



الاتحاد المصرفي للعرب
Union of Arab Banks

CONFERENCE REPORT

CONFERENCE ON:
**CHALLENGES OF ACHIEVING
THE SUSTAINABLE DEVELOPMENT GOALS**
————— **SDGS** —————

25-26 June **UN GENEVA**
Palais des Nations – Bldg E40 – Room XXIII

CONFERENCE REPORT

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Meeting Rationale:

The Sustainable Development Goals (SDGs), established by the United Nations as part of the 2030 Agenda, aim to eradicate poverty, promote equality, protect the environment, and ensure global access to health, justice, and prosperity. Achieving these goals requires harmonizing economic growth, social inclusion, and environmental protection. Significant economic opportunities are tied to achieving SDGs, potentially unlocking \$12 trillion in market opportunities and creating 380 million new jobs by 2030. However, an annual investment of \$3.3-4.5 trillion is needed to meet these goals. The banking sector, particularly in the Arab region, plays a crucial role in financing sustainable development, managing assets of \$4.5 trillion and financing worth \$3 trillion. Despite progress, there remains a significant annual financing gap exceeding \$100 billion in the Arab region, highlighting the urgent need for enhanced financial commitment and collaboration.

Background Information:

Providing the needed finance to achieve the Sustainable Development Goals by 2030 remains a key challenge for the Arab region. In light of that, the Union of Arab Banks submitted in September 2023 at the SDG Summit in New York, a commitment to participate in the global efforts for strengthening SDG financing, working with Arab financial institutions to mobilize a target of 1 trillion United States dollars by 2030. The objective is to accelerate SDG implementation and drive the six key transitions in the 22 Arab States: social protection, energy, education, food systems, digital transformation, and biodiversity and nature. The Union of Arab Banks places great importance on achieving this target in order to support the Sustainable Development Goals in the Arab region.

In this regard, The Union of Arab Banks aims at organizing a conference on Challenges of Achieving the Sustainable Development Goals, to examine the status of the sustainable development in the Arab region, highlight the factors that promote or obstruct the progress in achieving the SDGs, and to discuss the reforms necessary to achieve the SDGs by 2030. The conference will also address the role of the banking and financial sector in implementing the SDGs.

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Meeting Flow:

The meeting commenced on Tuesday, June 25, 2024, with opening remarks by Dr. Wissam Fattouh, Secretary General of UAB. This was followed by a recorded message from Dr. Rola Dashti, Executive Secretary of the Economic and Social Commission for Western Asia (ESCWA). Mrs. Marion Hoenicke, Head of Financial Inclusion at the European Investment Bank (EIB), then addressed the gathering, along with Eng. Dr. Ziyad Khalaf Abed, Chairman of the International Development Bank Iraq and Member of the Board of Directors of the Union of Arab Banks.



Dr. Wissam Fattouh in his keynote speech emphasized the critical importance of advancing Sustainable Development Goals (SDGs) in the Arab region. Dr. Fattouh underscored that SDGs are not merely a framework but a moral commitment to achieving prosperity, equity, and environmental stewardship globally. Despite progress, the region is falling short of meeting its 2030 targets, necessitating immediate and unified action from all sectors: public, private, and civil society. Central to accelerating progress is mobilizing financial resources, acknowledging a significant annual financing gap exceeding \$100 billion. Dr. Fattouh emphasized the need for innovative financial solutions and enhanced commitments from both domestic and international stakeholders.

Furthermore, the Union of Arab Banks pledged at the 2023 SDG Summit to mobilize \$1 trillion in development finance by 2030, in partnership with the United Nations ESCWA. This commitment aims to bridge the financing gap across Arab states and underscores the banking sector's pivotal role in fostering sustainable development and economic resilience.

Dr. Fattouh concluded his speech by urging collective efforts to overcome systemic barriers and foster an environment conducive to inclusive growth, guided by principles of equity, justice, and sustainability. It called for seizing the moment to build a resilient and equitable future, fulfilling the promise of the SDGs.

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Dr. Rola Dashti, Under-Secretary-General and Executive Secretary of ESCWA and Executive Secretary of ESCWA, commended the Union of Arab Banks (UAB) for prioritizing the Sustainable Development Goals (SDGs). She emphasized the need for collaboration and innovation in the banking sector to achieve the 2030 Agenda. Despite progress, the Arab region faces challenges from COVID-19, the war in Ukraine, and the recent Gaza conflict, which have caused significant setbacks. Countries like Yemen, Sudan, Libya, Syria, Iraq, and Somalia are also regressing due to conflicts. The region requires over \$7

