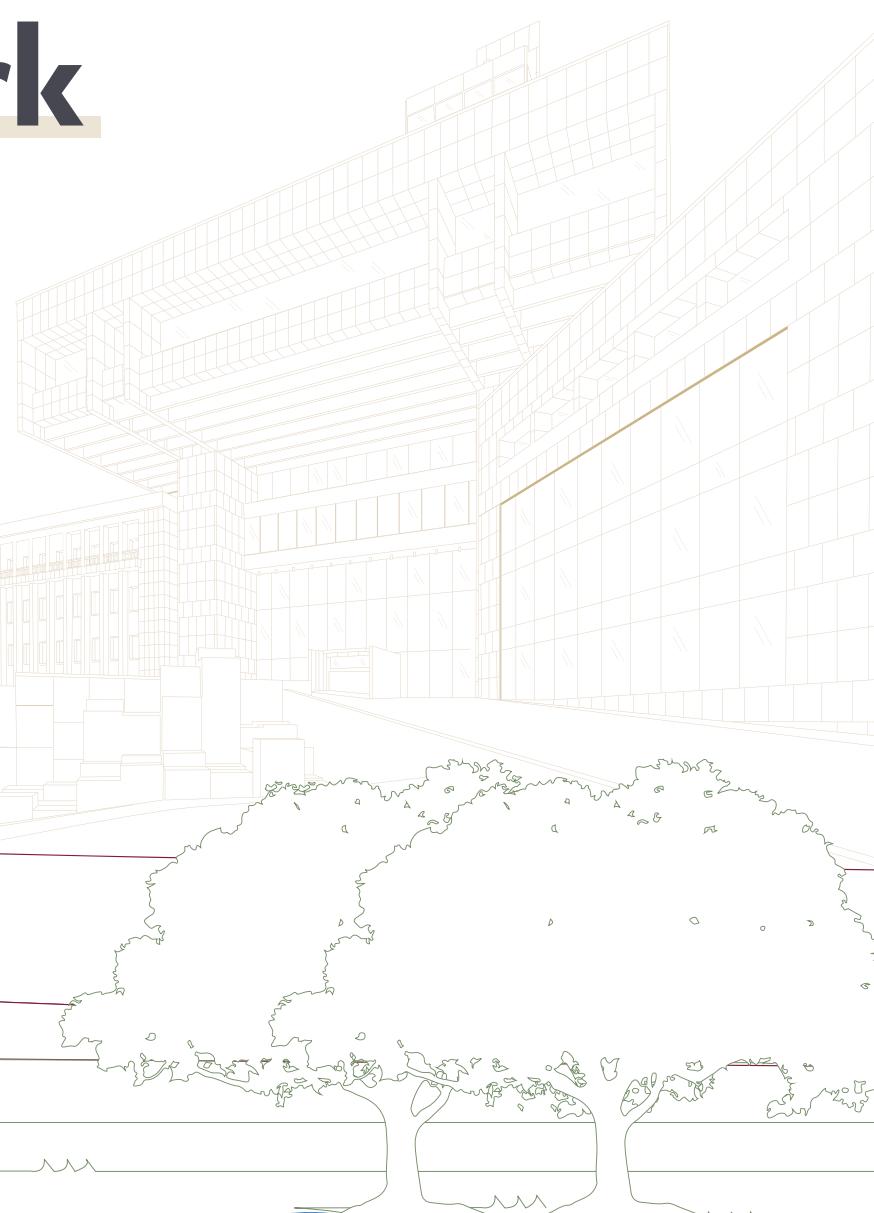


State of Qatar

Sovereign Green

Financing

Framework



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1. Introduction

1.1. Qatar's Commitment to Sustainable Development and the Paris Agreement

The State of Qatar (the “State” or “Qatar”) is a country with a strong progressive vision for its people and its region. The State is committed to improving the quality of life of its residents and to long term economic resilience. These aims have strong linkages to the United Nations Sustainable Development Goals and contribute to international commitments from the region, one of the most important being Qatar’s commitment to the Paris Agreement.

The State considers climate change to be one of mankind’s most pressing challenges, and this is clearly defined in the Qatar’s Permanent Constitution, which obliges it to protect the environment, address climate change, minimize pollution, conserve natural resources, and preserve the country’s cultural heritage and biodiversity.

The energy sector is a significant source of economic growth and social development for Qatar. Reducing emissions from the sector and continued economic diversification are key strategic priorities for sustainable development in the country. Globally, many state actors rely strongly on Qatar for energy security. Therefore, providing cleaner, reliable energy to enable the energy transition is part of Qatar’s role in the global climate agenda.

