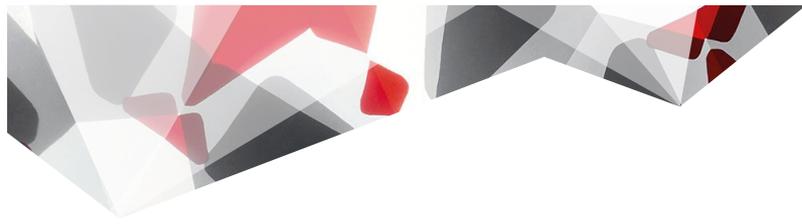




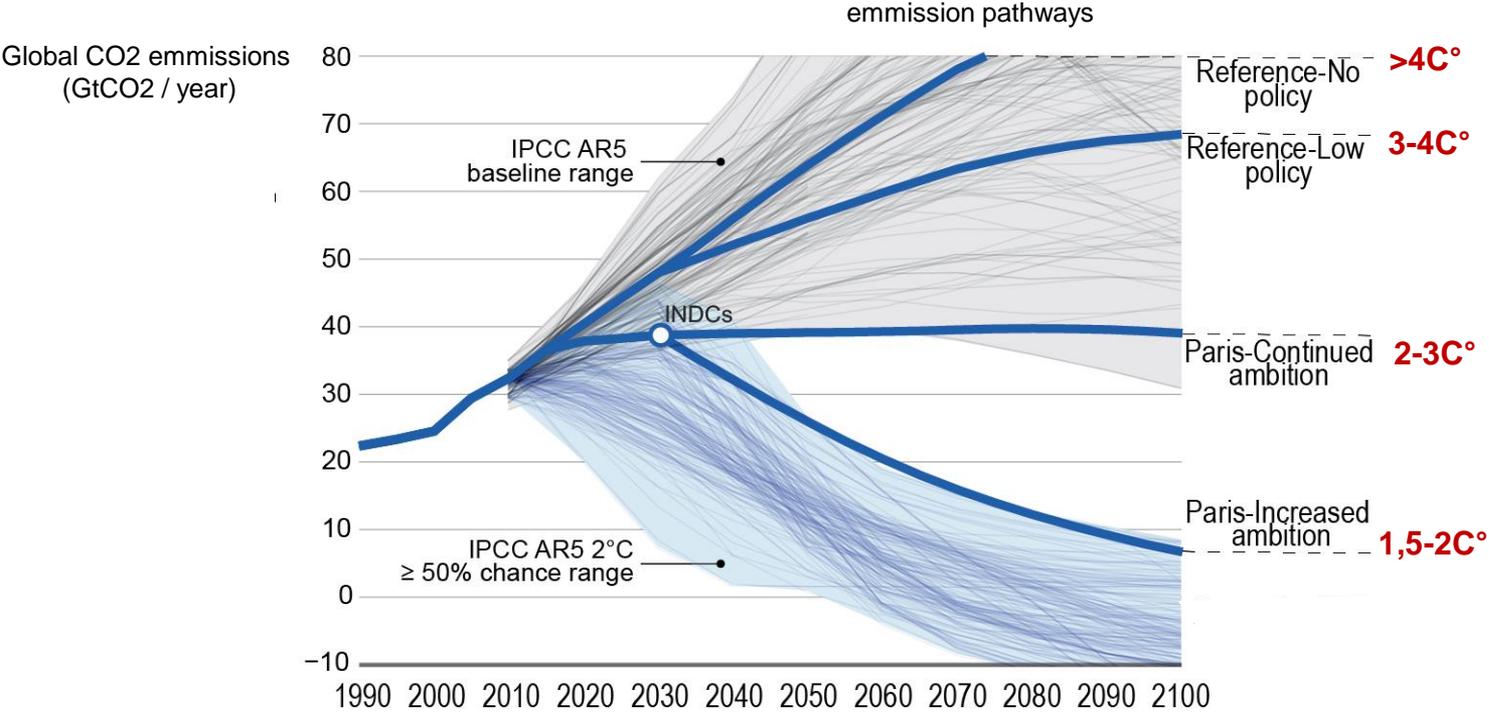
# Sustainable Finance @ GIZ

EMGN Spring Academy 2022  
Greening CGIs in the MENA Region  
March 21, 2022



# Why is Green & Climate Finance important?

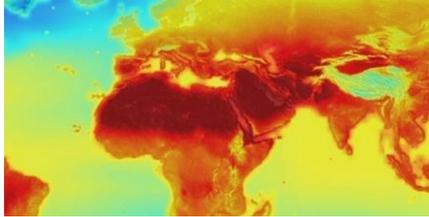
# Climate change is real



Source: IPCC



## The Arab region is heavily hit



In the 3-4°C scenario, the Middle East might be uninhabitable by the end of this century.



