
Developing Sustainable Climate Finance Mechanisms – The UAE Model

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Abstract:

This study aims to highlight the United Arab Emirates' experience in developing sustainable climate finance mechanisms, positioning it as a pioneering model in the Middle East and North Africa region from which other countries can benefit. To achieve the objective of the study, a descriptive and analytical methodology was adopted. This was carried out through the presentation and analysis of government policies and initiatives by the country to address the impacts of climate change and promote sustainable development. Additionally, the study evaluated the country's orientation toward innovation in green finance instruments by presenting and analyzing the green issuances carried out over the past five years. The study concluded that the United Arab Emirates has strengthened its role as a regional and international hub in the field of sustainable climate finance. Through regulatory frameworks, innovative financial tools, and commitment to climate justice and global cooperation.

Keywords: Climate finance; United Arab Emirates; Green finance; Green bonds; Green loans.

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1. Introduction:

Climate change has emerged as one of the most pressing challenges facing all countries in recent years. In response to the economic and social repercussions of this global phenomenon, many countries have made considerable efforts to reduce carbon emissions and promote sustainable development. In this context, sustainable climate finance has emerged as a strategic tool for achieving global environmental goals by directing financial flows toward environmentally friendly projects that support either the mitigation or the adaptation to the negative effects of climate change, while preserving the wealth of future generations.

Amid the accelerating challenges posed by climate change, the United Arab Emirates (UAE) has emerged as a leading model in the Middle East and North Africa (MENA) region. It has launched several strategic initiatives and policies in the field of climate change, most notably the National Climate Change Plan 2017-2050, The National Climate Adaptation Action Plan in priority sectors, the Federal Law on Reduction of Climate Change Effects, and the Energy Strategy 2050, and other efforts that reflect the UAE's commitment to transitioning toward sustainable development. At the heart of this commitment lies sustainable climate finance, which plays a crucial role in the success of these initiatives and policies.

Sustainable climate finance is not limited to providing financial resources to support environmental projects; it goes beyond that to include supporting activities and projects that contribute to mitigating the negative impacts of climate change and adapting to them, while taking into account economic, social, and environmental aspects. This is achieved through the development of regulatory and legislative frameworks that support sustainable finance. The UAE has successfully developed sustainable climate finance mechanisms by adopting a proactive model based on the development of innovative financial tools and the establishment of a supportive legislative and regulatory environment.

When the UAE hosted the 28th conference of the parties (COP28), key pressing climate challenges were brought to the forefront, among them the issue of climate finance. In this context, the UAE established a pioneering model that reflects its commitment to enhancing sustainable climate finance mechanisms at both the local and international levels. This model is exemplified by the allocation of AED 600 billion for domestic clean and renewable energy investments to achieve net-zero emissions by 2050, USD 30 billion for the establishment of a Global Climate Solutions Fund, USD 16.8 billion for renewable energy projects globally, USD 4.5 billion to help unlock Africa's clean energy potential, USD 200 million to support the Resilience and Sustainability Trust (RST), and USD 100 million for the Global Climate Fund (MOF, 2023).

The UAE's hosting of the COP28 marked a turning point in its climate journey. The country launched significant financing initiatives to support developing nations and those affected by the impacts of climate change, while also reaffirming its commitment to climate justice and international cooperation. As a result, the

UAE's national model has gained international dimension. Therefore, it has become essential to analyse this model as a pioneering experience from which valuable lessons can be drawn. This brings us to the core problem addressed by this study, which can be formulated as follows:

How has the UAE succeeded in building a comprehensive model for developing sustainable climate finance mechanisms?

To answer this research question, the following sub-questions are proposed:

- What are the UAE's key efforts to address climate change challenges and achieve environmental sustainability?
- What sustainable finance instruments does the UAE use to support environmental and climate-related projects?