In order to deliver on the Environmental commitments the State has set for its people and natural habitat, the State has established the Qatar National Vision 2030 and National Development Strategies that fit sustainable development within the context of Qatar’s economic model.

Qatar’s National Vision aims that – by 2030 – Qatar becomes an advanced society capable of sustaining its development and providing a high standard of living for its people. Qatar’s National Vision defines the long-term goals for the country and provides a framework in which national strategies and implementation plans can be developed.

¹ Qatar’s updated First NDC (August 2021): <https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Qatar%20First/Qatar%20NDC.pdf>

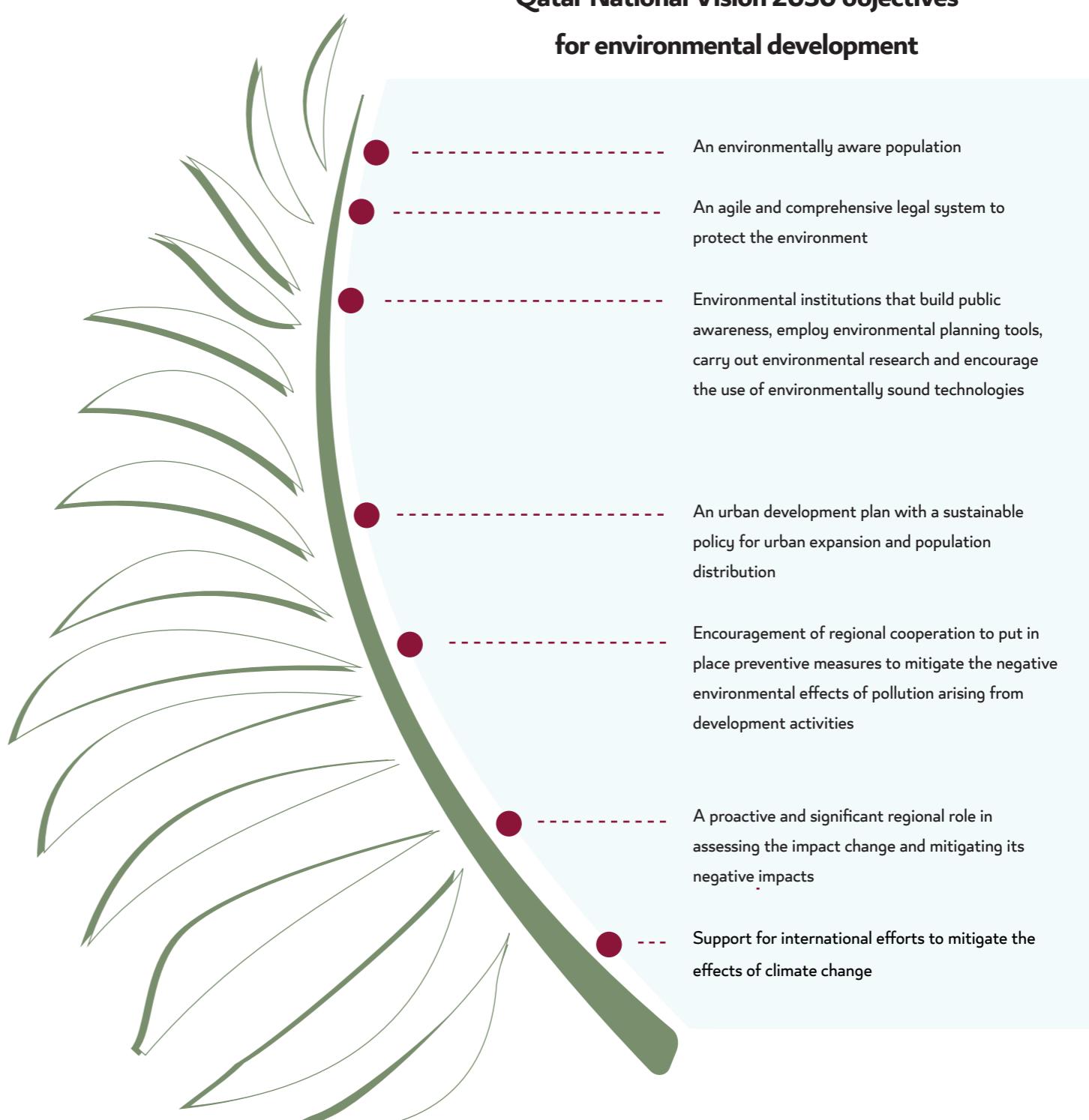
Qatar launched its National Environment and Climate Change Strategy (QNE) in October 2021. It provides a robust policy framework to safeguard Qatar’s environment for future generations focusing on five pillars: GHG emissions reductions and air quality, biodiversity, water, circular economy and waste management, and land use. In the context of supporting the international efforts in combating climate change and providing a clearer and transparent strategy to achieve its sustainable commitments, the State has developed the National Climate Change Action Plan (NCCAP). NCCAP builds on the strategic plans for economic diversification set out in the Qatar National Vision 2030, consolidating Qatar’s climate change efforts with stakeholder engagement across all sectors.