In the 3-4°C scenario, global sea levels will rise 7-9m. Affecting Alexandria for example.



Middle East is the most water-stressed region in the world: 20% reduction of fresh water by 2030.

## The financial sector has realized the call for action...

### Business



*“We want to save the planet because without the planet we're out of business”.*

**Peter Giger, Chief Risk Officer, Zurich Insurance**

### Government



**BIS, Basel**

*“Climate change could lead to “green swan” events: Climate catastrophes are even more serious than most systemic financial crises: they could pose an existential threat to humanity”*

<https://www.bis.org/publ/othp31.htm>

## From Green Finance to Sustainable Finance



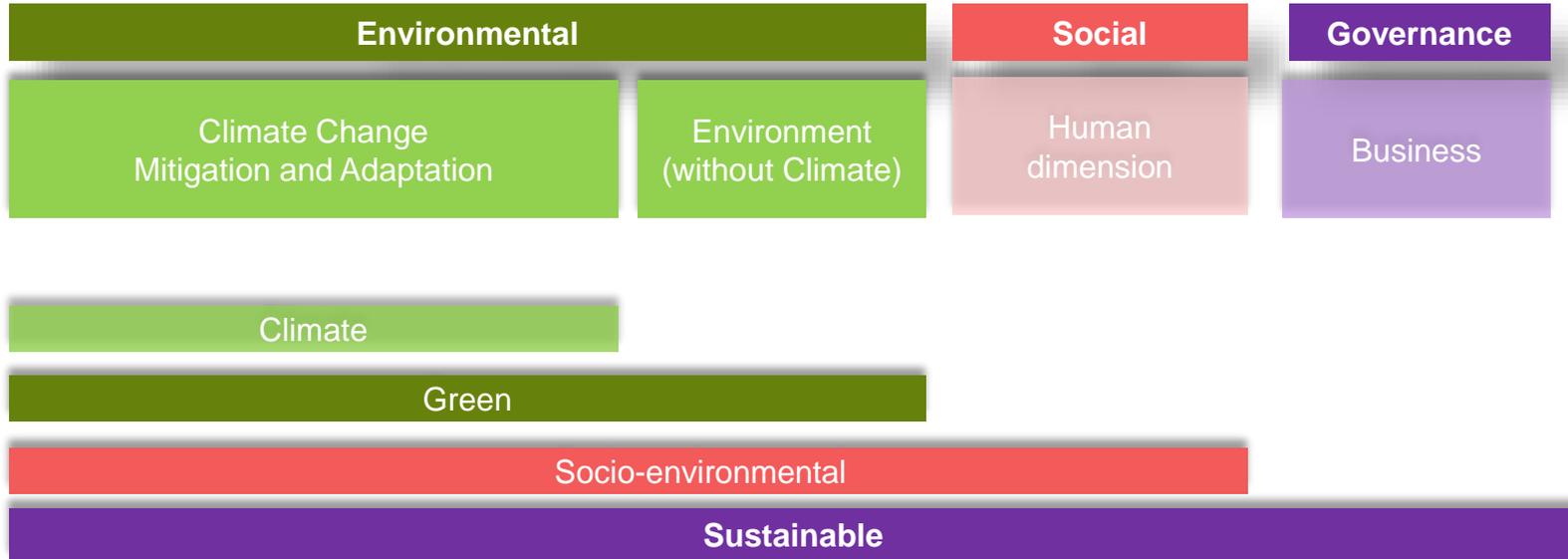
Green Finance



Sustainable Finance

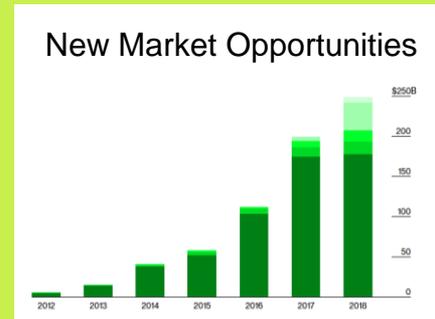
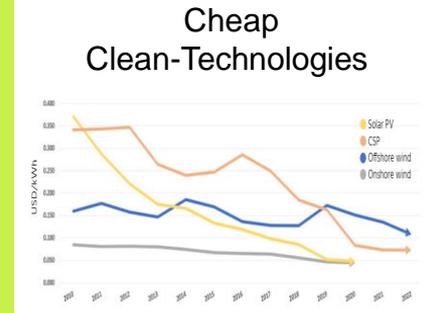
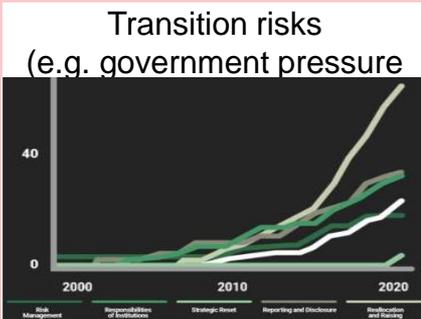
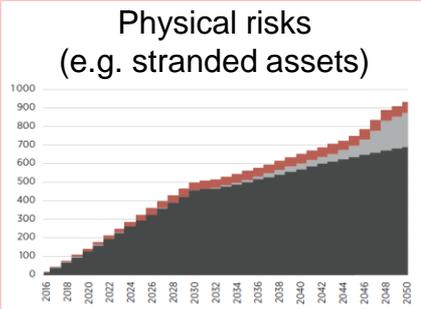
- The SDG financing gap in emerging and developing countries is USD 2.5 trillion annually.
- International pension funds and insurance companies manage USD 100 trillion.
- 2.5% of these funds would be sufficient to close the annual financing gap.

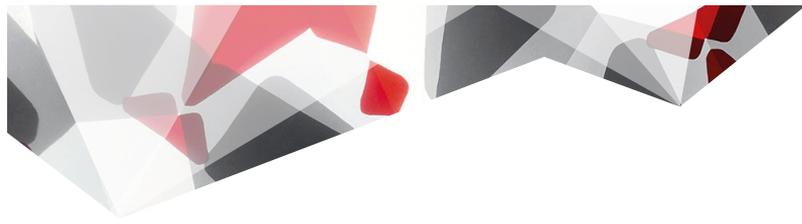
# Defining Green and Sustainable Finance



Source: European Commission / UNEP Inquiry.

# The financial industry acts according to risks and opportunities





# What is happening in response to climate change and other sustainability challenges?

# International Momentum is Gathering



# EU and Germany – Forging Ahead with Increasing Global Ambition



European Commission

## FINANCING SUSTAINABLE GROWTH



*“Because we know: Climate change is about all of us. We have the duty to act and the power to lead.”*