billion annually until 2030 for SDGs financing. Governments must enhance domestic resource mobilization, improve public spending, and focus on job creation, but they need support from the banking sector. The UAB's commitment to mobilize \$1 trillion for SDGs is a promising step. Global support is essential, with donor countries needing to meet ODA commitments and establish an equitable financial architecture, including debt relief mechanisms. The upcoming Summit of the Future is a crucial opportunity for pushing these reforms. ESCWA is aiding initiatives like AI-assisted policymaking and debt optimization strategies. Dr. Dashti called on participants to champion innovative financial tools, promote inclusive growth, and support digital transformation. She concluded by highlighting the potential of sustainable development to create a trillion-dollar market and millions of jobs, advocating for a future where no one is left behind and the planet is protected. Our actions today will shape tomorrow, and we must commit to building a sustainable future guided by equity, resilience, and stewardship.

Mrs. Marion Honicke, Head of financial inclusion, EU Enlargement & Neighborhood Department, European Investment bank Mrs. Honicke began her speech on an optimistic note, highlighting that despite the economic challenges ahead, progress is evident from the latest economic data. She emphasized the importance of not being discouraged by the staggering figures in the trillions and billions, stressing that every step forward brings improvement. 'We will continue to advance,' she affirmed, 'always moving forward and overcoming obstacles. Regarding SDGs, she noted that while their financial needs are quantified, they don't always align with investment opportunities. She highlighted the interconnected challenges of poverty,



food security, and climate change, urging a holistic approach. At EIB, she emphasized rigorous screening of projects for climate impacts. She outlined the 'Bermuda triangle' of risk capacity, project promotion capability, and financial institution comprehension as critical to seizing investment opportunities. Governance, she stressed, is pivotal for optimal performance, noting EIB's evolution towards proactive project support. In conclusion, Mrs. Honicke presented three EIB initiatives: The Greening Financial Systems program aiding climate-resilient financial systems globally, Morocco's decarbonization guide for businesses, and the EIB Green Eligibility Checker simplifying green financing assessments for small-scale projects.

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Eng. Dr. Ziad Khalaf, Chairman of the International Development Bank Iraq and member of the board of Directors of the Union of Arab Banks, emphasized the power of collective action in overcoming the region's instability, conflicts, and stagnation. He highlighted the need to leverage the region's strengths for economic growth and sustainable development by improving financial structures and supporting innovative investments. Eng. Dr. Khalaf stressed the importance of adaptation and cooperation between governments and markets to turn challenges into opportunities, aiming for sustainable and inclusive growth. Focusing on Iraq,



Eng. Dr. Khalaf noted the government's priority on economic development and investment through secure laws. He highlighted the development road project as a model for cross-border investment, connecting Iraq, Turkey, the UAE, and Qatar to address supply chain issues and link the Gulf with Europe. He emphasized the need to assess and address challenges in achieving the Sustainable Development Goals (SDGs), such as climate change, peace, justice, and poverty. Eng. Dr. Khalaf advocated for empowering entrepreneurs, fostering partnerships, and investing in research, development, and human resources to enhance economic growth.

Eng. Dr. Khalaf also stressed the importance of innovation in banking services and forming effective partnerships to ensure inclusive economic growth. He called for directing funds and investments toward projects that positively impact society and the environment. Concluding his speech, Dr. Khalaf asserted that the Arab banking system must actively contribute to achieving the SDGs, urging collective efforts to enhance the banking and financial sectors' roles for a better future.



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Session Details and recommendations:

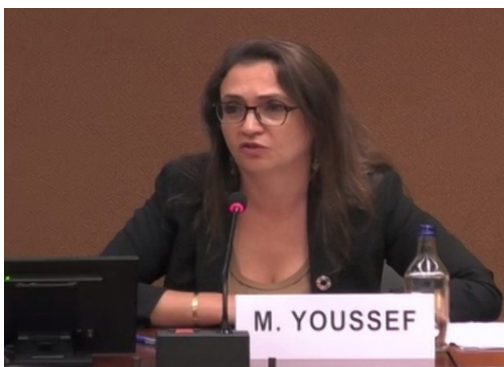
Day 1 (25/6/2024) Session1:

"Advancements in SDGs within the Arab Region: Reflecting towards 2030."



The first session focused on evaluating regional progress and success stories, addressing challenges with innovative solutions, and exploring the crucial role of partnerships in sustainable development. Additionally, panelists delved into future trends and emerging issues shaping our trajectory towards 2030. These discussions were guided by **Mr. Grammenos Mastrojeni**, Deputy Secretary General and Senior Expert in Energy and Climate Change at the Union for the Mediterranean.

