

# STATE OF QATAR SOVEREIGN GREEN FINANCING FRAMEWORK

## DNV INDEPENDENT ASSESSMENT

### Scope and Objectives

The Sovereign State of Qatar (henceforth referred to as “Qatar” or “The State”) is focused on delivering long-term sustainability and protecting the environment, especially as Qatar is vulnerable to the physical impacts of climate change. In the long term, Qatar is working towards achieving a regenerative economy (*‘doing more good, instead of less bad’*) and becoming net-positive by 2030. To support global efforts to promote sustainability, the State is looking to strengthen its own environmental management across economic and natural resource sectors, assist the areas most affected by the physical impacts of climate change, and strengthen public-private partnerships (PPP). These are to be achieved by funding projects, activities, and/or research that help mitigate immediate environmental risks.

Considering the energy sector’s contribution to the country’s economic growth and social development, Qatar has affirmed that reducing greenhouse gas (GHG) emissions and continued economic diversification are key strategic ambitions of the State, to progress the global climate agenda. As part of this ambition, the State has developed a National Climate Change Action Plan (NCCAP) to implement its ambitions for strengthening climate change efforts across all sectors, following consultation with multiple public and private sector stakeholders.

To support this, and as part of its National Environment and Climate Change Strategy (QNE), Qatar has adopted a holistic approach towards sustainable development (see ‘Qatar’s National Vision’ (QNV 2030)<sup>1</sup>), focused around five key areas:

- Greenhouse gas emissions (GHG) and air quality.
- Biodiversity.
- Water.
- Circular Economy and Waste Management.
- Land Use.

Qatar’s history of international collaboration in relation to sustainable development can also be observed, for instance<sup>2</sup>: It was one of the first countries to ratify the United Nations Framework Convention on Climate Change in 1996; Signatory of the Kyoto Protocol in 2005; Attended the Eighteenth session of the Conference of States Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in 2012; Signatory of the seminal treaty for the Paris Climate Agreement in 2015; Contributed \$100 million to support small island developing states and least developed countries to address climate change and environmental challenges during the Climate Action Summit in 2019; and aligns to the United Nations Sustainable Development Goals (UN SDGs) and the Paris Agreement<sup>3</sup>. Most recently, Qatar has submitted its First National Determined Contribution (NDC) report to the UNFCCC stating its ambition to reduce its GHG emissions by 25% by 2030, against a baseline year of 2019.

---

<sup>1</sup> As stated in the Qatar National Development Strategy 2011-2016, the QNV 2030 is an established Framework of aspiration, calling for programmes and projects that ensure sustainable prosperity for future generations. It is reported that the State led an extensive process of stakeholder consultations, studies and analyses that culminated in the National Development Strategy 2011– 2016 (NDS). The Strategy identifies specific actions and outcomes to overcome challenges and advance the QNV 2030 goals. The strategy was updated, and the ambitions are repeated in: (1) the Qatar National Development Strategy 2018-2022, and (2) then National Development Strategy beyond 2022 which is currently in development.,

<sup>2</sup> [Environment and Sustainability - Government Communications Office \(gco.gov.qa\)](https://www.gco.gov.qa).

<sup>3</sup> Alignment with the Paris Agreement can be found here: [Normal \(unfccc.int\)](https://unfccc.int).

To help catalyse capital to support its sustainability commitments and deliver on the State's National Environment and Climate Change Strategy (QNE), the Sovereign State of Qatar has developed a Green Financing Framework (the 'Framework') under which it can issue green debt to support the financing of new, or re-financing of existing<sup>4</sup>, projects/ expenditures (i.e., investment, operating or tax expenditures) in part or in full. This Framework will be used to govern all forms of Green Financing Instruments including Green Bonds, Sukuk and Loans together known as "Green Financing Instruments"). The eligible green categories and illustrative expenditures/ projects that can be covered by the finance, are outlined in [Schedule 1](#).

DNV Business Assurance Services UK Limited ("DNV") has been commissioned by State of Qatar to provide a review of the Framework against the International Capital Market Association ("ICMA") Green Bond Principles 2021 ("GBP") and the Loan Market Association ("LMA") Green Loan Principles 2023 ("GLP"). Our methodology to achieve this is described under 'Work Undertaken' below.

We were not commissioned to provide independent assurance or other audit activities. No assurance is provided regarding the financial performance of the Green Financing Instruments issued by the State's Green Financing Framework, the value of any investments, or the long-term environmental benefits of the associated transactions. Our objective has been to provide an assessment that the Framework has met the criteria established, on the basis as that set out in the below.