To answer the main research question, the following two hypotheses will be tested:

- The success of the UAE in developing sustainable climate finance mechanisms is attributed to the effectiveness of government policies and initiatives.
- The success of the UAE in developing sustainable climate finance mechanisms is attributed to the effectiveness of innovative financial instruments.

This study derives its importance from the nature of the topic it addresses. Sustainable climate finance is one of the most pressing challenges in the field of climate action, especially for countries that have committed to achieving climate neutrality and reducing carbon emissions. The UAE has established a pioneering model in the area of climate finance at both the national and international levels. This model serves as an example to be followed in securing the necessary funding to confront climate change and mitigate its impacts.

This study aims to shed the light on the UAE's model in sustainable climate finance by presenting and analyzing the governmental policies and initiatives adopted to address the impacts of climate change and promote sustainable development. It also seeks to examine how the UAE has created an enabling environment for enhancing sustainable climate finance tools.

To achieve the study's objectives, a descriptive approach was employed to review the governmental policies, initiatives, and laws adopted by the UAE in the fields of climate change and sustainable development. Additionally, an analytical approach was used to evaluate the sustainable climate finance instruments implemented in the UAE. This involved analyzing green issuances (such as green bonds and green sukuk, green loans, green investment funds, and green insurance) over the past five years, in order to illustrate and assess the country's recent strategic shift toward innovation in green finance tools.

2. International mechanisms for climate finance:

Climate finance refers to local, national or transnational financing-drawn from public, private and alternative sources of financing-that seeks to support mitigation and adaptation actions that will address climate change. The developed countries should provide financial resources to assist developing countries which climate change. The contribution of countries to climate change and their capacity to prevent it and cope with its consequences vary enormously (UNFCCC, n.d.). Generally, climate finance refers to the flow of funds that is required to support activities aimed at carbon mitigation and adaptation to the adverse effects of climate change (Ministry of Finance, 2019, p. 6).

To facilitate the provision of climate finance, the Global Environment Facility (GEF) has served as an operating entity of the financial mechanism since 1994. At COP16, in 2010, Parties established the Green Climate Fund (GCF) and in 2011 also designated it as an operating entity of the financial mechanism. In addition to their responsibility for providing guidance to the GEF and the GCF, Parties have established two special funds- the Special Climate Change Fund (SCCF) and the Least Developed Countries Fund (LDCF), both managed by the GEF-and the Adaptation Fund (AF) established under the Kyoto protocol in 2001. At the Paris Climate Change Conference in 2015, the parties agreed that the operating entities of the financial mechanism-GCF and GEF- as well as the SCCF and the LDCF shall serve the Paris Agreement (UNFCCC, n.d.).

3. The UAE's efforts to mitigate climate change:

The UAE realized early on that climate change poses a major threat to humanity that is why it must be addressed through proactive steps, and was among the first countries that joined the international efforts aimed at rehabilitating the ozone layer by reducing the use of ozone-depleting substances and raising awareness about the health, environmental and economic risks posed by these substances. In this context, the UAE has consistently made efforts at both national and international levels, which can be summarized as follows: (MOFA, 2020)

- The UAE's accession to the Vienna Convention and the Montreal Protocol in 1989, upon UAE Cabinet Resolution No.11/204.
- The UAE's adoption of the National Regime of Ozone Depleting Substances as part of Cabinet Resolution No.26 for 2014.
- The UAE's hosting of the 27th meeting of the member states of the Montreal Protocol in November 2015.
- The UAE's launching of the first national air quality platform, in September 2020, to monitor air quality in real-time, using an index based on five pollutants, including Ground-level Ozone (NCM, n.d.).

In response to international and regional calls to enhance the quality of data that would improve environmental policies and support sound decision-making, the Abu Dhabi Global Environmental Data Initiative (AGEDI) was launched on 02 September 2002 at the World Summit on Sustainable Development (WSSD) in Johannesburg by the UAE, the initiative is implemented by Environment Agency-Abu Dhabi (EAD) and the United Nations Environment Programme (UNEP) (AGEDI, n.d.). AGEDI's recent work has included: (EAD, n.d.)