Before moderating the panel, Mr. Grammenos delivered a brief speech addressing a fundamental question: should we continue pursuing the SDGs, or postpone them to 2050 due to our current lag? He noted that some view the SDGs as a trade-off between present costs and future benefits, potentially harming business competitiveness. However, he emphasized that finance is proving there is no trade-off, as sustainability is becoming increasingly advantageous. Mr. Grammenos highlighted the rapid shift in investment portfolios, with ESG investments growing from less than 1% at the beginning of the century to around 27% today, with a target of 60%. He pointed out that climate finance has surpassed \$1 trillion, but this money often struggles to find practical applications. He identified two main issues: the need for financial literacy among non-financial stakeholders in sustainable investments and the challenge of managing investment sizes that fall between microcredit and larger, justifiable bank investments. This is a global issue, not just an Arab one, with the Arab region's choices in energy and societal inclusion having significant global impacts. He concluded by acknowledging the complexity of the problem, our current lag, but also the promising potential ahead.



Dr. Maissa Youssef, Leader of Cluster on the 2030 Agenda and SDG Coordination, ESCWA, underscored critical issues impacting SDG progress in the Arab region. Highlighted are the severe impacts of polycrisis, contributing to an additional 29 million people in poverty and widespread water scarcity with 90% of the population living in countries suffering from water scarcity. The escalating debt burden surpasses other public expenditures, diverting national revenues away from essential sectors like health and education. Inefficient tax policies and

weak enforcement exacerbate revenue losses, necessitating enhanced public expenditure efficiency, equitable debt relief, and reforms in international financial systems. Governance deficiencies, marked by limited public participation and accountability mechanisms, impede effective governance, while disproportionate military expenditures overshadow meagre investments in research and development. Furthermore, substantial data gaps persist in critical areas such as governance, human rights, gender equality, and discrimination, hampering informed policy-making and progress monitoring. The presentation advocates for strategic reforms and strengthened regional collaboration to surmount these challenges and accelerate progress towards achieving the 2030 Agenda.

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Mrs. Nada El Agizy, Director, Sustainable Development and International Cooperation at the League of Arab States, in her presentation she mentioned that the Arab region faces a lot of challenges including poverty, water scarcity, and youth unemployment. The Arab High-Level Committee for Sustainable Development works to address these challenges through initiatives and partnerships. They focus on sustainable finance, digital platforms, and regional cooperation to achieve the sustainable development goals in the region.



Mr. Edward Mishaud, Deputy Head and Senior Advisor, Beyond Lab, UN Geneva, presented the work of the Beyond Lab, highlighting its role as a social design space for long-term sustainability within the Office of the Director-General. In his presentation, he focused on future trends and emerging issues, outlining three key points of relevance not only to the Arab region but globally: future generations, complementary indicators (e.g., going beyond Gross Domestic Product (GDP), and emotions in sustainability. He emphasized how each of these trends will impact not only SDG implementation but also shape the post-2030 agenda. Mr. Mishaud underscored how the focus areas are anchored in the UN-Secretary-General's Our Common Agenda and reflect key considerations in the current draft of the Pact for the Future and the Declaration on Future Generations which are anticipated outcome documents of the September 2024 Summit of the Future. He invited the conference's participants to connect with Beyond Lab should they be interested in finding out more.

Session I recommendations

- implementing strategic reforms and enhancing regional collaboration to overcome these challenges and expedite progress towards achieving the 2030 Agenda.
- Arab banks and member states in the region should prioritize future trends, including the needs of future generations, the use of complementary indicators, and the role of emotions in sustainability. By understanding and integrating these factors, they can more effectively catalyze the implementation of Sustainable Development Goals (SDGs).
- Investing in green bonds, social bonds, and sustainability-linked loans as they are becoming more common ways to promote sustainable finance in the Arab Region in the upcoming decades.

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Session 2 Day 1:

"Overcoming Sustainability Barriers in Arab Countries: Reforms for Accelerated Progress."



This session explored critical areas including policy and regulatory reforms, institutional capacity building, public-private partnerships, and sustainable finance and resource allocation. Leading this session as Chair and Keynote Speaker is **Dr. Nahla Bou Diab**, Culture and Leadership Expert, Chairman & General Manager of Oneness Management, and CEO of AM Bank – Lebanon.

Dr. Bou Diab started the session by a keynote speech on "Empowering change: **Navigating the challenges and solutions towards Sustainable Development Goals**" in her speech Dr. Bou Diab outlined the necessity of diverse initiatives to achieve the SDGs, highlighting key goals such as no poverty, decent work, and partnerships. It emphasizes that many efforts are reactive, driven by a survival mindset, and calls for a holistic approach that addresses not only physical needs but also human beliefs, thoughts, and emotions. The proposed solution includes a three-step approach of awareness, action, and support to shift perspectives and activate human potential. In her speech Dr. Bou Diab connects these concepts to specific SDGs, advocating for a collective effort to foster personal and organizational transformation, ultimately driving sustainable development.