Die Bundesregierung



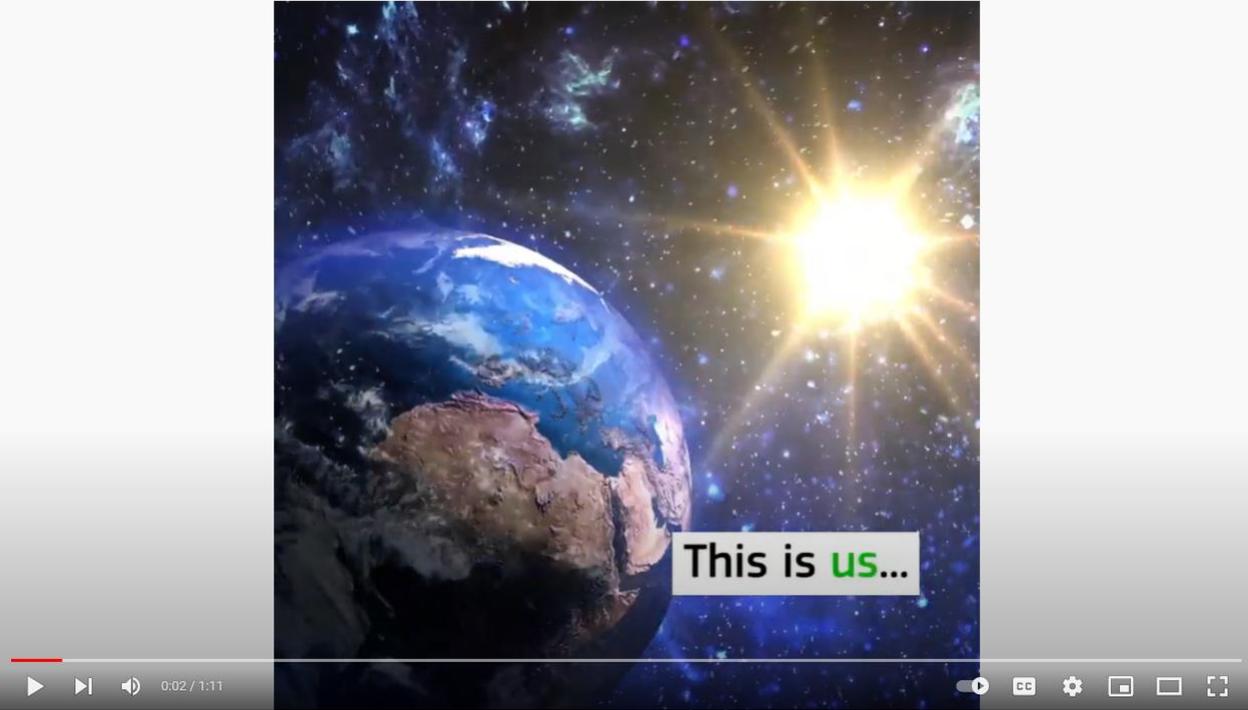
Deutsche Sustainable Finance-Strategie

# SUSTAINABLE FINANCE

<https://youtu.be/wuO81U7q83I>

YouTube <sup>DE</sup>

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This is us...

Launch of the International Platform on Sustainable Finance

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# The EU is a global leader in sustainable finance



# Example: EU Taxonomy

## Green Taxonomy



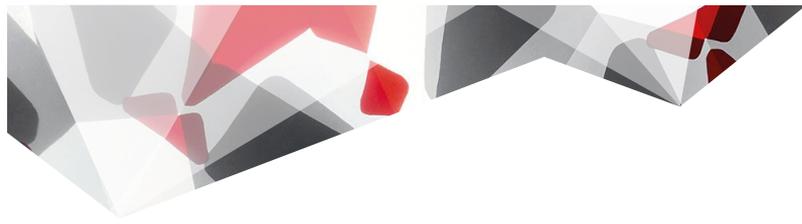
## Social Taxonomy



# The Means to an End

- Taxonomy is a classification of economic activities, that defines whether they are sustainable or not.
- Common understanding of sustainability
- Transparency and comparability