- The Local, National and Regional (LNR) Climate Change Programme, which studied the vulnerability of multiple sectors to climate change.
- The Local, National and Regional Biodiversity Rapid Assessment project, which identified which UAE and regional ecosystems are under the most pressure.
- The Indicator Reporting Information System (IRIS), which has helped resource-limited organisations prepare and share state of environment assessments.

As part of the UAE's efforts to achieve sustainable development, the Ecological Footprint Initiative (EFI) was launched in 2007 as a national effort to ensure a sustainable future by measuring and understanding the impact of human lifestyle on planet Earth. The UAE's EFI is made up of a partnership between the Ministry of Environment and Water (MOEW); AGEDI; the Emirates Wildlife Society (EWS); and the Global Footprint Network (GFN). The UAE is the third country in the world, after Switzerland and Japan, to embark on in depth research to understand and manage its ecological footprint (Abdullatif & Alam, 2011, p. 6). The EFI contributed to achieving the following objectives: (Abdullatif & Alam, 2011, p. 5)

- Helping citizens to better understand and monitor their natural resource consumption.
- Raising the awareness about the ecological footprint, its relationship with climate change, by developing a range of educational and awareness-raising materials, including an award-winning animated film, a website, government workshops, university lectures and community events.
- Enhancing cooperation between the public and private sectors in conserving natural resources.
- Developing scientifically based environmental policies, such as developing the first science-based tool to assist with policy design for the power and desalinated water sectors.

The UAE's commitment to climate change was demonstrated by its being one of the first countries to ratify the historic Paris Agreement. The Paris Agreement established a global framework for adapting to the impacts of climate change, with a commitment to achieving the following goals: (United Nations, n.d.)

- Reducing warming levels by two degrees.
- Reducing carbon dioxide emissions.
- The commitment of developed countries to assist developing countries in confronting and adapting to climate change.

- The commitment of the countries that signed the Paris Agreement to submit an updated national climate action plan-known as Nationally Determined Contribution (NDC) every five years.

In 2015, the UAE launched the Green Agenda 2030, a long-term strategic national plan that includes the following five objectives: (U.AE, 2024)

- Competitive knowledge economy.
- Social development and quality of life.
- Sustainable environment and valued natural resources.
- Clean energy and climate action.
- Green life and sustainable use of resources.

In a move that reflects the UAE's awareness of the importance of enhancing its efforts in the field of environment and climate change, in 2016 the country expanded the mandate and responsibilities of the Ministry of Environment and Water to include all aspects related to national and international climate change issues, the ministry's name was changed to the Ministry of Climate Change and Environment, tasked with enhancing the country's efforts to address climate change issues and protect unique ecosystems. The UAE has also established a Department of Energy and Climate Change within its Ministry of Foreign affairs to ensure the necessary readiness to confront the challenges of climate change and implement the renewable energy agenda at the national and international levels. (U.AE, Climate Action, 2024)

As part of the UAE's commitment to raising environmental awareness among students and encouraging them to adopt sustainable practices that contribute to reducing their carbon footprint, the Ministry of Climate Change and Environment, in collaboration with the Ministry of Education, launched the "Our Generation" initiative in November 2016. The initiative aims to develop school curriculum based on the successful modules of "Sustainable School Initiative" and "Sustainable Campus Initiative" initiated by Environment Agency-Abu Dhabi. (U.AE, Climate Action, 2024)

In 2017, the UAE launched the National Climate Change Plan 2017-2050, a comprehensive national framework for managing climate change and achieving sustainability through the following key objectives: (U.AE, National Climate Change Plan of the UAE 2017-2050, 2024)

- Managing greenhouse gas (GHG) emissions while maintaining the country's sustainable economic growth.
- Minimising risks and improving adaptive capacity to climate change.
- Enhancing the UAE's economic diversification through innovative solutions in collaboration with the private sector.

