“Decarbonizing MENA: Levers for Action” – Presentation at the Clean Energy Business Council Annual Summit, 26 Nov 2024

Dr. Nasser Saidi, in his role as the Chairman of the Clean Energy Business Council, provided introductory remarks at the Annual Summit held in Dubai on 26th Nov 2024.

Titled “Decarbonizing MENA: Levers for Action“, the presentation covered the discussions around the key outcomes of COP29, whether the rising renewables capacity is sufficient in the backdrop of NZE commitments in addition to how disparities related to climate threats and financing are widening. Furthermore, the discussion also highlighted how GCC are in a unique situation of becoming global hubs for “old” and “new energy”.

“The Gulf superstorm is a climate change omen”, Op-ed in Arabian Gulf Business

Insight (AGBI), 6 May 2024

The opinion piece titled "The Gulf superstorm is a climate change omen" appeared in the Arabian Gulf Business Insight (AGBI) on 6th May 2024.

The article is posted below.

The Gulf superstorm is a climate change omen

As GCC nations diversify their economies, it is critical that new policies are green by design

Climate change is increasing the frequency of extreme weather events. That much is clear as superstorms wash over Oman, Saudi Arabia and the UAE, unleashing unprecedented levels of rainfall and high winds.

Dubai received more than 250mm of rain in one day last month, compared to its standard 140mm per year. The resulting floods overwhelmed infrastructure – roads, shopping malls and public spaces – severely disrupting local life and economic activity.

The floods also disrupted flights at Dubai International Airport, which fortunately proved resilient and was functioning two days after the rains. The government's disaster recovery response, including Dubai Municipality deploying 2,500 workers to address emergencies, allowed the city to return to normality a few days later. Since then, the

UAE has set AED 2 billion ($545 million) aside to pay for and rebuild flood-damaged homes, in addition to announcing an AED 80 billion drainage system as part of Dubai Economic Agenda D33.

So, what lessons can be learned from the storm?

The growing costs and risks of climate change require urgent action from both the public and private sectors.

In the Mena region, all countries aside from Libya and Yemen (given political issues) have submitted their nationally determined contributions reports, while only Kuwait and Palestine have submitted national adaptation plans to the UN's Framework Convention on Climate Change.

Developing national frameworks means that both climate adaptation and climate risk mitigation policies must be implemented, along with supporting investments.

Extreme weather events and higher reinsurance costs lead to increased insurance premiums for consumers. Insured global losses from natural disasters totalled $95 billion in 2023. National adaptation plans lower the cost of insurance by increasing public awareness and providing accurate data on climate-related events and vulnerabilities.

In the Middle East and Central Asia region, the International Monetary Fund believes that climate adaptation and strengthening infrastructure resilience will require an annual investment of around 1.6 percent of GDP (roughly $80 billion in 2021).

Furthermore, the agency estimates the cost of enhancing private asset resilience at around 0.5 percent of GDP. These expenses are over and above the estimated annual $250 billion to $310 billion needed to mitigate climate change.

To add to these concerns, those nations with greater financing

needs are also the ones least prepared, either due to fiscal limitations, high debt burdens or weak financial development.

Climate change requires businesses to redesign their risk management plans and tools. Are business continuity and business disaster recovery plans climate resilient? Extreme climate events can lead to a reduction in revenue or potential bankruptcy.

BloombergNEF, a research organisation, found that 65 percent of more than 2,000 companies failed to identify assets and operations that may be vulnerable to physical risks. Even fewer companies conduct financial assessments of climate-related risks.

> *Climate risk should be measured and priced. The physical risks are growing and could result in loan and balance sheet losses for banks*

Businesses are also vulnerable to climate-related legal risks. Currently more than 2,500 climate lawsuits are recorded globally. About 55 percent of the 549 lawsuits outside the US have had a climate-positive ruling, according to the London School of Economics.

Climate risk, which encompasses physical and energy transition risks linked to climate change, should be measured and priced. The physical risks are growing and could result in loan and balance sheet losses for banks. Often, the damage is under-reported.

The Task Force on Climate-Related Financial Disclosures is pushing corporations to increase exposure reporting. Climate risk pricing should be required by central banks and financial regulators and translated into risk-based financing and loans.

The GCC countries are currently deploying industrial policies to support economic diversification. It is critical that these

policies are green by design and imbued with climate adaptation and mitigation measures.

Climate risk mitigation includes energy transition investment and fossil fuel asset de-risking, focused on clean energy, electric mobility, carbon capture and storage and clean tech. These innovations can be private sector-driven.

There are many ways to build climate-resilient infrastructure: through public investment, public-private partnerships, or market-based private sector incentives (such as carbon pricing).

Examples include green hydrogen, solar-powered desalination and district cooling. The GCC already has a comparative advantage in these exportable technologies.

The Gulf states are also applying artificial intelligence to climate action. Abu Dhabi's G42 developed Jais Climate, the world's first bilingual large language model dedicated to climate and sustainability, "to inform, inspire and drive awareness about climate change and sustainability".

AI and machine learning enable complex and multi-dimensional data to be handled more adeptly, which lends itself to climate economy modelling and the forecasting of effective action to help combat climate change.

Climate adaptation, energy transition and green economy policies will drive growth in renewable energy and clean technologies and trade. They can play a critical role in transforming the oil-producing economies and output structures.