# What is the Arab region doing in sustainable finance?

## The world will look at the Arab region and COP27



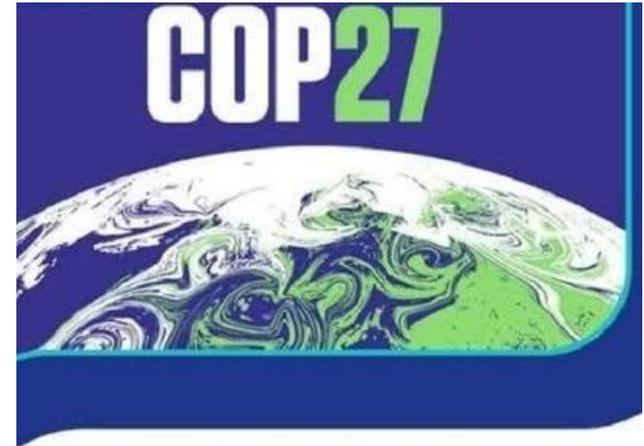
UN CLIMATE  
CHANGE  
CONFERENCE  
UK 2021



**GFANZ**

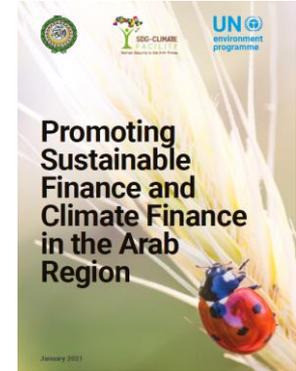
Glasgow Financial Alliance for Net Zero

*„Capital committed to net zero now at over \$130 trillion, up from \$5 trillion when the UK and Italy assumed COP26 Presidency”*



**Egypt officially hosts the UN  
Climate Change Conference  
(COP 27) in 2022.**

# Green Finance Actions in the Arab World



- The **UAE** leads sustainable finance practices in the region



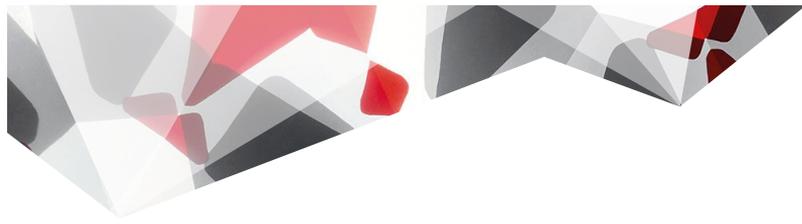
- **Morocco** and **Egypt** are preparing national sustainable finance frameworks



- **Jordan** and **Bahrain** have committed to aligning their financial systems to finance their sustainable development agenda.