Qatar is party to the UNFCCC, and has ratified both the Kyoto Protocol and the Paris Agreement. Qatar recently submitted its updated First National Determined Contribution (NDC) report to the UNFCCC with an ambition to reduce greenhouse gases by 25% by 2030, against business-as-usual (base year: 2019).

1.2. Qatar National Vision 2030

Qatar National Vision 2030 presents a roadmap for Qatar’s future, addressing the major challenges facing Qatar including environmental management and managed growth. The Vision foresees development through four interconnected pillars: human development, social development, economic development, and environmental development.

The environmental development pillar is increasingly important as Qatar is forced to deal with the effects of climate change, particularly diminishing water resources, increasing temperatures, pollution, and environmental degradation:



1.3. The Qatar National Environment and Climate Change Strategy (QNE)

As a low lying, desert nation on the sea, Qatar's biodiversity and way of life is at significant risk from the physical effects of climate change on our planet.

Qatar's actions to address the issues of climate change and sustainable development are built on the State's commitment to global policy initiatives. Launched in October 2021, the Qatar National Environment and Climate Change Strategy (QNE) contains the nation's updated report on First Nationally Determined Contributions (NDC) to the UNFCCC, demonstrating leadership in the region with one of the most ambitious targets published to date.

The new pledge, a reduction in GHG emissions by 25% by 2030 compared to a baseline of business-as-usual², is in line with Qatar's aim to holding the increase in global average temperature to well below 2°C above pre-industrial levels, and pursuing efforts to limit the global average temperature increase to 1.5°C.

Energy production and consumption in Qatar is the primary contributor to global greenhouse gas emissions. Oil and gas contribute to about 65% of total energy-related emissions in Qatar. Therefore, reducing emissions in the energy sector plays a central, critical role in climate change mitigation – driving change throughout the energy chain and accelerating decarbonization. Qatar is a world leader in highly efficient gas production and continues to innovate in this regard, undertaking multiple strategic initiatives to reduce greenhouse gas emissions in all processes from well to LNG tanker. These activities include carbon capture storage, smart leak detection and the use of more efficient compression pumps.

Beyond emissions reductions, the QNE is a mandate to preserve the natural resources of Qatar and ensure that the Qatari way of life is complementary to the environment. Qatar has a comprehensive set of initiatives which aim to develop resilient natural ecosystems, enable access to clean and environmentally friendly water sources, develop a circular economy, and maximize the long-term potential of its land resources.

These efforts are covered in the QNE as the five core environmental

spheres, each focusing on a joint vision and underpinned by shared enablers:

GHG emissions and air quality	Reduce GHG emissions to limit global warming and improve ambient and indoor air quality to better protect public health and the wider environment.
Biodiversity	Enhance efforts to conserve, restore and protect biodiversity for healthy and resilient natural ecosystems. Qatar will conserve and effectively manage more than 25-30% of its total land area by 2030 and seek to protect the maritime area in line with the global biodiversity framework. Qatar is also developing plans for sustainable fishing, protection of endangered species and raising awareness and capacity building to preserve the biodiversity.
Water	Ensure the sustainable and integrated management of all water resources. Qatar will reduce groundwater extraction by 60%, exceed 55% reverse osmosis desalination, improve water loss efficiency, reuse 100% of treated wastewater, and reduce domestic water consumption per capita by 33%.
Circular economy and waste management	Enhance critical infrastructure for sustainable waste management and drive more circular use of materials. Qatar seeks to close and rehabilitate 100% of unsanitary landfills and achieve a 15% material recycling rate of municipal wastes. Qatar commits to monitor and track 100% of waste of all types, achieve 100% responsible hazardous waste management and use 35% of recycled materials in construction projects. Qatar will also lower food waste per capita by 50% and integrate a circular economy model into the public procurement for the infrastructure sector and manufacturing principles of the State.
Land Use	Enhance the long-term potential of all land resources. Qatar will prioritise high-yield and sustainable agriculture production by driving a more than 50% improvement in farmland productivity, lower water usage per ton of produced crops by 40%, monitor and track national agricultural chemicals with a plan to reduce them, as well as improve soil carbon percentages and soil quality. Qatar will also boost reliance on public transportation to 16%, provide green spaces for Qatar's population and enforce green building requirements in the country.