## Responsibilities of the State of Qatar and DNV

The State of Qatar has provided the information used by DNV during the delivery of this review. Our statement represents an independent opinion only and is intended to inform the State of Qatar's Officials and other interested stakeholders of the Framework, as to whether it is aligned with the ICMA GBPs 2021 and the LMA GLPs 2023. In our work, we have relied on the information and the facts presented to us by the State of Qatar. DNV is not responsible for any aspect of the projects/ expenditures as referred to in this opinion, and cannot be held liable if the estimates, findings, opinion, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by the State of Qatar and used as a basis for this assessment were not correct or complete.

## Basis of DNV's Opinion

We have adapted our eligibility assessment methodology to create a State of Qatar-specific Green Financing Framework Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that an issuer of Green Financing must use the funds raised to (re-)finance eligible green projects/ expenditures. The eligible projects/ expenditures should produce clear green benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of Green Financing should outline the process it follows when determining the eligibility of an investment using the proceeds and outline any impact objectives that it will consider.

---

<sup>4</sup> Existing projects/expenditures refers to projects that have been undertaken up to 36 months before the issuance of any Green Bond/Sukuk/Loan.

- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that the Green Financing should be tracked by the issuing organisation, that separate portfolios should be created where necessary, and that a declaration of how the unallocated funds will be handled are made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least annual reporting should be made on the use of the proceeds and that the quantitative and/or qualitative performance indicators should be used when feasible.

## Work Undertaken

Our work constituted a high-level review of the available information provided to DNV by the State of Qatar in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us.

The work undertaken that has formed our opinion has included:

- Creation of a State of Qatar-specific Protocol adapted to the purpose of the Framework, as described above;
- Assessment of documentary evidence provided by the State of Qatar on the Framework and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology.
- Discussions with Ministry of Finance – Qatar and a review of the relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of the findings against each element of the criteria, as detailed in [Schedule 2](#) of this document.

Our opinion as detailed below is a summary of these findings.

## Findings and DNV's Opinion

DNV's findings are listed below:

### 1. Principle one: Use of Proceeds.

Under the Framework, the State of Qatar will issue Green Financing Instruments in the form of Green Bonds, Sukuk and Loans. An amount equal to the net proceeds of any Green Financing Instruments issued by the State of Qatar will be allocated to finance new or re-finance existing projects/expenditures, in part or in full, which qualify under an Eligible Green Category as listed below:

- Renewable Energy.
- Clean Transportation.
- Green Buildings.
- Pollution prevention and control.
- Pollution prevention and control and Terrestrial and aquatic biodiversity conservation.
- Sustainable water and wastewater management.
- Energy efficiency.
- Climate change adaptation.

The categories and their descriptions are further defined in [Schedule 1](#) of this opinion.

DNV notes that Qatar has listed in the Framework the expected environmental benefits of each eligible green category and we can confirm it has aligned them to the applicable UN SDGs. The Framework also aligns with Qatar's NCCAP and its QNV 2030 vision – addressing reductions in greenhouse gas emissions and air quality, improving biodiversity efforts across the region, ensuring sustainable resource management (waste and water), and supporting climate change mitigation efforts through improving long-term land use resources.

We can also confirm that the type of proposed expenditures, projects, and/or activities proposed under the eligible green categories, as detailed in the Framework, is intended to progress the State's climate change mitigation and adaptation policies (e.g., climate change adaptation, sustainable use of water resources, the transition to a circular economy, pollution prevention control, biodiversity preservation), and will therefore deliver clear environmental benefits while avoiding causing significant harm.

DNV can also confirm that the State has specified the applicable exclusion criterion in the Framework. Proceeds will not be used for any of the following activities:

- Burning of fossil fuels for power generation and transportation;
- Exploration, production, or the transportation of fossil fuels
- Rail infrastructure dedicated for the transportation of fossil fuels
- Nuclear power generation
- Alcohol
- Weapons
- Tobacco
- Gaming (gambling and lottery)
- Palm oil industries;
- Child (and/or forced) labour
- Activities that are considered illegal according to national laws or regulations, or international agreements and conventions.

In addition, the State has also confirmed that it will not provide expenditures to any local agency/authority that could issue its own Green Bond/Sukuk/Loan.

DNV confirms that the State intends to use an amount at least equivalent to the net proceeds as issued under the Framework to finance new or refinance existing eligible green projects/expenditures. Financing may be through investment/capital expenditures, operating expenditures, tax expenditures and/or subsidies, provided that the expenditures will positively contribute towards Qatar's climate change mitigation and adaptation policies. Where re-financing is expected there will be a maximum 3-year look-back period, with new issuances expected to be allocated within 2 years of issuance.

DNV concludes that the eligible green categories as outlined in the Framework, are consistent with those listed in the GBPs and the GLPs, and they will provide clear environmental benefits that advances the States climate change mitigation and adaptation ambitions.