With the aim of supporting the economic transformation of the UAE and encouraging the adoption of sustainable finance at the national level, the UAE Sustainable Finance Working Group (SFWG) was established in 2019. The members of the SFWG include ministries (Ministry of Finance, Ministry of Economy, Ministry of Climate Change and Environment, the Office of the UAE's Special Envoy for Climate Change), financial services regulators (the Central Bank of the UAE, the Securities and Commodities Authority, the Financial Services Regulatory Authority of Abu Dhabi Global Market and the Dubai Financial Services Authority), and UAE exchanges (Abu Dhabi Securities Exchange, Dubai Financial Market and Nasdaq Dubai) (SFWG, p. 1). The SFWG made significant progress in the field of sustainable growth and in addressing the challenges of climate change, having issued the following: (SCA, 2023)

- Published the Principles for the Effective Management of Climate-related Financial Risks urging financial firms to integrate climate-related financial risks into their business strategy and risk management.
- Published the Principles for Sustainability-Related Disclosures for Reporting Entities aiming to encourage transparency and reporting quality on environmental, social, and governance (ESG) matters.
- Published a summary of Design Principles, aiming to create a common sustainability language across the UAE.

The UAE is the first country in the MENA region to announce its goal of achieving climate neutrality, launching in October 2021 the UAE Net Zero by 2050 strategic initiative (U.AE, UAE Net Zero 2050, 2024), which focuses on expanding the utilization of renewable energy sources, implementing sustainable transportation and green building practices, incorporating nature-based solutions and employing carbon capture technologies. (U.AE, The UAE's Net Zero 2050 Strategy, 2024)

In the same year, at COP16, the Agriculture Innovation Mission for Climate (AIM for Climate) was launched as a global initiative led by the UAE and the United States of America, with the participation of several countries (AIM for Climate, 2022, p. 1). The initiative aims to enhance and accelerate innovation in agriculture and food systems to support climate action. Spanning five years, the initiative builds primarily on the UAE's proactive experience in adopting and investing in advanced technologies to address the challenges of climate change.

With growing recognition of nuclear energy as a clean and effective energy source for achieving climate neutrality, in September 2023, the World Nuclear Association (WNA) and the Emirates Nuclear Energy Company (ENEC), with the support of the Atoms4NetZero initiative of the International Atomic Energy Agency (IAEA),

launched the “Net Zero Nuclear” initiative, a global call for unprecedented collaboration among governments, industry leaders, and civil society to triple global nuclear capacity and achieve net zero by 2050. (ENEC, n.d.)

In recognition of the UAE’s efforts in the fields of energy and climate, it was selected to host the COP28, which was held in December 2023 in Dubai. During the conference, the UAE Banks Federation announced a significant initiative from the UAE banking sector, which aims to provide financing facilities to support sustainability by 2030 (WAM, 2023).

In line with the announcement of 2024 as the year of sustainability, as part of the joint efforts of the UAE supervisory authorities to upgrade requirement for sustainability- related disclosures for the UAE financial institution according to the best international practices, the UAE SFWG launched the the Principles for Sustainability-Related Disclosures for Reporting Entities on June 2024. (Central Bank of the UAE, n.d.)

As part of strengthening its environmental commitments, the UAE has issued the Federal Decree-Law No. (11) of 2024 on the Reduction of Climate Change Effects, which entered into force in May 2025. The decree aims to managing emissions within the country so as to ensure effective contribution to international efforts aimed at mitigating the impacts of climate change and achieving climate neutrality. (UAE Legislation, 2024)

4. Sustainable climate finance instruments in the UAE:

With the growing global trend toward a green economy and sustainable development, green bonds and green sukuk have emerged as effective financial instruments for financing environmental and climate projects across various sectors, such as green building, renewable energy, clean transportation and pollution prevention and control.