The transition to a low carbon economy that is guided by the vision of sustainable development will require substantial public and private sector investment and expertise; to this end, the State of Qatar has introduced this first sovereign Green Financing Framework, which will allow investors to support Qatar's investments in climate action, environmental protection and sustainable development, while fostering further development of Qatar's sustainable finance market.

²The business-as-usual scenario starts in the year 2019 and considers mitigation measures implemented by Qatar until the end of 2019

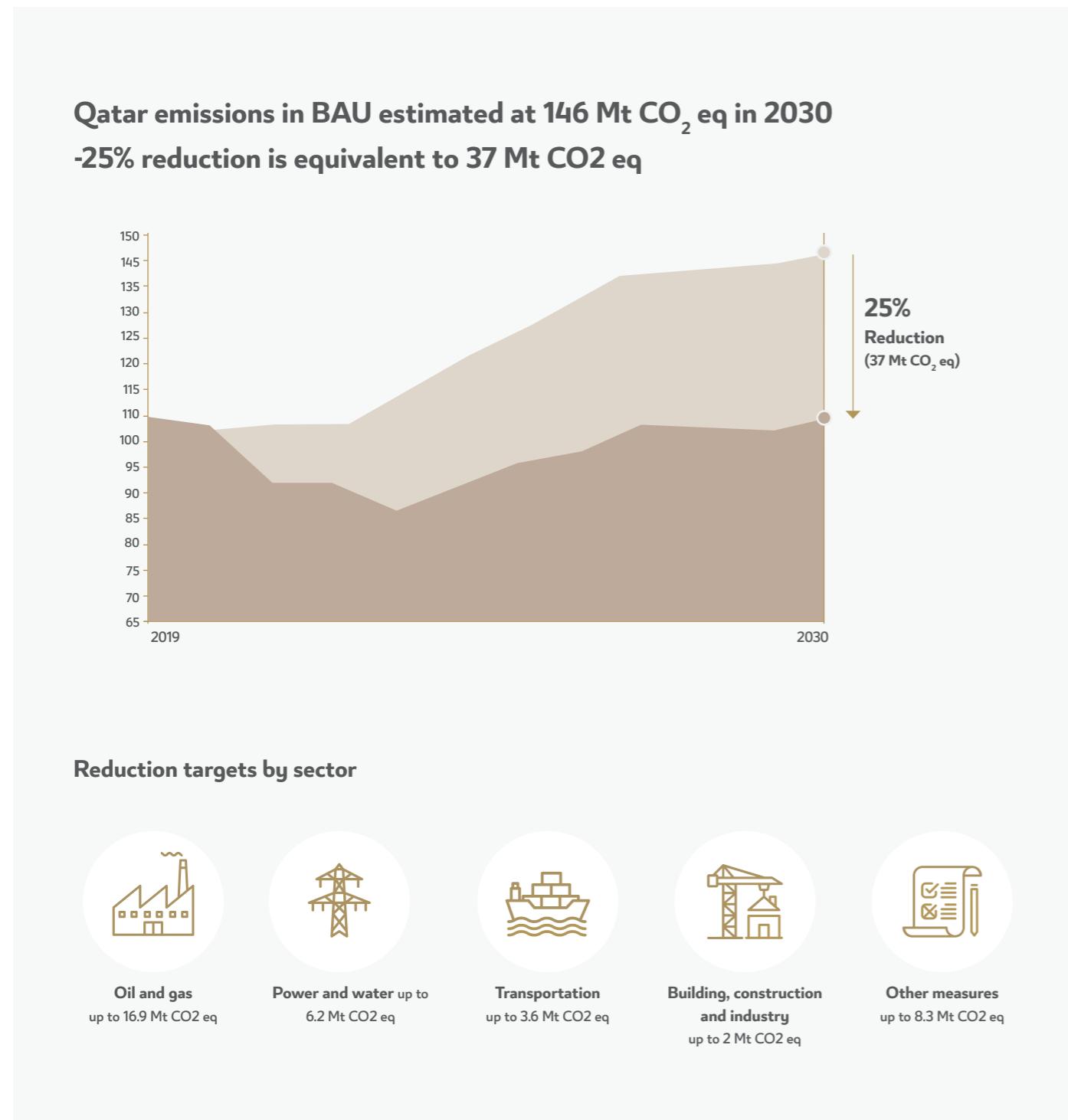
1.4. Qatar's National Climate Change Action Plan (NCCAP)