Ms. Liesel Van Ast, Deputy Head, UNEP FI, Geneva, discussed the role of the UNEP Finance Initiative (UNEP FI) in partnering with over 500 banks, insurers, and investors to promote sustainable finance. The presentation highlighted the creation of industry frameworks such as the Principles for Responsible Banking and the Principles for Sustainable Insurance, which aim to integrate sustainability into financial practices. The Arab Region is identified as having unique advantages for leading decarbonization efforts, with abundant renewable energy resources and high potential for photovoltaic power. However, the region faces challenges, including a lack of alignment between banks and national climate plans, absence of adequate policies and regulations, and market barriers such as data and training shortages. Overcoming these barriers requires collaboration among various stakeholders, including financial institutions, governments, businesses, and civil society organizations. The presentation underscored the importance of awareness, training, and capacity building, as well as the need for reliable tools and data to scale and accelerate sustainable finance.

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Mr. Michael Dethlefsen, Chief of the Division of Innovative Finance and International Financial Institutions at UNIDO, discussed the role of UNIDO in promoting sustainable industrialization. UNIDO, the UN's specialized agency for sustainable industrialization, collaborates with partners, including international financial institutions (IFIs), to enhance the impact of its technical cooperation projects through innovative value propositions. Despite not having substantial funding of its own, UNIDO leverages blended finance and aligns with multilateral responses to mitigate investment risks, thereby contributing to inclusive growth in the Arab region. An example of UNIDO's work is the establishment of a revolving loan facility in collaboration with the National Bank of Egypt, which facilitates access to financial and non-financial services in the green and circular economy.



Mr. Jerome Vacher, Senior Economist, Gulf Cooperation Council Division Middle East and Central Asia Department, IMF, Mr. Vacher in his presentation summarized the finding of a recent report "Preparing Financial Sectors for Green Future: Managing Risks and Securing Sustainable Finance (imf.org)" and stressed that MENA countries require significant financing for climate change-related initiatives, estimated to exceed one trillion dollars by 2030. This need is especially high for climate mitigation, which demands 8 to 15 times more funds than adaptation efforts. Low-income and financially underdeveloped countries face the most significant challenges due to their limited fiscal scope and low financial development. Despite the potential for growth in green finance, the contribution from private climate finance remains low at about 0.2 percent of GDP. However, there is substantial potential for domestic financial sectors to expand their role in green finance, particularly through retail banking and energy efficiency projects, which can support a greener economy and mitigate climate risks. For this to happen, a number of policy measures presented in several heatmaps, need to be in place to improve the resilience of financial sectors to climate risk and create an enabling environment for climate finance.

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Mr. Vito Intini, Regional Chief Economist, UNDP, Amman. Mr. Intini discussed the challenges and progress of achieving the Sustainable Development Goals (SDGs), emphasizing the UNDP's role in addressing these issues. He noted that SDG achievement remains incomplete, particularly in low-income and conflict-affected countries, with studies suggesting an additional \$230 billion USD needed annually in the region. Significant data gaps exist in poverty and inequality measures. Key findings included public finance issues, with budget transparency, oversight, and tax collection in fragile countries below 10% of GDP. In the private sector, SME contributions to GDP are low, SME lending is at 7%, the lowest globally, and business density is below average. Financial inclusion has decreased, with only 26% of youth and 30% of women having accounts in 2021, compared to 74% globally. Awareness of SDGs among pension funds is patchy, and many are still integrating ESG practices, highlighting the need for a strong network for sharing experiences and expertise. In response, UNDP's Economic Social Affairs developed an Integrated National Financing Framework (INFF) to strengthen planning processes and overcome financing barriers for sustainable development. This framework includes public financial management, investment impact, transformative financing, and inclusive finance. Mr. Intini also announced the upcoming Arab States Green Finance Facility initiative.



Dr. Antoine Sfeir, Lecturer at the American University of Beirut, Attorney at Paris & Beirut Bar Associations, Affiliated Partner in Montreal & Washington. Dr. Sfeir began his presentation by emphasizing the necessity of a financial plan for achieving sustainable economic development, a crucial national and international goal. However, he highlighted that without fostering new Public-Private Partnerships (PPPs) and enforcing existing laws like those of the Greater Arab Free Trade Area (GAFTA), which ensures free trade among member countries by removing barriers, it is impossible to create a sustainable business environment. He questioned the current status of GAFTA, asking if there are new policies or fresh legal perspectives in place. Dr. Sfeir then proposed several recommendations for reflection and collaboration: establishing PPP-free business and environmental projects where Arab consortia can plan and execute mega projects using their expertise, irrespective of companies' or shareholders' identities, while being exempted from taxes and required to employ local workers; creating an Arab Regional Center for Mediation and Arbitration to enhance transparency, which would function as part of a global platform; amending the Arab countries' code of conduct to facilitate regional corporations' operations without legal limitations; and modifying the legal profession code to allow Arab attorneys to defend clients and participate in corporate proceedings, promoting standardized business structures and norms. Dr. Sfeir concluded by stating that these recommendations could help develop a new business model in the Arab region, overcoming sustainability barriers and implementing practical reforms, but emphasized that a significant political vision for Pan-Arab and regional legal policies and innovative economic cooperation is essential for achieving these goals.

