



# COP28 UAE

## PRESS RELEASE

### UAE pledges USD 200m to help low-income and vulnerable countries fight climate change

- UAE pledges USD\$ 200 million to help climate resilience in vulnerable countries.
- COP28 President Dr. Sultan Al Jaber, said: “The UAE is delighted to announce our SDR commitment to the IMF Resilience and Sustainability Trust (RST). We are committed to supporting those countries and communities who have often contributed most to climate change but are impacted the most.”
- The announcement during the World Climate Action Summit (WCAS) at COP28 in Dubai.

**Dubai, 1 December 2023:** Today, the UAE pledged USD \$200 million to help climate resilience in vulnerable countries.

The announcement, which came during the World Climate Action Summit (WCAS), follows up from a previous pledge of USD \$200 million to support development in low-income countries earlier this year in Marrakech.

The commitment comes in the form of Special Drawing Rights (SDRs), pledged to IMF’s Resilience and Sustainability Trust (RST). The RST is a trust held by the International Monetary Fund (IMF) and provides long-term concessional funding for climate resilience and pandemic preparedness. The RST supports climate resilience in low- and middle-income economies and countries vulnerable to the impacts of climate change.

COP28 President Dr. Sultan Al Jaber, said: “The UAE is delighted to announce our SDR commitment to the IMF Resilience and Sustainability Trust (RST). We are committed to supporting those countries and communities who have often contributed the least to climate change but are impacted the most.”

His Excellency Mohamed Hadi Al Hussaini, Minister of State for Financial Affairs, said: “The UAE’s allocation of funds to the Resilience and Sustainability Trust is a testament to our commitment to advancing sustainable finance efforts and supporting countries most affected by climate change. The Ministry of Finance in the UAE prioritizes identifying climate financing gaps, assessing the impact of climate change mitigation policies on capital flows, and recognizing the macroeconomic risks resulting from climate change. We work closely with our partners from international financial organizations, such as the IMF, to enhance multilateral coordination in sustainable finance action.”

SDRs are a stable asset, pegged against a basket of five currencies – the US Dollar, the Euro, The Chinese Reminbi, the Japanese Yen, and The British Pound Sterling - which IMF members can exchange for a freely usable currency when needed. The RST was established in 2022 as a response to the need to support low and middle -income economies and vulnerable countries as they confront longer-term climate change risks.

Concessional financing represents loans that are on more favourable terms than the borrower could obtain in the debt markets. This either relates to terms where the loan has low (below market rate) interest rates, or the recipient is granted a grace period or deferred repayment of the loan.

Approximately three-quarters of the IMF's country membership is eligible for RST financing, including low-income members as well as middle-income countries and small island developing states (SIDS).

Currently, the RST has received over USD 40 billion to SDR pledges and 11 countries have been approved as recipients so far.

ENDS

**Notes to Editors COP28 UAE:**

- COP28 UAE will take place at Expo City Dubai from November 30-December 12, 2023. The Conference is expected to convene over 70,000 participants, including heads of state, government officials, international industry leaders, private sector representatives, academics, experts, youth, and non-state actors.
- As mandated by the Paris Climate Agreement, COP28 UAE will deliver the first ever Global Stocktake – a comprehensive evaluation of progress against climate goals.
- The UAE will lead a process for all parties to agree upon a clear roadmap to accelerate progress through a pragmatic global energy transition and a “leave no one behind” approach to inclusive climate action.