The National Climate Change Action Plan incorporates relevant elements from the Vision 2030's pillars of environmental development, economic development and human development. It is focused on delivering the QNE's commitment to emissions reductions via two main routes:

- Natural resource efficiency and emissions reductions
- Implementation of green technologies and initiatives

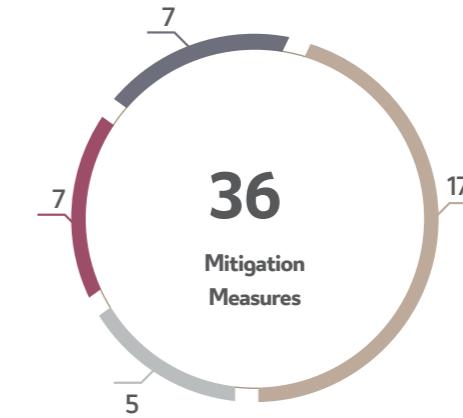
National Resource Efficiency and Emissions Reductions:

Behind Qatar's approach to the transition, is the State's target to reduce greenhouse gas emissions by at least 25% by 2030 relative to business-as-usual (equivalent to a reduction of 37 MT CO₂ eq by 2030).



Implementation of Green Technologies and initiatives

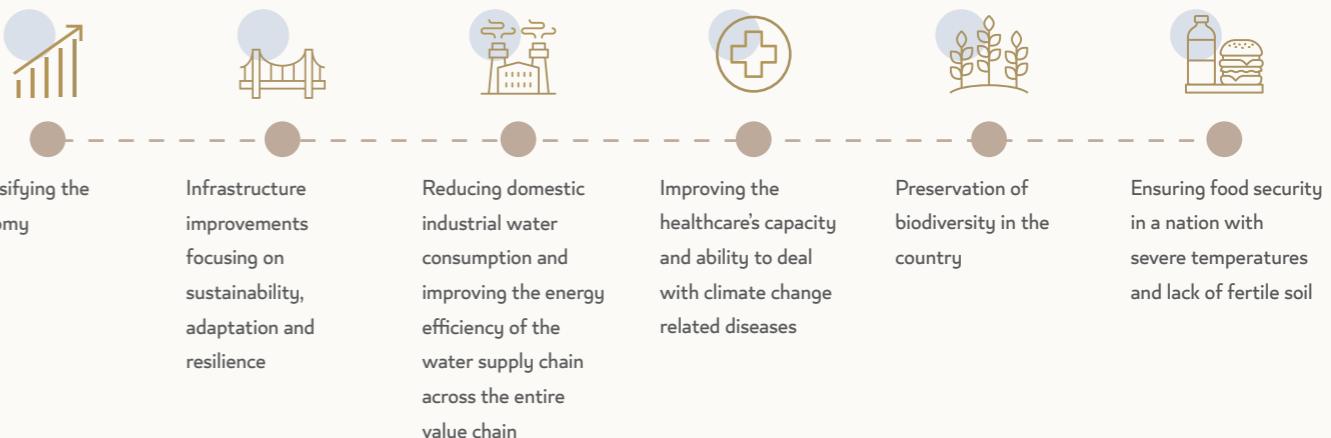
This NCCAP is a blueprint for a greener and more sustainable future, and it will continue to be developed even while it is being implemented. The State of Qatar has a series of programs and projects committed to Climate Mitigation and Climate Adaptation.



More than 30 mitigation measures across all key sectors to reduce emissions and contribute to a sustainable future.

More than 300 climate change adaptation measures that will reduce the impact of climate change on our communities, natural resources, and lives

NCCAP's focus on Climate Adaptation looks at key areas



The NCCAP aggressively pursues new solutions and technologies, embraces new ideas and projects, and seeks new partners for collaboration on climate change and environmental protection efforts.

2. State of Qatar Sustainable Financing Approach

In order to deliver on the environmental stewardship objectives of the QNE, as well as lay the foundation for the development of the NCCAP, Qatar has developed a Green Financing Framework. With the issuance of sustainable finance instruments, we aim to support our sustainability commitments. To meet these commitments and push for more ambitious action to support our strategy and vision, State of Qatar has elected to create this Green Financing Framework under which State of Qatar can issue Green Bond(s) / Sukuk / Loan(s) (hereafter referred to as 'Green Financing Instruments').