Session II recommendations

- Promote wider adoption of the Principles for Responsible Banking and the Principles for Sustainable Insurance among financial institutions in the Arab region to align their practices with global sustainability standards.
- Encourage the use of blended finance to mobilize private and public sector investments, reducing risks and attracting more funding for sustainable industrial projects.
- Creating an enabling market environment for green finance through supportive policies.
- To achieve the SDGs in the region, establish a robust network for sharing ESG practices among pension funds and strengthen public financial management, including budget transparency and tax collection. Enhance financial inclusion for youth and women, and implement an Integrated National Financing Framework (INFF) to increase investment and manage risks for sustainable development.
- to establish PPP-free business and environmental projects where Arab consortia can plan and execute mega projects using their expertise, irrespective of companies' or shareholders' identities.

Session 1 Day2:

"The role of the Financial Sector in SDG Achievement across the Arab region."

This session delved into a crucial aspect of sustainable development: the pivotal role of the financial sector in advancing the Sustainable Development Goals (SDGs) across the Arab Region. This session aimed to explore investment strategies tailored for sustainable development, innovative financial instruments driving positive change, and the profound impact of financial inclusion on societal progress.

Throughout this session, we have examined how these elements converge to shape a more equitable and sustainable future for the Arab Region and beyond. Leading this session as Chair **Mr. ESLAM MAHDY**, MENA REGION Lead at Partnership for Carbon Accounting Financials (PCAF)'s.



Mr. Osama Bukhari, CEO AlFaris International Group – Head of Banking Committee, ICC Saudi Arabia. Mr. Bukhari highlighted that, according to a recent ICC report, global trade accounts for up to 30% of all carbon emissions. In response, the ICC launched its 'Wave 1' framework in 2022, focusing on the textiles industry as a pilot. This initiative aims to establish standards for sustainable trade, allowing banks, businesses, governments, NGOs, and regulators to assess transactions in a standardized manner to determine their compliance with these standards. Following the 2022 pilots, the ICC introduced 'Wave 2,' an enhanced set of principles incorporating insights from the initial phase. Wave 2 aims to expand its scope and ensure scalability for real-world applications. The principles of Wave 2 include:

- Expanding coverage from textiles to agriculture, energy, and automotive sectors.
- Implementing a graded score to compare the sustainability of trade transactions.
- Refocusing the core assessment on the "Use of Proceeds" to align with existing sustainable finance frameworks.
- Adding a standardized method to assess the sustainability of goods transportation.
- Enabling the use of approved taxonomies and third-party ESG scores for transaction assessments.
- Eliminating subjective judgment to enhance the framework's robustness and facilitate automation.

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Dr. Amal Benaissa, Director of Sustainability Advocacy at Bank of Africa-BMCE in Morocco, highlighted in her presentation the bank's extensive operations across 32 countries, with over 14,846 employees and 6.6 million customers. Dr. Benaissa emphasized the bank's deep commitment to sustainable development, integrating sustainability into its governance, developing innovative climate resilience products, and focusing on human capital and customer satisfaction. Key initiatives include striving for net-zero emissions, offering green finance products, and supporting green value chains in various sectors. She also noted that the bank collaborates with global and regional partners, supports SMEs and startups through dedicated entrepreneurship and incubator programs, and promotes gender equality through the Women's Empowerment Principles.



Dr. Ali Awdeh, Director of Research Department, Union of Arab Banks, in his presentation, Dr. Awdeh emphasized the crucial role that banks play in financing sustainable development, which is essential for achieving the UN 2030 Agenda for Sustainable Development. He highlighted that adequate and effective financing is the backbone of implementing projects and policies that drive economic, social, and environmental progress. Moreover, the banking sector, through sustainable finance, aims to achieve positive social and environmental outcomes while pursuing financial returns. This sector's role is integral to promoting economic welfare, environmental quality, social cohesion, and prosperity for future generations. The presentation also underscored the importance of financial systems, including banks and capital markets, in achieving several Sustainable Development Goals (SDGs), particularly: Goals 1 (ending poverty), 8 (promoting inclusive and sustainable economic growth), 9 (building resilient infrastructure), and 10 (reducing inequality).