The UAE took its first steps in issuing green bonds and green sukuk in 2017, when First Abu Dhabi Bank (FAB) issued the first green bonds in the MENA region, valued at 587 million USD (FAB, 2020). This was followed by a series of issuances, particularly in 2019. However, in this context, we have presented and analysed green bond and green sukuk issuances from the past five years only, in order to highlight the country’s recent strategic direction towards supporting environmental sustainability and innovation in financial instruments. Sustainable bonds and sustainable sukuk were excluded from the analysis because their proceeds are allocated not only to financing environmental projects, but also to financing social projects, such as education and health. The following table presents data on green issuances carried out by the UAE during the periode from 2020 to 2024.

Table N°1: Green bond and Green Sukuk Issuances for the Period 2020-2024

Issuer	Type of Issuance	Issuance Date	Value	Tenor
First Abu Dhabi Bank	Green Bond	June 8, 2020	HKD 750 million	5 years
First Abu Dhabi Bank	Green Bond	January 28, 2021	CHF 260 million	6 years
First Abu Dhabi Bank	Green Bond	June 7, 2021	CNY 150 million	Not disclosed

First Abu Dhabi Bank	Green Bond	November 3, 2021	CHF 200 million	5 years
First Abu Dhabi Bank	Green Bond	March 31, 2022	EUR 500 million	5 years
First Abu Dhabi Bank	Green Bond	April 7, 2022	CHF 200 million	4 years
Abu Dhabi Commercial Bank	Green Bond	September 8, 2022	USD 500 million	5 years
TAQA Group	Green Bond	April 18, 2023	USD 1 billion	10 years
Aldar investment properties	Green Sukuk	May 18, 2023	USD 500 million	10 years
Majid Al Futtaim	Green Sukuk	May 25, 2023	USD 500 million	10 years
First Abu Dhabi Bank	Green Bond	June 1, 2023	USD 600 million	5 years
Commercial Bank of Dubai	Green Bond	June 7, 2023	USD 500 million	5 years
Masdar	Green Bond	July 19, 2023	USD 750 million	10 years
First Abu Dhabi Bank	Green Sukuk	July 20, 2023	AED 1.3 billion	3 years
Abu Dhabi Commercial Bank	Green Bond	September 6, 2023	USD 650 million	5 years
Emirates NBD	Green Bond	October 3, 2023	USD 750 million	5 years
Five Holdings	Green Bond	October 10, 2023	USD 350 million	5 years
Mubadala	Green Bond	October 27, 2023	USD 750 million	10.5 years
Abu Dhabi Islamic Bank	Green Sukuk	November 8, 2023	USD 500 million	5 years
DP world	Green Sukuk	November 14, 2023	USD 1.5 billion	10 years
Aldar investment properties	Green Sukuk	May 9, 2024	USD 500 million	10 years
Masdar	Green Bond	July 19, 2024	USD 1 billion	5 & 10 years
TAQA Group	Green Bond	October 4, 2024	USD 850 million	12 years

Source: Prepared by the researcher based on data collected from various websites.

From Table 1, we observe a notable development in the issuance of green bonds and green sukuk in the UAE over the past five years. The gradual increase in the number of issuances and the volume of financing reflects a growing awareness of the importance of developing sustainable climate finance mechanisms to address climate challenges. FAB stood out significantly in 2020 and 2021 as a pioneering financial institution in adopting green financial instruments across multiple markets, and it continued issuing at a high pace during 2022 and 2023. We also note that FAB is the only institution to have issued multiple green bonds in various foreign currencies (HKD, CHF, CNY, EUR, USD), reflecting its strategy to expand its investor base. It also issued the first AED-denominated green issuance in the UAE as part of its strategic plan to enhance local market liquidity and encourage national investment. It is worth noting that FAB is the first financial institution in the MENA region to issue green bonds in the Swiss Franc and the Hong Kong dollar, which has bolstered its reputation as an innovator in sustainable finance instruments.