## **2. Principle Two: Process for Project Evaluation and Selection**

DNV can confirm that Qatar has established a Sustainable Finance Committee (the "Committee") who will be responsible for the evaluation and selection of all eligible green projects. This Committee will comprise of the

following representatives, including - the State of Qatar's Ministry of Finance, the Ministry of Environment and Climate Change, the Ministry of Transport, the Public Works Authority (Ashghal) and Qatar General Electricity and Water Corporation (Kahramaa). DNV notes that other sub-committees may also be formed and appointed by the Committee on a case-by case basis. We can confirm this Committee will meet bi-annually to review the allocation of proceeds to eligible green projects and will manage any changes where necessary.

The Committee will be responsible for the management of the Green Financing Framework and for the tracking of associated eligible activities. If any changes are necessary (for instance, in the event a project, activity and/or expenditure has been cancelled, sold or otherwise becomes ineligible) the Committee will also review this.

Based on the information provided, DNV understands that the Committee's responsibilities are as follows:

- Identify and define projects, activities and/or assets that are eligible for finance through any Green Bond/ Sukuk/ Loan, and to collect all relevant financial and technological data and include them in the assets register.
- Review and evaluate the technical aspects of the proposals for any Green Bond/ Sukuk/ Loan.
- Review, evaluate, and monitor the use of the proceeds and funds resulting from the issuance of a Green Bond/ Sukuk/ Loan, and ensure their use is in line with the requirements set out in the Framework.
- Update the Framework and ensure it remains in compliance with the appropriate international standards, such as the ICMA and LMA principles and the UN SDGs.
- Review and update the assets register on a biannual basis and verify the accuracy of information of projects/ assets listed therein, to ensure they are in line with the State's national sustainable plans, and climate change action plan, and the eligibility criteria as stated within the Framework.
- Prepare annual reports on the financed projects/ assets and the impact of them, and provide all relevant information in accordance with the reporting section of the Framework; and
- Enhance accountability and transparency across relevant government departments and sectors with regards to the provisions of the Framework.

DNV can confirm the Framework is aligned with the QNE plans focused on ecological impact and biodiversity, carbon footprint and energy management, renewable energy and clean-tech adoption, water, and waste management - and that they complement the relevant eligible green project categories. The framework also aligns with the QNV 2030 to drive national economic and environmental transformation, and with Qatar's ambition to transition to support global climate change mitigation and adaptation efforts.

DNV concludes that the Framework appropriately describes the process of project evaluation and selection, and that this it is in line with the requirements of the GBPs and the GLPs.

### **3. Principle Three: Management of Proceeds**

Acting through the Ministry of Finance, the State of Qatar will manage the allocation and tracking of the net proceeds to Eligible Green Projects (e.g., assets will be tracked on an internal register) to an amount equal or exceeding the net proceeds (the Green Bonds / Sukuk / Loans).

The proceeds will be deposited into the State's general budget and reserved for allocation to eligible budgetary programmes in the General Budget of the State of Qatar, corresponding to the fiscal year of issuance.

The State of Qatar has also confirmed that for temporarily unallocated proceeds, it will follow the requirements as set out under its Treasury Policy and invest the balance of unallocated proceeds in cash or short-term liquidity

money market instruments. For the avoidance of doubt, the management of unallocated proceeds will be subject to the exclusion criteria as per Principle One above.

Where eligible projects are withdrawn, proceeds are to be reallocated to other eligible expenditures on a best effort basis, as soon as reasonably practicable.

DNV has reviewed the evidence and we can confirm that the State of Qatar has committed to appropriately managing the proceeds arising from future issuances, as outlined in the Framework, and we can also confirm that this is in line with the requirements of the GBPs and the GLPs.

#### 4. Principle Four: Reporting

DNV confirms that the State of Qatar has committed to providing information on its website, annually, on the allocation of future issuances within one year of any issuance and until full allocation.

We can confirm that the Allocation Reporting will outline:

- The total amount allocated to Eligible Green Projects.
- The total amount allocated per Eligible Green Project category.
- The total amount allocated per regional; and the
- Breakdown by the type of expenditure, refinancing versus new financing, and the amount unallocated.

We can also confirm that the State will produce an Impact Report summarising the expected environmental impacts, and disclosure where necessary, the underlying methodology and/or assumptions used for the eligible green projects on a biennial basis, subject to the availability of relevant data.

DNV understands that this report may include the following reporting metrics, as illustrated below, for the eligible green project categories.