Mr. Tarek Akel, Banking and Private Finance Specialist, UNDP. In his presentation, Mr. Akel highlighted the United Nations Development Programme's (UNDP) strategic vision for mobilizing private finance, with a particular emphasis on bank finance, to achieve the Sustainable Development Goals (SDGs) in the Arab region. He elaborated on the UNDP's approach to engaging private finance through the promotion of blended finance mechanisms and risk mitigation interventions. These strategies are designed to lower the risk for lenders and enhance returns, making investments in sustainable development more attractive. Mr. Akel called upon members of the Union of Arab Banks (UAB) to actively participate in this initiative, emphasizing the critical role of financial institutions in mobilizing the necessary funds to drive progress towards the SDGs.

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Mrs. Ikram Mhaouel from the Green Finance Unit, Banking Supervision Department at Bank Al Maghrib, presented an outline of the challenges and strategic approaches to achieving Sustainable Development Goals (SDGs) in the Arab region, emphasizing the crucial role of the financial sector. Key points included the adoption of a progressive approach starting with (i) a national coordination with key stakeholders, in particular the Ministry of Finance, banking associations and other regulators while developing a roadmap for aligning financial sector with sustainable development, (ii) the integration of climate-related risks into supervision, and (iii) the assessment of the Moroccan banking sector's exposure to climate risks as part of a work program engaged with the World Bank. Mrs. Mhaouel highlighted the importance of governance, risk management, green finance products, financial inclusion, and capacity building. She also mentioned that Bank Al-Maghrib's initiatives include raising awareness, engaging in dialogue with stakeholders, and participating in international networks such as the NGFS, SBFN, and AFI. Regarding the regulatory framework, a directive has been issued in 2021. Expectations to banks on climate-related and environmental risks management. Additionally, she emphasized the bank's commitment to capacity building, the ongoing work on the development of a national green finance strategy, and a green taxonomy alongside the Ministry of Finance and financial regulators supported by the World Bank and the preparation of additional supervisory guidance.

Session I recommendations

- Banks in the Arab region should continue and expand their collaboration with global and regional partners to enhance their impact on sustainable development, climate resilience, and gender equality, thereby reinforcing their leadership role in sustainability and impact finance across the region.
- Banks in the Arab region should intensify their efforts to integrate climate-related risks into their financial supervision and risk management frameworks to better align with sustainable development goals, enhance governance and transparency, and effectively manage financial risks posed by climate change, contributing to a more resilient and sustainable financial sector.
- Arab banks should enhance the capacity of domestic financial institutions to broaden access to banking, insurance, and financial services. This includes supporting policies that promote job creation, entrepreneurship, and the growth of micro, small, and medium-sized enterprises. Such measures are essential for achieving the Sustainable Development Goals.
- Implementing a "graded score" so that one can articulate and compare the extent to which a trade transaction is sustainable.
- Financial institutions, particularly members of the Union of Arab Banks (UAB), should actively participate in initiatives to mobilize private finance for achieving the Sustainable Development Goals (SDGs) in the Arab region.

Session 2 Day2:

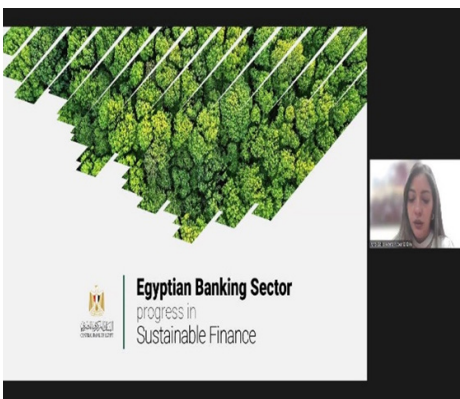
"Empowering the Arab Economies: The contribution of Banks towards SDGs."

In the session the panelists explored the pivotal role banks play in driving sustainable development in Arab economies. Their focus was on how financial institutions can contribute effectively towards achieving the Sustainable Development Goals (SDGs).