From Table 1, we note that the year 2023 was exceptional, as the number of green issuances reached an unprecedented level, and many Emirati institutions entered the green bond market for the first time. We also

note a diversity in the activities of the issuing institutions, which indicates the expansion of adoption of green financial instruments across various sectors (banking sector, renewable energy sector, ports and logistics sector, real estate and infrastructure sectors), this remarkable increase in green issuances resulted from strategic directions and well-designed government policies. The UAE encouraged public and private institutions to issue green debt ahead of its hosting of the COP28, which was held in Dubai in December 2023. This prompted institutions to accelerate the launch of green financial instruments to demonstrate the country's effective commitment to climate action. The legislative and regulatory environment for green bond and green sukuk issuances also contributed to providing a safe and attractive climate for investors. The Securities and Commodities Authority (SCA) issued a decision to exempt institutions from paying registration fees to list green or sustainability-linked bonds or sukuk on the local market in 2023, which has contributed to increased demand for these financial instruments.

In light of the UAE's commitment to achieving net-zero emissions by 2050, green loans have emerged as a financial instrument that contributes to driving the transition toward a green economy and encouraging individuals and companies to adopt environmentally sustainable solutions. Several UAE banks have launched green loan programs, as illustrated in the following table:

Table N°2: Green Loans in the UAE

Issuer	Program Name or Loan Type	Issuance Date
Mashreq	Mashreq has partnered with Galadari Brothers on a green loan to pave the way for hotel emission reduction and decarbonization initiatives;	November 2023
	Mashreq Green Home Loans for gold and platinum LEED certified building.	Not disclosed
Abu Dhabi Islamic Bank	Electric vehicle finance program "VOLT"	September 2023
Dubai Islamic Bank	"Nest" a sustainable home finance program designed to make Eco-friendly living accessible to families across the UAE.	December 2023
Abu Dhabi Commercial Bank	Green Home Loan to buying a sustainable home;	Not disclosed
	Green Car Loans to encourage the purchase of eco-friendly vehicles such as electric vehicles (EVs), hybrids and plug-in hybrids.	Not disclosed
First Abu Dhabi Bank	FAB Green Mortgage to build a greener home for future generations.	Not disclosed
United Arab Bank	Green Home Loans to buying a sustainable home;	November 2023
	Green Auto Loans to buying an electric or hybrid car;	November 2023
Emirates National Bank of Dubai	Green Auto Loans for supporting electric and hybrid vehicle finance.	January 2017

The Hongkong and Shanghai Banking Corporation	Green Mortgage to customers purchasing in the sustainable city community in Dubai.	May 2021
The National Bank of Ras Al Khaimah	Green Auto Loans to customers based in Ras Al Khaimah on the condition that they purchase an electric or hybrid vehicles from Ras Al Khaimah;	October 2021
	green mortgage loan to salaried and self-employed customers interested in buying Barjeel compliant homes;	October 2021
	Green Personal Loan to Ras Al Khaimah based customers, to finance various green initiatives, such as, solar panel installations and purchase of energy efficient appliances, equipment and devices from licensed vendors in Ras Al Khaimah.	October 2021

Source: Prepared by the researcher based on data collected from various websites.

We note from Table 2, that the UAE has adopted green loans as a financial instrument parallel to green bonds and green sukuk, especially in 2021 after launching the UAE Net Zero by 2050 strategic initiative. Ahead of COP28, several UAE banks affirmed their commitment to reducing energy consumption and emissions, while addressing the pressing issue of climate change, by integrating environmental criteria into lending policies and financing a wide range of projects, especially those related to renewable energy, sustainable transportation, and green buildings.