Relevant metrics can include:

Eligible Green Project Categories	Example of Impact Reporting Metrics
Renewable Energy	<ul style="list-style-type: none"> <li>• Amount of renewable energy generated or used (MWh) and breakdown by the type of renewable energy source</li> <li>• Amount of energy saved (MWh)</li> <li>• Amount of CO2 emissions avoided / reduced (tCO2e)</li> </ul>
Clean Transportation	<ul style="list-style-type: none"> <li>• Passengers using public transportation growth rate</li> <li>• Number of new train lines created/maintained (in km)</li> <li>• GHG emissions reduced or avoided (tCO2e)</li> </ul>
Green Buildings	<ul style="list-style-type: none"> <li>• Building certification obtained</li> <li>• Energy used or saved annually (MWh)</li> </ul>
Pollution Prevention and Control	<ul style="list-style-type: none"> <li>• Recycling rate of household and commercial waste</li> <li>• Air quality index</li> <li>• Number of circular economy projects</li> </ul>

Eligible Green Project Categories	Example of Impact Reporting Metrics
	<ul style="list-style-type: none"> <li>Greenhouse Gas (GHG) emissions reduced or avoided (tCO<sub>2</sub>e)</li> </ul>
<b>Pollution Prevention and Control and Terrestrial and Aquatic Biodiversity Conservation</b>	<ul style="list-style-type: none"> <li>Reduction in air and/or noise pollution</li> <li>Coastal, marine and watershed protected area (in sq.km.)</li> <li>Greenhouse Gas (GHG) emissions reduced or avoided (tCO<sub>2</sub>e)</li> </ul>
<b>Sustainable water and wastewater management</b>	<ul style="list-style-type: none"> <li>Biochemical oxygen demand in rivers</li> <li>Population connected to wastewater treatment with at least the second degree of treatment</li> </ul>
<b>Energy Efficiency</b>	<ul style="list-style-type: none"> <li>Amount of CO<sub>2</sub> emissions avoided / reduced (tCO<sub>2</sub>e)</li> <li>Amount of energy saved (MWh)</li> </ul>
<b>Climate Change Adaptation</b>	<ul style="list-style-type: none"> <li>Total Emissions of GHG measured in CO<sub>2</sub> equivalent, per inhabitant</li> <li>Consumption of CO<sub>2</sub> equivalent per kw / hour</li> <li>Tons of CO<sub>2</sub> per year reduced</li> </ul>

DNV concludes that the State of Qatar has committed to report on both the allocation and the environmental impact of future issuances within the Framework, and this is in line with the requirements as set out under the GBPs and the GLPs.

We can also confirm the State will work with a third-party reviewer to obtain an external assessment to verify the following:

- Compliance of assets financed by the issuances with eligibility criteria, as defined in the use of proceeds section of the Framework.
- The allocated amount of the Eligible Green projects financed by the Green Bond/Sukuk/Loan proceeds; and
- The management of proceeds.

On the basis of the information provided by State of Qatar, and the work undertaken by DNV, it is in our opinion that the Framework meets the criteria established in the Protocol and is aligned with the stated definition of “Green Bonds” within the Green Bond Principles 2021, and the stated definition of “Green Loans” within the Green Loan Principles 2023.

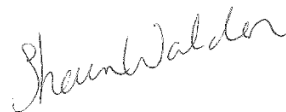
**for DNV Business Assurance Services UK Limited**

London, 03 June 2023



**Niki Bowen (PhD)**

Principal Consultant and Project Manager  
DNV – Business Assurance.



**Shaun Walden**

Head of Sustainable Finance and Reviewer  
DNV – Business Assurance.





**About DNV**

Driven by our purpose of safeguarding life, property, and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.


With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 12,000 professionals are dedicated to helping customers make the world safer, smarter, and greener.



## SCHEDULE 1: DESCRIPTION OF ACTIVITIES TO BE FINANCED UNDER THE FRAMEWORK

Eligible Green Projects Category	UN SDG alignment	QNE/NCCAP alignment	Description of Eligible Green Activities
<b>Renewable energy</b>	 	<ul style="list-style-type: none"> <li>Reduction in GHG emissions and air quality</li> <li>Climate Change mitigation</li> </ul>	<ul style="list-style-type: none"> <li>Renewable energy projects to increase the share of renewable energy usage in the country.</li> <li>Incentives and Research &amp; Development programs to promote and establish renewable energy technologies (e.g. policies such as subsidies, or other economic incentives to develop the renewable energy market in the country).</li> <li>Transmission and distribution infrastructure associated with renewable energy facilities.</li> </ul> <p><i>Eligible renewable energy sources include solar, wind, hydro (&lt;25MW), and geothermal and biomass with GHG emissions below 100gCO<sub>2</sub>e/kWh.</i></p>
<b>Clean Transportation</b>		<ul style="list-style-type: none"> <li>Reduction in GHG emissions and air quality</li> <li>Climate Change mitigation</li> </ul>	<ul style="list-style-type: none"> <li>Projects that include electric vehicles and infrastructure such as charging stations.</li> <li>Public transport and related infrastructure including electric passenger rail and other passenger rail projects with emissions below 50gCO<sub>2</sub>/p-km.</li> <li>Projects incentivising zero-emissions transport and related infrastructure, leading to reduced emission from transportation activities, such as dedicated bicycle paths.</li> </ul>
<b>Green Buildings</b>		<ul style="list-style-type: none"> <li>Reduction in GHG emissions and air quality</li> <li>Water</li> <li>Climate Change mitigation</li> </ul>	<p>Projects related to the acquisition, development, construction, and refurbishment of buildings that have received, or are expected 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"> <li>Global Sustainability Assessment System (GSAS) “4 star”</li> <li>LEED “Gold” or above</li> <li>Mostadam “Gold” or above</li> <li>BREEAM “Excellent” or above.</li> </ul>