This session delved into several key areas: Sustainable Finance and Investment, Financial Inclusion and Accessibility, Corporate Social Responsibility (CSR) Initiatives, Importance of Digital Transformation and Financial Technology (Fintech). Leading this session as Chair



Mr. ESLAM MAHDY, MENA REGION Lead at Partnership for Carbon Accounting Financials (PCAF)'s. Mr. Eslam delivered also a presentation where he discussed the pivotal role of the Partnership for Carbon Accounting Financials (PCAF) in enabling financial institutions to measure and disclose greenhouse gas (GHG) emissions from their financial activities, thereby promoting transparency and accountability. He highlighted that with over 500 signatories worldwide, PCAF has developed the PCAF standard standardized for GHG accounting of the financed emissions. Measuring emissions associated with financial activities is the starting point for financial institutions to manage risk, identify opportunities associated with greenhouse gas emissions and begin the journey towards decarbonization. This also directly supports Sustainable Development Goal 13 on climate action. Eslam emphasized that PCAF offers the Signatories with extensive technical assistance, a comprehensive emission factors database, and a self-paced online learning program through the PCAF Academy. Additionally, PCAF collaborates with global partners to facilitate implementation through regional and national teams, helping financial institutions manage climate-related risks, develop climate-friendly financial products, and align their operations with the Paris Agreement.



Mrs. Dalia Akmal Nour EL Din, Senior Sustainable Finance Specialist at the Central Bank of Egypt, highlighted the significant strides the Egyptian banking sector has made in sustainable finance, driven by the Central Bank of Egypt's (CBE) initiatives. In her presentation, Mrs. Nour EL Din outlined key milestones, including the sector's membership in international organizations and the establishment of sustainability departments within banks. Between 2013 and 2023, the CBE conducted a comprehensive gap analysis, issued sustainable finance guiding principles, and directed banks to measure their carbon footprints. She noted that in 2022, the CBE introduced sustainable finance regulations, which mandate the integration of sustainability policies into banks' credit and investment procedures and the consultation of environmental experts for large-scale projects. Consequently, Egypt has advanced in the Sustainable Banking and Finance Network (SBFN) Progression Matrix from the Commitment Stage in 2019 to the Advancing Stage in 2024, with a focus on capacity building, stakeholder involvement, and climate risk management.

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Mrs. Natalia Realpe Carrillo, CEO of HEDERA – Digital Solutions for Sustainable Development, emphasized in her presentation that HEDERA focuses on providing digital solutions for green inclusive finance in the MENA region. The company offers services such as impact data management, digital tools for institutional assessment, and training. HEDERA conducts surveys and studies to highlight the challenges and opportunities for financial institutions and impact investors in addressing sustainability. Mrs. Realpe Carrillo stressed the importance of environmental performance and strategy development, collaborating with various stakeholders to enhance green microfinance. She recommended building capacity programs, disseminating digital tools, developing internal environmental risk management, and supporting mature microfinance institutions (MFIs) to expand their green portfolios. Additionally, she called for further research in areas such as Islamic microfinance, climate change adaptation, and cooperation with central banks.



Mr. Ala' Sahawneh, Business development and Marketing Manager, Ahli Microfinance, Jordan, highlighted the pivotal role of banks in the Arab region in achieving Sustainable Development Goals (SDGs). Banks contribute through financial intermediation, lending and investment, supporting SMEs, and providing essential payment services. They promote financial inclusion, foster economic growth, and drive innovation in financial technology (fintech). However, banks face challenges such as limited awareness of SDGs, capacity and expertise issues, risk management complexities, lack of reliable data, regulatory hurdles, and financial incentives. Additionally, market fragmentation, political instability, and technological constraints further complicate their efforts to integrate SDGs into their core strategies. Effective stakeholder engagement, partnerships, and a focus on community development and resilience are crucial for overcoming these barriers and enhancing the banks' contributions to sustainable development.

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Session II recommendations

- Arab Central Banks should continue to mandate the integration of sustainability policies into banks' credit and investment procedures and ensure the consultation of environmental experts for large-scale projects.
- Financial institutions should engage with specialized training Academy for comprehensive training and certification to enhance the quality of their GHG emissions accounting and reporting, thereby supporting their decarbonization efforts.
- Build capacity programs and disseminate digital tools to enhance environmental risk management and support the expansion of green portfolios in mature microfinance institutions (MFIs).
- Enhance stakeholder engagement, partnerships, and focus on community development and resilience to overcome barriers and enhance banks' contributions to sustainable development.



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APPENDIX

AGENDA | Tuesday 25 of June 2024

From	To	Sessions	Inauguration Ceremony
09:00	10:00	Registration	
10:00	10:30	Official Opening Ceremony Remarks & Keynote speeches	<ul style="list-style-type: none"> › Mr. Mohamed El Etreby, Chairman, Union of Arab Banks › Dr. Joseph Torbey, Chairman, World Union of Arab Bankers (Recorded message) › Dr. Rola Dashti, Executive Secretary of the Economic and Social Commission for Western Asia. Economic and Social Commission for Western Asia (ESCWA). (recorded message) › Eng. Dr. Ziad Khalaf, Chairman, International Development Bank (IDB) Member of the Board of Directors, Union of Arab Banks. › Dr. Wissam Fattouh, Secretary General, Union of Arab Banks