State of Qatar has established its Green Financing Framework (the "Framework") in accordance with the ICMA Green Bond Principles³ "GBP" 2021, and LMA Green Loan Principles⁴ "GLP" 2023. In alignment with these Principles, for each Green Financing Instrument, State of Qatar asserts that it will adopt the following, as set out in this Framework:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting
5. External Review

2.1. Use of proceeds

An amount equal to the net proceeds of any Green Financing Instrument issued by the State of Qatar will be allocated to finance new or re-finance existing⁵ projects/expenditures, in part or in full, which qualify under as an Eligible Green project categories as set out below.

Eligible expenditures will include investments expenditures, operating expenditures, tax expenditures and subsidies, insofar as any expenditure contributes to the State of Qatar's climate

change mitigation and adaptation policies. Eligible Green Projects will exclude any State expenditure to a local agency or to a local authority that such entity could use itself to issue its own Green Financing Instrument.

All Eligible Green Projects are aligned with the ICMA GBP, LMA GLP as well as the United Nations Sustainable Development Goals. The eligible projects are expected to provide significant environmental benefits towards climate change mitigation while avoiding significant harm to either climate change adaptation, sustainable use of water resources, the transition to a circular economy, pollution prevention and control and biodiversity preservation.

A maximum 3-year look-back period would apply for refinanced projects and the State of Qatar expects each issuance under this framework to be fully allocated within 2 years from the date of issuance.

The green project categories identified below are in alignment with the ICMA GBP, and LMA GLP.

Eligible Green Project Categories

Alignment with GBP/GLP	Renewable energy
Alignment with the UN SDGs ⁶	 7 AFFORDABLE AND CLEAN ENERGY  13 CLIMATE ACTION 
Eligibility criteria	<ul style="list-style-type: none"> Renewable energy projects to increase the share of renewable energy usage in the country Incentives and Research & Development programs to promote and establish renewable energy technologies Transmission and distribution infrastructure associated with renewable energy facilities <p>Eligible renewable energy sources include – solar, wind, hydro (<25MW) and as well as geothermal and biomass with GHG emissions below 100gCO₂e/kWh</p>
Alignment with QNE environmental spheres and NCCAP measures	<ul style="list-style-type: none"> GHG X emissions and air quality Climate change mitigation
Alignment with GBP/GLP	Clean transportation
Alignment with the UN SDGs ⁶	 11 SUSTAINABLE CITIES AND COMMUNITIES 
Eligibility criteria	<ul style="list-style-type: none"> Projects that include electric vehicles and infrastructure such as charging stations Public transport and related infrastructure including electric passenger rail and other passenger rail projects with emissions below 50gCO₂/p-km Projects incentivising zero-emissions transport and related infrastructure, leading to reduced emission from transportation activities, such as dedicated bicycle paths
Alignment with QNE environmental spheres and NCCAP measures	<ul style="list-style-type: none"> GHG emissions and air quality Climate change mitigation
Alignment with GBP/GLP	Green buildings
Alignment with the UN SDGs ⁶	 11 SUSTAINABLE CITIES AND COMMUNITIES 
Eligibility criteria	<p>Projects related to acquisition, development, construction and refurbishment of buildings have received, or expect to receive based on its design, construction and operational plans, certification according to third-party verified green building standards, including:</p> <ul style="list-style-type: none"> Global Sustainability Assessment System "GSAS 4 star" LEED "Gold" or above Mostadam "Gold" or above BREEAM "Excellent" or above
Alignment with QNE environmental spheres and NCCAP measures	<ul style="list-style-type: none"> GHG emissions and air quality and Water Climate change mitigation
Alignment with GBP/GLP	Pollution prevention and control
Alignment with the UN SDGs ⁶	 11 SUSTAINABLE CITIES AND COMMUNITIES  12 RESPONSIBLE CONSUMPTION AND PRODUCTION 
Eligibility criteria	<ul style="list-style-type: none"> Investments related to maintaining soil quality and preventing contamination Waste management programmes to promote a circular economy, such as waste prevention, waste reduction and waste recycling <p>Waste management projects will exclude projects related to hazardous waste and waste to landfill.</p>
Alignment with QNE environmental spheres and NCCAP measures	<ul style="list-style-type: none"> Circular economy and waste management Climate change mitigation

³ Green Bond Principles (GBP) 2021 - <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

⁴ Green Loan Principles (GLP) 2023 - <https://www.lsta.org/content/green-loan-principles/>

⁵ Existing projects/expenditures refer to projects which have been undertaken up to 36 months before the issuance of any Green Financing Instrument