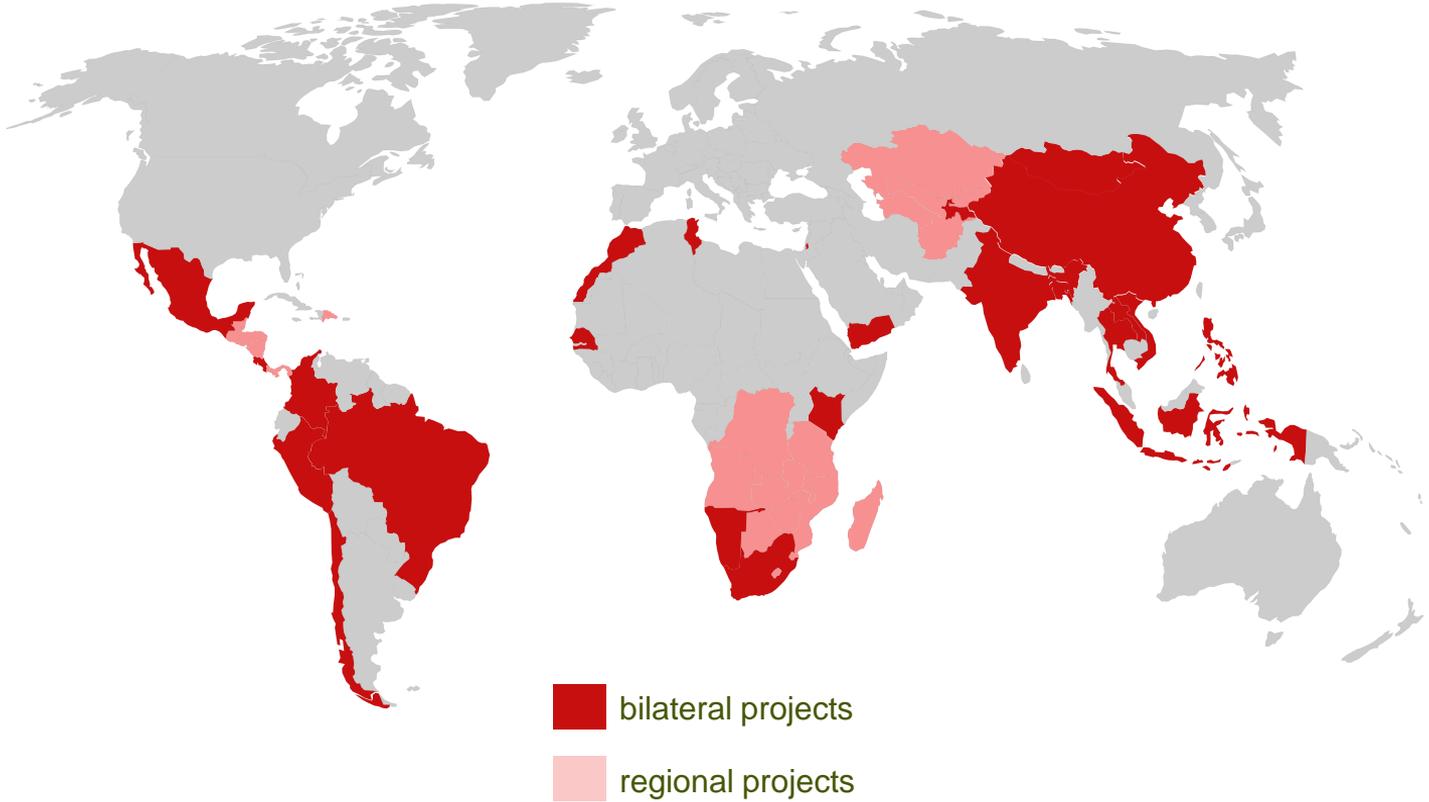


- **Saudi Arabia's** national policy framework has been driven mainly by economic diversification reforms to reduce their oil dependence and increase the contribution of their non-oil sectors to GDP, while also increasing private sector participation.



# Green Finance Portfolio of GIZ

# GIZ Green Finance: Projects Worldwide



Thank you!