<p><b>Pollution prevention and control</b></p>		<ul style="list-style-type: none"> <li>• Circular economy</li> <li>• Waste management</li> <li>• Climate Change mitigation</li> </ul>	<ul style="list-style-type: none"> <li>• Investments related to maintaining soil quality and preventing contamination.</li> <li>• Waste management programmes to promote a circular economy, such as waste prevention, waste reduction and waste recycling.</li> </ul> <p><i>Waste management projects will exclude projects related to hazardous waste and waste to landfill.</i></p>
<p><b>Pollution prevention and control and Terrestrial and Aquatic biodiversity conservation</b></p>		<ul style="list-style-type: none"> <li>• Reduction in GHG emissions and air quality</li> <li>• Circular economy</li> <li>• Waste management</li> <li>• Biodiversity</li> <li>• Climate Change mitigation</li> </ul>	<ul style="list-style-type: none"> <li>• Measures to minimise air and noise pollution, such as investment in the installation, testing &amp; commissioning of environmental monitoring systems.</li> <li>• Waste management programmes to promote a circular economy.</li> </ul>
<p><b>Sustainable water and wastewater management</b></p>		<ul style="list-style-type: none"> <li>• Water</li> <li>• Climate Change mitigation and adaptation</li> </ul>	<ul style="list-style-type: none"> <li>• Wastewater and sewerage water treatment plants.</li> <li>• Desalination plants powered by reverse osmosis technology that have an average carbon intensity at or below 100gCO<sub>2</sub>e/kWh over the residual asset life.</li> <li>• Sustainable solutions to reduce water shortage, such as water recycling and reuse projects, water saving systems, technologies, and water metering.</li> </ul>
<p><b>Energy efficiency</b></p>		<ul style="list-style-type: none"> <li>• Reduction in GHG emissions and air quality</li> <li>• Climate Change mitigation</li> </ul>	<ul style="list-style-type: none"> <li>• Economic incentives, such as subsidies, to implement interest free loans and tax breaks to encourage companies to undertake energy efficiency measures through upgrading facilities, retrofitting etc. as well as water-saving equipment</li> <li>• Programmes to improve energy utilisation in commercial and residential buildings.</li> <li>• R&amp;D related to energy efficiency.</li> </ul>

<p><b>Climate Change Adaptation</b></p>		<ul style="list-style-type: none"> <li>• Biodiversity</li> <li>• Land use</li> <li>• Climate Change mitigation</li> </ul>	<ul style="list-style-type: none"> <li>• Financing of plans of action and activities to reduce the impacts of extreme climatic events in vulnerable areas, such as flood, drought, etc.</li> </ul>
---	---	---	--

