.
- Strengthened network for collaboration in green solutions and energy transition.
- Proactive EU Climate Diplomacy in the region.

STAKEHOLDERS

- State and non-state institutions, business community, & environmental NGOs.
- Researchers, academia, youth groups, & media outlets.
- EU and GCC businesses, particularly SMEs.
- EU Member States present in the GCC.

FOCUS AREAS



GREEN TRANSITION

Promote transformative change for green transition policies & practices within the GCC.



NET ZERO CARBON

Implement solutions for reducing carbon emissions in industrial & public sectors.



HYDROGEN MARKET

Support the development of a renewable hydrogen market in the Gulf region.



CLEAN-TECH SOLUTIONS

Foster innovations in renewable energy technologies & clean-tech industries.



CLIMATE CHANGE ADAPTATION

Strengthen resilience & adaptive capacities to climate-related hazards.



ENVIRONMENTAL PROTECTION

Launch initiatives to preserve biodiversity & natural habitats, including marine protection.



CIRCULAR ECONOMY

Encourage the adoption of sustainable waste management & resource efficiency.



SUSTAINABLE FINANCE

Engage financial institutions in channelling investment & finance in support of green transition.



Funded by the European Union

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