Alignment with GBP/GLP	Pollution prevention and control and Terrestrial and aquatic biodiversity conservation
Alignment with the UN SDGs ⁶	
Eligibility criteria	Measures to minimise air and noise pollution, and as well as protection of coastal, marine and watershed environments.
Alignment with QNE environmental spheres and NCCAP measures	<ul style="list-style-type: none"> GHG emissions and air quality, Circular economy and waste management and Biodiversity Climate change mitigation

Alignment with GBP/GLP	Sustainable water and wastewater management
Alignment with the UN SDGs ⁶	 
Eligibility criteria	<ul style="list-style-type: none"> Wastewater and sewerage water treatment plant Desalination plants powered by reverse osmosis technology that have an average carbon intensity at or below 100gCO₂e/kWh over the residual asset life Sustainable solutions to reduce water shortage, such as water recycling and reuse projects, water saving systems, technologies and water metering
Alignment with QNE environmental spheres and NCCAP measures	<ul style="list-style-type: none"> Water Climate change mitigation & adaptation

Alignment with GBP/GLP	Energy efficiency
Alignment with the UN SDGs ⁶	
Eligibility criteria	<ul style="list-style-type: none"> Economic incentives to encourage companies to undertake energy efficiency measures through upgradation of facilities, retrofitting, etc. Programmes to improve energy utilisation in commercial and residential buildings R&D related to energy efficiency
Alignment with QNE environmental spheres and NCCAP measures	<ul style="list-style-type: none"> GHG emissions and air quality Climate change mitigation

Alignment with GBP/GLP	Climate change adaptation
Alignment with the UN SDGs ⁶	
Eligibility criteria	<ul style="list-style-type: none"> Financing of plans of action and activities to reduce the impacts of extreme climatic events in vulnerable areas, such as flood, drought, etc.
Alignment with QNE environmental spheres and NCCAP measures	<ul style="list-style-type: none"> Biodiversity, Land Use Climate change adaptation

Excluded Projects

For each Green Financing Instrument issued, Qatar asserts that it will not use the proceeds for:

- Burning of fossil fuels for power generation and transportation
- Exploration, production or transportation of fossil fuels
- Rail infrastructure dedicated for the transportation of fossil fuels
- Nuclear power generation
- Alcohol, weapons, tobacco, gaming (gambling & lottery), or palm oil industries
- Child labour or forced labour
- Any activity that is considered illegal according to national laws or regulations or international agreements and conventions

3. Review, evaluate and monitor the use of the proceeds and funds resulting from issuance of Green Bond/Sukuk/Loan and ensure that their use is in line with the principles of this Framework.

4. Update the Framework and make sure it is compliant with the international standards such as the International Capital Market Association (ICMA), Loan Market Association (LMA) and UN Sustainable Development Goals (SDGs).

5. Review and update the assets register on a biannual basis and verify the accuracy of information of projects and assets listed therein to be in line with the national sustainable plans and eligibility criteria as laid out in this Framework.

6. Prepare annual reports (as stated in section 2.4 below) on financed projects and assets and the impact of finance, and provide all relevant information in accordance with the reporting section of this Framework.

7. Enhance accountability and transparency across relevant government departments and sectors with regards to the provisions of this framework.

On a biannual basis, the Committee will review the allocation of the proceeds to the Eligible Use of Proceeds and determine if any changes are necessary (for instance, in the event that projects or expenditures have been cancelled, sold or otherwise become ineligible).

2.2. Project Evaluation and Selection Process

The Project Evaluation and Selection Process will ensure that the proceeds of any State of Qatar Green Financing Instrument are allocated to new lending or existing projects/ expenditures that meets the criteria set out above in Use of Proceeds (Section 2.1).

The State approved the establishment of a Sustainable Finance Committee (the “Committee”) to carry out the evaluation and selection process. The Committee will consist of members from:

- Ministry of Finance.
- Ministry of Environment and Climate Change.
- Ministry of Transport.
- Public Works Authority (Ashghal).
- Qatar General Electricity and Water Corporation (Kahramaa)
- The committee shall form sub-committees as needed.

Each party shall select its representative in the Committee. The Chair, Vice Chair and members of the Committee shall be designated by a decision from the Minister of Finance.

The Committee shall take all necessary actions to carry out its tasks, particularly:

- Identify and define the projects and assets eligible for finance through any Green Bond/Sukuk/Loan, and collect all relevant financial and technological data and include them in the assets register.
- Review and evaluate the technical aspects of the proposals for Green Bond/Sukuk/Loan.