## SCHEDULE 2: STATE OF QATAR-SPECIFIC GREEN FINANCING FRAMEWORK ASSESSMENT PROTOCOL

### 1. Use of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Types of Financing Framework	<p>The bond must fall into one of the following categories, as defined by the Green Bond Principles:</p> <ul style="list-style-type: none"> <li>• Use of Proceeds Bond.</li> <li>• Use of Proceeds Revenue Bond.</li> <li>• Project Bond.</li> <li>• Securitised Bond.</li> </ul> <p>Green loans are defined as any type of loan instrument made available exclusively to finance or re-finance, in whole or in part, new and/or existing eligible Green Projects.</p>	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> <li>• State of Qatar Sovereign Green Financing Framework.</li> <li>• In focus: Environment and Sustainability (click <a href="#">here</a>).</li> </ul>	<p>The Framework outlines the type of Bonds and Loans expected to be issued under the Framework such as Green Bonds, Green Sukuk and Green Loans.</p> <p>In addition, it also outlines how the eligible expenditures (investments/ tax expenditures) and subsidies are intended to contribute positively to the State of Qatar’s climate change mitigation and adaptation policies, and how they align with the States 2030 vision.</p> <p>The specific type of financing (bonds/loans/sukuks) would need to be further assessed on an individual basis.</p>
1b	Green Project Categories	<p>The cornerstone of a Green bond/loan is the utilisation of the proceeds which should be appropriately described in the legal documentation for the security.</p>	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> <li>• State of Qatar Sovereign Green Financing Framework.</li> <li>• Asset Register - SPO version - 170222 v2.</li> <li>• Sustainable Qatar (click <a href="#">here</a>).</li> <li>• Qatar’s updated First NDC (August 2021) (click <a href="#">here</a>).</li> <li>• Qatar National Climate Change Action Plan 2030 (NCCAP) (click <a href="#">here</a>).</li> <li>• Qatar National Vision 2020 (July 2008) (click <a href="#">here</a>).</li> <li>• Qatar National Environment and Climate Change Strategy (click <a href="#">here</a>).</li> </ul>	<p>The Framework describes the Eligible Green Categories that the Eligible Green Projects will fall under:</p> <ul style="list-style-type: none"> <li>• Renewable Energy.</li> <li>• Clean Transportation.</li> <li>• Green Buildings.</li> <li>• Pollution prevention and control.</li> <li>• Pollution prevention and control and Terrestrial and Aquatic biodiversity conservation.</li> <li>• Sustainable water and wastewater management.</li> <li>• Energy Efficiency.</li> <li>• Climate Change Adaptation.</li> </ul> <p>DNV concludes that the debt to be issued under this Framework will support the achievement of the UN SDGs as indicated in <a href="#">Schedule 1</a>.</p> <p>We can also confirm that the Framework appropriately describes the proposed utilisation of proceeds, and that the</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				specific utilisation of proceeds of each issuance will need to be further assessed on an individual basis.
1c	Environmental benefits	All designated Green Project categories should provide clear environmentally sustainable or social benefits, which, where feasible, will be quantified or assessed by the issuer.	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> <li>• State of Qatar Sovereign Green Financing Framework.</li> <li>• Sustainable Qatar (click <a href="#">here</a>).</li> <li>• Asset Register - SPO version - 170222 v2.</li> <li>• Qatar Second National Development Strategy 2018~2022. (Click <a href="#">here</a>).</li> <li>• Qatar's updated First NDC (August 2021) (click <a href="#">here</a>).</li> <li>• Qatar National Climate Change Action Plan 2030 (NCCAP) (click <a href="#">here</a>).</li> <li>• Qatar National Vision 2020 (July 2008) (click <a href="#">here</a>).</li> <li>• Qatar National Environment and Climate Change Strategy (click <a href="#">here</a>).</li> <li>• Qatar Voluntary National Review 2021 Report on the implementation of the 2030 Agenda for Sustainable Development (click <a href="#">here</a>).</li> </ul>	<p>We can confirm that the State has outlined the expected environmental benefits that will be realised by any bond, loan or sukuk as issued under the Framework, including but not limited to:</p> <p><i>Renewable Energy:</i></p> <ul style="list-style-type: none"> <li>• Renewable energy projects to increase the share of renewable energy usage in Qatar.</li> <li>• Incentives and Research &amp; Development programmes to promote and establish renewable energy technologies (e.g. policies such as subsidies, or other economic incentives to develop the renewable energy market in the country).</li> <li>• Transmission and distribution infrastructure associated with renewable energy facilities.</li> </ul> <p><i>Clean Transportation resulting in reduction of CO<sub>2</sub> emissions:</i></p> <ul style="list-style-type: none"> <li>• Projects that include electric vehicles and infrastructure such as charging stations.</li> <li>• Public transport and related infrastructure including electric passenger rail and other passenger rail projects with emissions below 50gCO<sub>2</sub>/p-km.</li> <li>• Projects incentivising zero-emissions transport and related infrastructure, leading to reduced emission from transportation activities, such as dedicated bicycle paths.</li> </ul> <p><i>Green Buildings that have received, or are expected to receive, certification according to third-party verified green building standards– such as:</i></p> <ul style="list-style-type: none"> <li>• Global Sustainability Assessment System (GSAS) “4 star”.</li> <li>• LEED “Gold” or above.</li> <li>• Mostadam “Gold” or above.</li> </ul>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<ul style="list-style-type: none"> <li>• BREEAM “Excellent” or above.</li> </ul> <p><i>Pollution prevention and control projects (waste and terrestrial and aquatic biodiversity conservation):</i></p> <ul style="list-style-type: none"> <li>• Investments related to maintaining soil quality and preventing contamination.</li> <li>• Waste management programmes to promote a circular economy, such as waste prevention, waste reduction and waste recycling.</li> <li>• Measures to minimise air and noise pollution, and as well as protection of coastal, marine and watershed environments, such as investment in the installation, testing &amp; commissioning of environmental monitoring systems.</li> </ul> <p><i>Sustainable Water Management:</i></p> <ul style="list-style-type: none"> <li>• Wastewater and sewerage water treatment plant.</li> <li>• Desalination plants powered by reverse osmosis technology that have an average carbon intensity at or below 100gCO<sub>2</sub>e/kWh over the residual asset life.</li> <li>• Sustainable solutions to reduce water shortage, such as water recycling and reuse projects, water saving systems, technologies, and water metering.</li> </ul> <p><i>Increase in Energy Efficiency:</i></p> <ul style="list-style-type: none"> <li>• Economic incentives to encourage companies to undertake energy efficiency measures through upgradation of facilities and retrofitting. Examples include, for instance - subsidies, to implement interest free loans and tax breaks; funding such as offering grants and incentives; and other pricing schemes promoting an improvement in energy efficiency, and water saving equipment.</li> <li>• Programmes to improve energy utilisation in commercial and residential buildings.</li> <li>• R&amp;D related to energy efficiency.</li> </ul> <p><i>Climate Change Adaptation:</i></p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<ul style="list-style-type: none"> <li>Financing of plans of action and activities to reduce the impacts of extreme climatic events in vulnerable areas, such as flood, drought, or other environmental disaster.</li> </ul> <p>Specific quantifiable benefits of each issuance will be agreed on a case-by-case basis and will be subject to further assessment.</p> <p>DNV also notes the State has specified an exclusion criterion within the Framework. The use of proceeds will not be used 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 (i.e., gambling and lottery), or palm oil industries; child labour or forced labour; any activity considered illegal according to national laws or regulations, or international agreements and conventions.</p>
1d	Refinancing share	In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.	Evidence reviewed: <ul style="list-style-type: none"> <li>State of Qatar Sovereign Green Financing Framework.</li> </ul>	<p>We can conclude that the State of Qatar will use the proceeds for financing, refinancing and/or investment purposes for Eligible Green Projects as defined in 1b.</p> <p>The State of Qatar has also confirmed that the eligible green projects will exclude state expenditure to any local agency or to a local authority who could itself issue its own green bond, loan or sukuk. DNV also confirms that within the Framework the State as outlined there will be a look-back period of a maximum 3 years for refinanced projects, with each issuance expected to be fully allocated within 2 years of the date of issuance.</p> <p>Based on the information provided by State of Qatar, we can confirm that the financing and refinancing is sufficient and in accordance with the GBP and GLP.</p>

## 2. Process for Project Evaluation and Selection

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	The issuer of a Green Bond/Loan should outline the decision-making process it follows to determine the eligibility of projects using Green Bond proceeds	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> <li>• State of Qatar Sovereign Green Financing Framework.</li> <li>• Discussions with the State of Qatar.</li> <li>• Qatar Second National Development Strategy 2018-2022. (Click <a href="#">here</a>).</li> <li>• Qatar Voluntary National Review 2021 Report on the implementation of the 2030 Agenda for Sustainable Development (click <a href="#">here</a>).</li> </ul>	<p>We can conclude that the Framework appropriately describes the process for project evaluation and selection. DNV understands the projects will need to be evaluated by the State of Qatar’s Sustainable Finance Committee (the Committee) which will meet bi-annually to review the eligibility of such projects for financing.</p> <p>This Committee will have the following responsibilities:</p> <ul style="list-style-type: none"> <li>• The responsibility for project identification and selection under the Framework.</li> <li>• The collection of relevant financial and technological data and inclusion of the eligible projects in the assets register.</li> <li>• Reviewing and evaluating the technical aspects of the proposals for Green Bond/ Sukuk/ Loan.</li> <li>• Reviewing, evaluating and monitoring the Use of Proceeds and any funds resulting from the issuance of Green Bond/Sukuk/Loan.</li> <li>• Updating the framework to ensure compliance with international standards, such as those set out by the ICMA and LMA, while also ensuring alignment to the UN SDGs.</li> <li>• The review and update of the assets register, on a bi-annual basis, to verify the accuracy of information of projects and assets listed therein to be in line with the national sustainable plans and eligibility criteria as per the Framework.</li> <li>• The preparation of annual reports on financed projects and assets with the impact of such finance, and the provision of all relevant information in line with the reporting requirements outlined in Framework.</li> </ul>



				<ul style="list-style-type: none"> <li>Enhancing accountability and transparency across relevant government departments and sectors with regards to the provisions of the Framework.</li> </ul> <p>The Committee will consist of members from:</p> <ul style="list-style-type: none"> <li>Ministry of Finance;</li> <li>Ministry of Environment and Climate Change;</li> <li>Ministry of Transport;</li> <li>Public Works Authority (Ashghal); and</li> <li>Qatar General Electricity and Water Corporation (Kahramaa).</li> </ul> <p>DNV further notes that the committee may form sub-committees as and when needed.</p>
2b	<p>Issuer's environmental and governance framework</p>	<p>In addition to information disclosed by an issuer on its Green Bond process, criteria and assurances, Green Bond investors may also take into consideration the quality of the issuer's overall framework and performance regarding environmental sustainability.</p>	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> <li>State of Qatar Sovereign Green Financing Framework.</li> <li>Discussions with the State of Qatar.</li> <li>Qatar National Environment and Climate Change Strategy (click <a href="#">here</a>).</li> <li>Qatar National Climate Change Action Plan 2030 (NCCAP) (click <a href="#">here</a>).</li> </ul>	<p>DNV can conclude that based on the information provided to us that the Framework is in line with Qatar's wider approach to managing environmental sustainability.</p> <p>Specifically, DNV notes within the Framework that the State of Qatar shares the core environmental ambitions of its National Environment and Climate Change Strategy: <i>Reducing greenhouse gas emissions and air quality; enhancing efforts to conserve; restore and protect biodiversity; ensure sustainable water resource management; improve circular economy and waste management infrastructure; and to improve the long-term potential of all land resources.</i> We also note the complimentary goals of the NCCAP, which encourages the adoption of new solutions and technologies for climate change mitigation and adaptation.</p>

### 3. Management of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	The net proceeds of a Bond/Loan should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the issuer in an appropriate manner and attested to by a formal internal process that will be linked to the issuer's lending and investment operations for Green Projects.	Evidence reviewed: <ul style="list-style-type: none"> <li>State of Qatar Sovereign Green Financing Framework.</li> <li>Discussions with the State of Qatar.</li> <li>Asset Register - SPO version - 170222 v2.</li> </ul>	DNV confirms that the net proceeds will be deposited into the State of Qatar's general budget and allocated to eligible budgetary programs. The Ministry of Finance will be responsible for the management and allocation of the net proceeds as described in the Framework. We can confirm that the Framework commits the State of Qatar to tracking the use of proceeds in an appropriate manner that is attested to by a formal internal process, e.g., assets will be tracked on an internal register.
3b	Tracking procedure	So long as the Bond/Loans are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or loan disbursements made during that period.	Evidence reviewed: <ul style="list-style-type: none"> <li>State of Qatar Sovereign Green Financing Framework.</li> <li>Asset Register - SPO version - 170222 v2.</li> </ul>	DNV concludes there is a clear process in place for tracking the balance of the net proceeds, taking into account any disbursements.
3c	Temporary holdings	Pending such investments or disbursements to eligible Projects, the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	Evidence reviewed: <ul style="list-style-type: none"> <li>State of Qatar Sovereign Green Financing Framework.</li> </ul>	DNV can conclude that the State of Qatar has appropriately disclosed how it will manage any unallocated proceeds: the balance of unallocated proceeds will be invested in cash or short-term liquidity money market instruments in line with its Treasury Management Policy and subject to the exclusion criteria set out under Principle 1b above.

4. Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, issuers should provide at least annually, a list of projects to which Bond/Loan proceeds have been allocated - including, when possible with regards to confidentiality and/or competitive considerations, a brief description of the projects and the amounts disbursed, as well as the expected environmental impacts.	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> <li>• State of Qatar Sovereign Green Financing Framework.</li> <li>• Asset Register - SPO version - 170222 v2.</li> <li>• Qatar Second National Development Strategy 2018~2022.</li> <li>• Qatar National Development Strategy 2011~2016 (Summary of Programme).</li> <li>• Qatar's updated First NDC (August 2021) (click <a href="#">here</a>).</li> <li>• Qatar National Climate Change Action Plan 2030 (click <a href="#">here</a>).</li> </ul>	<p>DNV can confirm that the State of Qatar has committed to timely reporting on the allocation of its proceeds in an Allocation Report. The allocation reporting will be published annually and until full allocation.</p> <p>This will provide information on the selected projects, detailing:</p> <ul style="list-style-type: none"> <li>• the total amount allocated to Eligible Green Projects.</li> <li>• the total amount allocated per Eligible Green Project category.</li> <li>• the total amount allocated per region.</li> <li>• a breakdown of expenditure by the type of expenditure</li> <li>• a breakdown of refinancing versus new financing; and</li> <li>• the amount remaining unallocated.</li> </ul> <p>The State of Qatar will also issue an Impact Report detailing the key environmental indicators used (see 1c) for assessing the green impact of the relevant green projects, and disclosure of the underlying methodology and/or assumptions used.</p> <p>The impact reporting will detail the quantitative and/or qualitative impacts, where relevant, on a biennial basis. Although Qatar will publish allocation reporting on an annual basis, DNV notes as a Sovereign, Qatar will require time to collect data and quantify the impact of the eligible green projects. As a result, the impact reporting will be published once every two years.</p> <p>The type of environmental impact indicators that maybe used for impact reporting can include, for instance: The amount of renewable energy generated or used (MWh) and breakdown by the type of renewable energy source;</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				Amount of CO <sub>2</sub> emissions avoided / reduced (tCO <sub>2</sub> e); Passengers using public transportation growth rate; Energy used or saved annually in buildings (MWh); Air quality index; Population connected to wastewater treatment with at least the second degree of treatment; and Total Emissions of GHG measured in CO <sub>2</sub> equivalent, per inhabitant.