From	To	Sessions	Topics & Speakers
10:30	11:30	Session I This session will focus on	<p>Advancements in SDGs within the Arab Region: Reflecting 2030 Agenda</p> <ul style="list-style-type: none"> • Regional Progress and Success Stories. • Challenges and innovative Solutions. • Partnerships and Collaborations. • Emerging Issues and Future Trends.
		Chair	› Mr. Grammenos Mastrojeni, Deputy Secretary General, Senior Expert, Energy and Climate Change, Union for the Mediterranean (UFM).
		Panelists	<ul style="list-style-type: none"> › Dr. Maisaa Youssef, Leader of the Cluster on the 2030 Agenda and SDG Coordination, ESCWA. › Dr. Nada EL Agizy, Director, Sustainable Development and International Cooperation, the League of Arab States. › Mr. Edward Mishaud, Senior Advisor, Beyond Lab, UN Geneva

11:30	11:45	Q & A	
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From	To	Sessions	Topics & Speakers
11:45	12:45	Session II: This session will focus on	<p>Overcoming Sustainability Barriers in Arab Countries: Reforms for Accelerated Progress.</p> <ul style="list-style-type: none"> • Policy and Regulatory Reforms. • Institutional Capacity Building. • Public-Private Partnerships. • Sustainable Finance and Resource Allocation. • Pan Arab Legal Aspects ,suggestions & reforms
		Chair and Keynote speaker	› Dr. Nahla Bou Diab , Culture and Leadership Expert, Chairman & General Manager of Oneness Management and CEO of AM Bank –Lebanon
		Keynote Presentation	«Empowering Change: Navigating the Challenges and Solutions Towards Sustainable Development Goals»
		Panelists	<ul style="list-style-type: none"> › Mrs. Liesel van Ast, Deputy Head, UNEP FI, Geneva › Mr. Michael DETHLEFSEN, Chief, Division of Innovative Finance and International Financial Institutions, UNIDO › Mr. Jerome Vacher, Senior Economist, Gulf Cooperation Middle East and Central Asia, IMF › Mr. Vito INTINI, Regional Chief Economist, UNDP , Amman › Dr. Antoine Sfeir, Lecturer at the American University of Beirut, Attorney at Paris & Beirut Bar Associations. Affiliated Partner in Montreal & Washington

12:45	13:00	Q & A	
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End of day 1

CONFERENCE REPORT

APPENDIX

AGENDA | Wednesday 26 of June 2024

From	To	Sessions	Topics & Speakers
10:00	10:20	Keynote speech	› Mrs. Marion Hoenicke, Head of Financial Inclusion, EU Enlargement & Neighbourhood Department, European Investment Bank (EIB).
10:20	11:20	Session I	<p>The role of the Financial Sector in SDG Achievement across the Arab Region</p> <p>This session will focus on:</p> <ul style="list-style-type: none"> • Investment Strategies for Sustainable Development. • Innovative Financial Instruments. • Financial Inclusion and Social Impact. <p>Chair:</p> <p>› Mr. Eslam Mahdy, PCAF MENA Region Lead</p> <p>Panelists:</p> <ul style="list-style-type: none"> › Mr. Osama Bukhari, CEO, Alfaris International Group - Head of Banking Committee, ICC Saudi Arabia › Dr. Amal Benaissa, Director, Sustainability Advocacy, Bank of Africa – BMCE, Morocco › Dr. Ali Awdeh, Director of Research Department, Union of Arab Banks › Mr. Tarek Akel, Banking and Private Finance Specialist, UNDP › Ikram Mhaouel, Green Finance Unit, Banking Supervision department, Bank Al Maghrib
11:20	11:35	Q & A	

From	To	Sessions	Topics & Speakers
11:35	12:35	Session II	<p>Empowering the Arab Economies: The Contribution of Banks towards SDGs</p> <p>This session will focus on:</p> <ul style="list-style-type: none"> • Sustainable Finance and Investment. • Financial Inclusion and Accessibility. • Corporate Social Responsibility (CSR) Initiatives. • Importance of Digital Transformation and Financial Technology (Fintech). <p>Chair</p> <p>› Dr. Ali Awdeh, Director of Research Department, Union of Arab Banks</p> <p>Panelists</p> <ul style="list-style-type: none"> › Mrs. Dalia Akmal Nour El Din, Senior Sustainable Finance Specialist, Central Bank of Egypt. › Mr. Eslam Mahdy, PCAF MENA Region Lead. › Dr. Natalia Realpe Carrillo, CEO, HEDERA – Digital Solutions for Sustainable Development › Mr. Ala' Sahawneh, Business Development and Marketing Manager, Ahli microfinance, Jordan.
12:35	12:50	Q & A	

End of conference' proceedings