2.3. Management of Proceeds

State of Qatar, acting through the Ministry of Finance, will be responsible for the issuance of Green Financing Instruments. The net proceeds will be allocated to eligible budgetary programmes in the General Budget of the State of Qatar, corresponding to the fiscal year of the issuance. The total expenditures required for the eligible programmes will equal or exceed the net Green Financing Instrument proceeds.

Pending the full allocation of the proceeds to Eligible Projects, the balance of unallocated proceeds will be invested in cash or short-term liquidity money market instruments in accordance with its Treasury Management Policy and, for the avoidance of doubt, subject to the "Excluded Projects" criteria as set out in section '2.1. Use of Proceeds' of this Framework. The Ministry of Finance will oversee the allocation and tracking of expenditures on Eligible Green Projects up to an amount equal to the net proceeds of Green Financing Instruments issued.

In the event where some expenditures would be withdrawn from the portfolio of eligible expenditures, the State of Qatar will reallocate on a best effort basis the proceeds to other eligible expenditures which are compliant with the Eligible Criteria, as soon as reasonably practicable.

2.4. Reporting

An annual allocation report will be made publicly available within one year of issuance, and until full allocation, of any State of Qatar Green Financing Instrument, which details the allocation of the net proceeds from any outstanding issuance.

The allocation report will include the following details:

- Total amount allocated to Eligible Green Projects;
- Total amount allocated per Eligible Green Project Category;
- Total amount allocated per region;
- Breakdown of expenditure by the type of expenditure;
- Breakdown of refinancing versus new financing;
- The amount remaining unallocated;

In addition, it will provide impact reporting on the expected environmental impacts of the Eligible Green Projects, which will also include the underlying methodology and/or assumptions used to determine the quantitative environmental impact. The impact report will be made available at least on a biennial basis, subject to the availability of the relevant data.

Potential key environmental impact indicators include:

Renewable Energy

- Amount of renewable energy generated or used (MWh) and breakdown by the type of renewable energy source
- Amount of energy saved (MWh)
- Amount of CO₂ emissions avoided / reduced (tCO₂e)

Clean transportation

- Passengers using public transportation growth rate
- Number of new train lines created/maintained (in km)
- GHG emissions reduced or avoided (tCO₂e)

Green buildings

- Building certification
- Energy used or saved annually (MWh)

Pollution prevention and control

- Recycling rate of household and commercial waste
- Air quality index
- Number of circular economy projects
- Greenhouse Gas (GHG) emissions reduced or avoided (tCO₂e)

Pollution prevention and control and Terrestrial and aquatic biodiversity conservation

- Reduction in air and/or noise pollution
- Coastal, marine and watershed protected area (in sq.km.)
- Greenhouse Gas (GHG) emissions reduced or avoided (tCO₂e)

Sustainable water and waste water management

- Biochemical oxygen demand in rivers
- Population connected to wastewater treatment with at least the second degree of treatment

Energy Efficiency

- Amount of CO₂ emissions avoided / reduced (tCO₂e)
- Amount of energy saved (MWh)

Climate change adaptation

- Total Emissions of GHG measured in CO₂ equivalent, per inhabitant
- Consumption of CO₂ equivalent per kw / hour
- Tons of CO₂ per year reduced

2.5. External Review

2.5.1 Second-Party Opinion

State of Qatar has appointed DNV to provide an external review on the State of Qatar Green Financing Framework, and confirm its alignment with the ICMA GBP, and LMA GLP. This Second Party Opinion document will be made available on the Ministry of Finance - State of Qatar's website.

2.5.2 Post issuance external verification

State of Qatar's annual reporting will also be subject to external verification by an external reviewer. The external reviewer will verify the proceeds of any Green Financing Instrument with eligibility criteria defined in the use of proceeds section in this Framework

- Allocated amount related to the eligible Green projects financed by the proceeds of any Green Financing Instrument
- The management of proceeds and unallocated proceeds amount

The external reviewer's report will be published on the Ministry of Finance - State of Qatar's website.

3. Amendments to this Framework

The Committee will review this Framework on a regular basis, including its alignment to updated versions of the Principles as and when they are released, with the aim of adhering to best practices in the market. Such review may result in this Framework being updated and amended. The updates, if not minor in nature, will be subject to the prior approval of State of Qatar and DNV. Any future updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by an External Reviewer. Any bonds/loans subsequently issued will be subject to the updated and amended Framework. The updated Framework, if any, will be published on the Ministry of Finance - State of Qatar website and will replace this Framework.



State of Qatar Sovereign Green Financing Framework

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For inquiries, please contact the Credit Policies & Public
Debt Department via email debts@mof.gov.qa