

Asian Development Bank and
the Islamic Development Bank
Side Event at COP26

Mobilizing Islamic Finance to Accelerate Climate Action in Asia and the Pacific

11 November 2021 | 9:35–10:35 a.m. (GMT) | COP 26 MDB Pavilion



Asia and the Pacific is one of the most vulnerable regions to climate change and the impacts are expected to be most acutely felt in developing countries. To mitigate the effects of the climate crisis, immediate and massive investments in low-carbon and climate-resilient infrastructure, as well as substantial climate recovery are urgently needed. However, the emergence of the COVID-19 pandemic has added a new dimension to the climate crisis, reversing decades of economic development gains globally, and further straining public resources to invest in climate action. As developing Asia emerges from the pandemic, governments are now facing a major challenge in defining the pathway for their economies to recover from this dual crisis.

One of the opportunities to finance green recovery and scale-up the investments in climate action is through Islamic finance. Since its inception in the 1970s, the Islamic finance (IF) has grown to a trillion dollar industry forecasted to grow to \$3.69 trillion by 2024.¹ Developing Asia specifically is home to 62% of the global Muslim population² (45% in Indonesia, Pakistan, India and Bangladesh alone) and Islamic finance is in high demand and holds the potential of a booming growth in the next decade. But can this growth be harnessed to support a green, resilient and inclusive recovery in the region? Can the IF industry significantly support countries in the region in facing the growing climate investment gaps to achieve Paris ambitions? Is there specific potential for some IF products to support transition to net zero resilient societies and what reforms or initiatives are needed to develop such products?

ADB and IsDB will convene a panel of expert speakers to discuss these issues and provide recommendations for policy makers and IF industry leaders in the region.

OBJECTIVES: This virtual event will discuss the opportunities for the Islamic finance to support climate action and a green, resilient, and inclusive post-COVID-19 recovery in developing Asia, specifically in the context of Afghanistan, Azerbaijan, Bangladesh, Brunei Darussalam³, Indonesia, Kazakhstan, Kyrgyz Republic, Malaysia, Maldives, Pakistan, Tajikistan, Turkmenistan and Uzbekistan. The webinar will discuss how Islamic Climate Finance can be defined, what Islamic finance is currently offering to public and private sectors that are supporting the climate and green recovery agenda, and more importantly, what governments, international and regional institutions and industry players can do to dramatically scale-up Islamic Climate Finance in the next decade.

SESSION FORMAT:

Moderator: **Mohd Sani Mohd Ismail**,
Principal Financial Sector Specialist-Southeast Asia Department, Asian Development Bank (ADB)

- Introduction
 - » **Mohd Sani Mohd Ismail**
- Opening Remarks
 - » **Xiaohong Yang**, *Officer in Charge Climate Change and Disaster Risk Management Division, ADB*
- **Islamic finance and climate change action**
 - » **Salim Refas**, *Consultant, ADB*
- Speaker Remarks
 - » **Dwi Irianti Hadiningdyah**
Director of Islamic Financing, Ministry of Finance, Indonesia
 - » **Zakky Bantan**
Head of Funding, Capital Markets Division, Islamic Development Bank (IsDB)
 - » **Muhammad Syahmi Mohd Karim**,
Deputy CEO, ISRA Consulting
- Panel Discussion and Q&A
- Closing Remarks
 - » **Daouda Ben Oumar Ndiaye**
Lead Climate Change Specialist, IsDB

¹ ICD-Reinitiv. 2020. Islamic Finance Development Report. Jeddah, KSA. December.

² Data retrieved on 22 August 2021 at <https://www.pewforum.org/chart/interactive-data-table-world-muslim-population-by-country/>.

³ Brunei is classified as a graduated developing member country of the Asian Development Bank, and a non-borrowing member.