As part of the UAE's efforts to promote sustainability and address environmental challenges, green investment funds have emerged as an innovative financial instrument that contributes to financing environmentally friendly projects. Among these funds is the Dubai Green Fund (DGF), launched by the Government of Dubai and sponsored by the Dubai Electricity and Water Authority (DEWA) to encourage investment in green and sustainable projects. The DGF is the first specialized green investment fund in the MENA region- is aligned with Dubai's comprehensive vision for the future sustainability. DGF underpins the funding pillar of Dubai's Clean Energy Strategy 2050 which aims to provide 100% of the emirate's total power output from clean energy sources by 2050. To establish a sustainable energy model that supports economic growth-without damaging the environment and its resources, and to make Dubai the city with the lowest carbon footprint in the world by 2050. The strategy also aims to make Dubai a global center of green economy (DGF, 2024). The DGF focuses on investing in projects related to the following sectors: clean energy production, energy and water efficiency, water and waste management, sustainable living, green transportation and logistics, green real estate, and sustainable agriculture.

In line with the UAE's pledge to achieve net-zero emissions by 2025, the term "green insurance" has emerged as a modern mechanism that contributes to promoting environmental sustainability by incentivizing

green choices and covering eco-friendly projects. In this context, important regulatory steps have been taken, most notably requiring insurance companies to disclose environmental, social, and governance standards starting in 2024. This has encouraged insurance companies to support the green economy by offering green products, such as providing insurance coverage for solar energy projects.

5. Results and discussion:

The UAE recognized early on the importance of transitioning towards a green economy and clean energy in order to address the challenges of climate change and promote environmental sustainability. This was reflected in the country's adoption of numerous governmental initiatives and policies. The study demonstrated that the UAE's efforts in the field of climate change are characterized by a clear national vision, strong political commitment, an enabling legislative and regulatory environment, policy and initiative integration, and clear implementation measures. Accordingly, we conclude the validity of the first hypothesis, which states that "The success of the UAE in developing sustainable climate finance mechanisms is attributed to the effectiveness of government policies and initiatives."

The study also showed that the UAE did not limit itself to launching environmental policies and initiatives only but sought to integrate sustainable climate finance instruments within its strategy as a means to transition towards a green economy and strengthen its role as a regional and global hub for sustainable finance. This was manifested in the issuance of innovative financing instruments, the development of financial market infrastructure, the establishment of legislative and regulatory frameworks that enhance the scope of green finance, providing a secure environment for investor, promoting public-private partnerships, building partnerships with international financial institutions, offering financial support to developing countries affected by the impacts of climate change, and other efforts that bolster sustainable finance at both local and international levels. From this, we conclude the validity of the second hypothesis, which states that "The success of the UAE in developing sustainable climate finance mechanisms is attributed to the effectiveness of innovative financial instruments."

6. Conclusion:

The UAE has demonstrated its ability to become a model in the development of sustainable climate finance mechanisms by adopting an integrated approach that combines the effectiveness of government policies and initiatives with innovative financial instruments.

In light of the findings, we deemed it appropriate to summarize the key factors behind the success of the UAE's model in the field of sustainable climate finance, which are outlined as follows:

- A strong political commitment to climate neutrality.
- Adoption of integrated policies and initiatives with clear implementation measures.

- Development of innovative financial instruments.
- Promotion of investment in technology.
- Development of financial market infrastructure, such as establishing specialized markets for green financing instruments.
- Development of regulatory and legislative frameworks that encourage green issuances, such as issuing the UAE green taxonomy.
- Enhancing transparency through commitment to environmental disclosure.
- Strengthening public-private partnerships to expand green financing.
- Enhancing partnerships with international financial institutions such as the World Bank, with the aim of developing innovative financial instruments and offering incentives to stakeholders.
- Promoting climate justice and international cooperation through the country's commitment to providing financial support to developing countries and those affected by climate change.
- Raising environmental awareness and encouraging sustainable practices among all members of society through workshops, scientific seminars, volunteer days, and other national and international events.
- Promoting environmental sustainability practices in educational institutions at all levels.

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