Dr Nasser Saidi is the president of Nasser Saidi and Associates. He was formerly chief economist and head of external relations at the DIFC Authority, Lebanon's economy minister and a vice-governor of the Central Bank of Lebanon

“The Middle East needs a bank for climate adaptation”, Op-ed in Arabian Gulf Business Insight (AGBI), 22 Nov 2023

The opinion piece titled “The Middle East needs a bank for climate adaptation” appeared in the Arabian Gulf Business Insight (AGBI) on 22nd November 2023.

The article is published below.

The Middle East needs a bank for climate adaptation

Given Mena’s high climate risk exposure, the GCC should seize the initiative

Our planet is sitting on a time bomb. Global heating is pushing the world closer to climate tipping points where change is irreversible.

Current climate action plans fall way short of engineering the 43 percent reduction in emissions required by 2030 to limit temperature increase to 1.5C.

It is unlikely that countries will meet their net-zero

emission commitments and deploy sufficient resources to prevent, let alone reverse, climate change.

The Mena region has already crossed the 1.5C threshold, with visible and growing climate-induced stresses: heightened desertification, lower agricultural productivity, persistently higher temperatures, water stress, rising sea levels, and an increasing frequency and strength of Mediterranean hurricanes, so-called “Medicanes”.

All these grim factors are stoking migration, producing socioeconomic pressures and increased inequality across the region, with poorer countries unable to combat climate change.

Addressing adaptation

To address the challenges, we need to shift to climate adaptation. This means moving beyond policies and investment which focus on the “energy transition”, such as clean energy, electric vehicles, and energy efficiency.

Legacy infrastructure, such as power systems, ports, airports and transport systems, water and waste management, and housing have not been designed to deal with climate change and related extreme weather.

This is why when dams collapsed in Libya more than 11,000 died; this is why floods displaced 30 million in Pakistan.

New infrastructure must be planned, designed, built and maintained to be climate resilient and deliver climate resilient services.

In addition, existing infrastructure – including buildings and housing stock – must be urgently retrofitted for the better protection of life, habitats and assets.

Every $1 invested in climate adaptation can yield up to $10 in net economic benefits – as countries become resilient against natural disasters and benefit from new climate adaptation

technologies that lift productivity and produce environmental benefits.

The four-pillar action plan from the UAE's Cop28 president Sultan Al Jaber includes fast-tracking the energy transition by slashing emissions before 2030, transforming climate finance to make funding more affordable and accessible, and protecting nature, lives, and livelihoods with a focus on inclusivity.

It calls on donors to double adaptation finance by 2025, and emphasises the urgency of donor countries honouring their commitments by making good on the $100 billion pledge this year.

Climate risk mitigation and adaptation investments complement each other, but climate adaptation requires even higher investment levels, over longer horizons, with large upfront capital expenditure, and the retrofit of existing infrastructure.

Current proposals, which have featured an acrimonious debate around a blueprint for a "loss and damage" fund for climate justice, pale in comparison to what is needed.

The bottom line is that developing countries, excluding China, require some $2 trillion per year by 2030 in climate funding. Where will the finance come from?

Finding the finance

Given existing high levels of debt and interest rates, many governments do not have the fiscal and debt space to finance adaptation.

Relying on public spending to fund de-carbonisation and adaptation investment on this scale would cause a substantial run-up in debts, possibly to the tune of 45-50 percent of GDP for a large, high-emitting emerging market. This is an

unsustainable option.

Poor and developing countries face a daunting challenge. They are unable to adapt, which leads to further climate disasters and a growing divide with advanced countries.

The scale and urgency of climate action requires new institutional arrangements and increased reliance on the private sector as a source of finance and technology.

A dedicated, independent and global climate bank is needed. Given the high climate risk exposure of the Mena region, and the GCC at its core, the GCC should seize the initiative.

It should set up an International Climate Bank to provide finance (including grants and concessional finance) for climate resilient infrastructure and climate tech, providing project finance and funding for public private partnerships.

The founders of the climate bank would include the GCC and partner countries, sovereign wealth funds, and development funds, along with multilateral partners (Asian Infrastructure Investment Bank, Islamic Development Bank and other development banks) and private stakeholders.

A major focus should be on the private sector.

This should be served by an International Climate Finance Corporation, which aims to increase research and development and funding of climate tech, to de-risk climate finance, and scale up by using innovative financial instruments such as green insurance and fintech.

The International Climate Bank could set up specialised funds and tap international capital markets through climate bonds and sukuk.

The new body could become a global financial powerhouse funding a new growth and development paradigm, based on investment and job creation in green and climate tech boosted

by AI, aiming to be inclusive in addressing the needs of developing economies.

“Tackling the Climate Emergency with Climate Finance”, Emirates Environmental Group webinar, 28 Jul 2020

Dr. Nasser Saidi participated as a panelist in the webinar organised by the Emirates Environmental Group (EEG) on **28th of July –** under the theme **“Tackling the Climate Emergency with Climate Finance”.** The panel discussion focused on the urgent need for increasing government and private spending on crucial sectors such as health, education, infrastructure, and climate change as well as open up a dialogue about the financial opportunities in the UAE that can be diverted towards combating climate change.
The panel discussion can be viewed below: