



SCALING CLIMATE TECH ACROSS BORDERS

THE UAE AS A GLOBAL LAUNCHPAD



Executive Summary

As global demand for climate solutions accelerates, the ability to scale climate tech beyond domestic markets represents a critical opportunity to unlock global impact and commercial growth. Against this backdrop, the Global Climate Finance Centre (GCFC), Hub71 and HSBC, convened a closed-door roundtable during Abu Dhabi Sustainability Week to examine how **the UAE can function as a global launchpad for climate tech scale-up into emerging and high-growth markets.**

Senior leaders from government, finance, and the startup ecosystem convened to examine how UAE-based climate tech can scale into global emerging markets. The dialogue highlighted the UAE's strategic ambition to serve as a vital bridge for technology and finance. The UAE is uniquely positioned to serve as a strategic bridge, connecting innovation and capital from the region to the high-need markets of the Global South.

A clear and actionable consensus emerged: the UAE's success as a climate tech launchpad depends on deliberate, coordinated partnership. Government agencies, financial institutions, startups, and investors must work in concert to overcome structural barriers and unlock scalable cross-border deployment.

Strategic Context



The central thesis of the roundtable was the UAE's strategic ambition to act as a vital bridge for technology and finance. Participants recognised that the nation's unique position, leveraging its geopolitical neutrality, established ease of doing business, and forward-thinking climate strategies, makes it an ideal nexus for connecting capital and innovation with markets that have the greatest need for climate tech.

Due to the UAE's relatively small domestic market, success in the climate tech sector cannot be defined by internal adoption alone. Long-term impact depends on the ability to help startups and scale-ups diffuse their technologies into surrounding regions and high-growth emerging markets.

Geopolitical Neutrality

Strategic positioning enables trusted partnerships

Business-Friendly

Established infrastructure and regulatory clarity

Climate Leadership

Forward-thinking policies and commitments

Trade Policy as an Enabler for Market Access

The role of proactive trade policy was highlighted as a cornerstone of the UAE's strategy to reduce market-entry barriers and enabling cross-border expansion. The **Comprehensive Economic Partnership Agreement (CEPA)** consists of bilateral free trade agreements with strategic global partners, designed explicitly to reduce barriers to trade and investment.

To further empower SMEs, AI-enabled tools have been introduced to support the identification of optimal target markets and potential partners. These intelligent platforms streamline market-entry decisions, removing guesswork and reducing the time and resources required for companies to identify viable expansion opportunities in CEPA-enabled markets. These mechanisms are already contributing to strong growth in non-oil trade and reinforcing the UAE's leadership position.

3T

AED non-oil
foreign trade in
2024

4T

AED target to grow
non-oil foreign
trade by 2031

#1

UAE leads Middle
East in climate
tech investment
in 2024

De-Risking Cross-Border Expansion

Climate solutions often struggle due to unmanaged risks rather than a lack of innovation. Export credit and risk-mitigation instruments were therefore seen as critical enablers of scale. Export credit insurance and structured trade finance were positioned as tools that allow companies to enter new markets with greater confidence, particularly in emerging economies where perceived risk can outweigh commercial opportunity. It provides essential risk mitigation, payment security, and access to financing, enabling exporters to enter new and often challenging markets with greater confidence. Importantly, these instruments are being co-developed with the private sector, ensuring they remain responsive to real-world challenges faced by founders and financiers.

Xport Xponential

Etihad Credit Insurance (ECI)'s Xport Xponential programme was presented as a flagship example. This programme equips exporters with global market intelligence, structured finance solutions, and direct pathways into CEPA-enabled markets, creating a support ecosystem for companies ready to scale internationally.



Ecosystem-Led Market Access

The discussion underscored the importance of **ecosystem orchestration** in enabling scale. Market access support is increasingly moving beyond ad-hoc introductions toward structured pathways that connect startups with regulators, corporates, financiers, and peer ecosystems.

Cross-border partnerships, government-to-government channels enabled through CEPAs, and curated international delegations were cited as practical mechanisms that reduce friction, accelerate trust-building, and unlock early commercial traction in new jurisdictions.

✦ Through its expanding network of free zones, accelerators, and innovation hubs, the UAE actively builds physical and commercial bridges for innovation. Platforms such as Hub71 play a central role, operating through two complementary arms: **Value Creation** (connecting startups with government stakeholders, corporates, investors, and talent partners), and **Cross-Border Partnerships** (actively engaging with other global tech ecosystems to create tangible opportunities). This dual approach ensures that startups receive both local support and international pathways simultaneously.



Market Entry in Practice

A founder case study illustrated a regulatory-first expansion strategy, whereby market entry begins with engagement with local regulators and academic institutions before approaching corporate clients. This sequencing demonstrated how UAE-based startups can use the ecosystem to build regulatory credibility and de-risk expansion at an early stage.

This approach illustrated how **Abu Dhabi can function as a platform for outward expansion**, enabling companies to leverage UAE-based regulatory relationships and institutional credibility to enter new markets.

A positive trend was identified: government-to-government support channels facilitated by CEPAs are becoming more accessible and effective, creating smoother pathways for startups to navigate complex international markets.



Regulator Partnership

Develop relationship with local regulatory authority first



Academic Network

Engage with local university research institutions



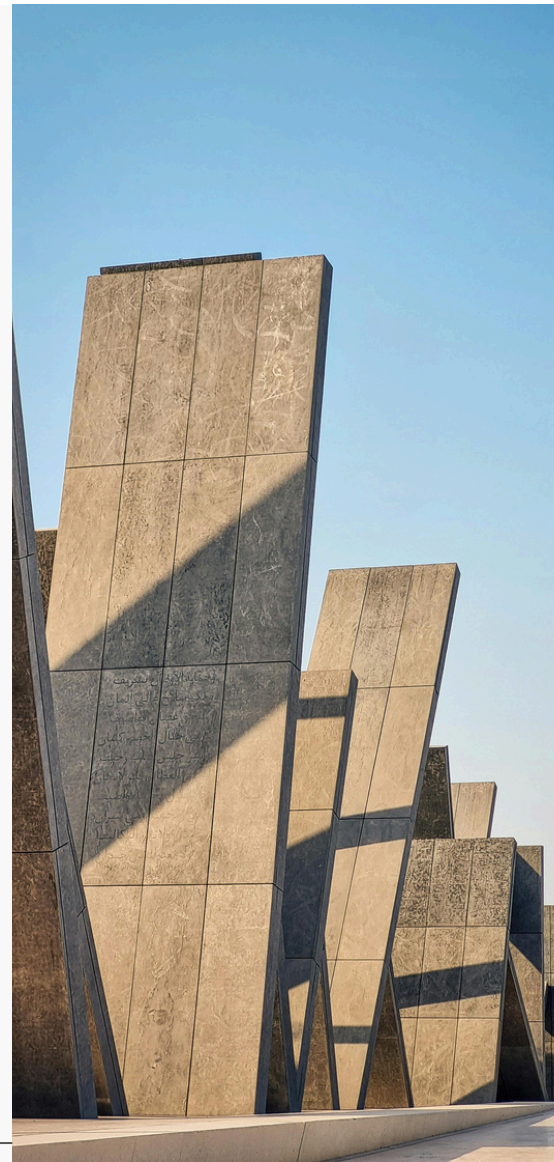
Corporate Engagement

Approach corporations only after foundations are set

The Role of Global Financial Institutions

Global banks were positioned as critical connectors within the climate tech scaling ecosystem. Beyond capital provision, banks can play a catalytic role by:

- Structuring trade finance and blended-finance solutions alongside export credit agencies
- Introducing climate tech providers to large corporate clients seeking decarbonisation solutions
- Positioning the UAE as a launchpad for inbound and outbound climate tech scale-up, particularly into emerging markets



HSBC is positioning itself as a premier global partner for climate tech, leveraging its extensive international network and HSBC Innovation Banking.

The Capital Stack Challenge

Despite ecosystem progress, participants agreed that capital remains the primary bottleneck to climate tech scale. The mismatch between capital-intensive technologies and the availability of risk-tolerant funding continues to slow deployment.

The need for **patient capital**, including family offices and philanthropic investors was emphasised particularly to bridge early-stage and first-of-a-kind deployment gaps that traditional venture capital is often unwilling to absorb.

The discussion acknowledged that **creating a complete capital stack** that can support ventures from seed stage through to global scale remains an ongoing challenge that requires innovative solutions and new financial instruments.

Innovative Financing Pathways

To address these gaps, the following innovative instruments were identified as potential solutions to unlock capital and accelerate climate tech scaling.

Aggregation Vehicles Risk-sharing platforms designed to finance a portfolio of startups simultaneously. This approach avoids time-consuming, case-by-case evaluation and allows for scaled deployment of capital.

Government Guarantees These instruments promote a more balanced allocation of risk between public and private capital by having the government underwrite a portion of the risk.

Outcome-Based Bonds This involves using capital markets to create bonds linked to specific, measurable climate outcomes.

Parallel Lending Structure This involves multiple lenders co-lending to a borrower, enabling banks to participate in the subordinated layer of the capital stack.

Venture Debt Once a climate tech company raises equity, it can leverage that equity and extend it in the form of debt, making venture debt a much more accessible financing instrument in the market.

Advanced Market Commitments (AMCs) Aggregate demand for a new technology by securing a clear offtake commitment from buyers in advance markets, AMCs significantly de-risking the investment required.

Participants also explored how **Article 6 of the Paris Agreement** could be formally embedded within CEPA to create new G2G opportunities. These proposed instruments represent direct, actionable responses to the capital stack and working capital challenges identified by founders, offering a clear path to closing critical funding gaps and enabling climate tech to achieve the scale necessary for meaningful global impact.

Path Forward

The UAE possesses the strategic ambition, foundational institutional instruments, and collaborative mindset required to become a leading global launchpad for climate tech. The convergence of proactive policy, innovative finance, and a solutions-oriented private sector creates a powerful formula for success.

Priority actions emerging from the roundtable per stakeholder group include:

**Climate Tech
Startups & SMEs**

Actively leverage trade, export credit, and ecosystem platforms, and explore regulator-led market-entry strategies.


**Policymakers &
Government
Agencies**

Continue listening to the private sector to shape and co-develop effective trade and financing solutions as well as explore how to embed support for Article 6 within CEPA discussions.

**Investors &
Financial
Institutions**

Collaborate to build a more complete capital stack by developing and deploying innovative, blended finance structures.

The success of the UAE as a climate tech launchpad ultimately depends on sustained coordination across policy, finance, and ecosystem actors. The foundation has been laid, now comes the critical work of execution and continued commitment to this transformative vision.



This brief reflects insights shared under Chatham House Rule and is intended to inform strategic dialogue among policymakers, investors, and ecosystem leaders.

Global Climate Finance Centre (GCFC)

GCFC is a COP28 legacy initiative focused on catalysing climate investments and solutions globally, head-quartered in Abu Dhabi Global Market (ADGM). As a registered independent entity, it operates at the intersection of the public and private sectors, with the ambition to scale and accelerate the pace of climate finance transactions.

GCFC is dedicated to work with a broad spectrum of local, regional, and global partners to facilitate the creation of a comprehensive ecosystem for climate investing in the UAE, from supporting the design of regulatory frameworks to back-office support, with capacity to develop new partnerships and business strategies. It will develop in house capacity to address specific gaps in the ecosystem and serve as a single window for climate business and investors, prioritising the Global South and driving forward COP28's legacy, while shaping the global climate finance dialogue.

Abu Dhabi Sustainability Week (ADSW)

Abu Dhabi Sustainability Week (ADSW) is a global platform supported by the UAE and its clean energy leader, Masdar, to address the world's most pressing sustainability challenges through crucial conversations accelerating responsible development and fostering inclusive economic, social and environmental progress.

For more than 15 years, ADSW has convened decision-makers from governments, the private sector and civil society to advance the global sustainability agenda through dialogue, cross-sector collaboration and impactful solutions. Throughout the year, ADSW conversations and initiatives facilitate knowledge sharing and collective action that will ensure a sustainable world for future generations.

Hub71

Hub71 is Abu Dhabi's global tech ecosystem that enables founders to build globally enduring homegrown tech companies in any sector by providing access to global markets, a capital ecosystem, a global network of partners, and a vibrant community filled with highly skilled talent governed by forward-thinking regulation.

Backed by the Government of Abu Dhabi and Mubadala Investment Company, Hub71 is growing its vibrant community of tech startups, investors, government, and corporate partners to ensure the availability of investment, commercial activities, and incentives from the public and private sectors. Through Hub71's entrepreneurial infrastructure, value-add programmes, enabling services and support packages, founders can build, and scale widely adopted technologies with purpose and impact. Hub71 is on a mission to introduce new minds and technologies to Abu Dhabi, finding new ways to build globally enduring technology companies and sustain the nation's continuous economic development.

Visit <https://www.hub71.com/> for more information.

HSBC in the MENAT region

HSBC is the largest and most widely represented international banking organisation in the Middle East, North Africa and Türkiye (MENAT), with a presence in nine countries across the region: Algeria, Bahrain, Egypt, Kuwait, Oman, Qatar, Saudi Arabia, Türkiye and the United Arab Emirates. In Saudi Arabia, HSBC is a 31% shareholder of Saudi Awwal Bank (SAB), and a 51% shareholder of HSBC Saudi Arabia for investment banking in the Kingdom.

Scaling Climate Tech Across Borders

