

State of Qatar Sovereign Green Bond Allocation Report

March 2025

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Introduction

Synopsis

The State of Qatar (the “State” or “Qatar” or the “Sovereign”) is pleased to present its inaugural Green Bond Allocation Report, which highlights the nation’s efforts in financing environmentally responsible infrastructure projects and expenditures. This extends to the achievements of the State in the sustainability arena as part of the commitments Qatar undertook to enhance the quality of life for its residents while ensuring long-term environmental preservation and economic resilience.

Recent Developments

Multiple milestones were achieved in recent years. For instance, the Ministry of Environment and Climate Change (“MoECC”) launched its 2024-2030 strategy in November 2024, aiming to support environmental sustainability while striking a balance with development needs. It further aims to enhance Qatar’s ability to adapt to climate change, protect the environment and conserve its natural resources. The updated strategy, guided by the environmental pillar of the Qatar National Vision (“QNV”) 2030, sets out environmental goals that include, but are not limited to, a 25% reduction in greenhouse gas emissions against the business-as-usual scenario by 2030 through optimizing electricity and water consumption, improving production efficiency and encouraging the use of sustainable transport. Furthermore, regarding biodiversity, the strategy aims to effectively protect and manage more than 25% of the State’s land mass by the year 2030, as well as reduce the extraction of groundwater by 60% over the same period.

Achieving the aforementioned goals require substantial resources and alignment of both financial and technical aspects. To that end, the Ministry of Finance (the “Ministry”) published the inaugural Sovereign Green Financing Framework (the “Framework” or “SGFF”) in 2023. The Framework was followed by the issuance of the State’s first Sovereign Green Bond in May 2024, which was the joint largest sovereign green issuance in central and eastern Europe, Middle East and Africa (“CEEMEA”) region at the time.

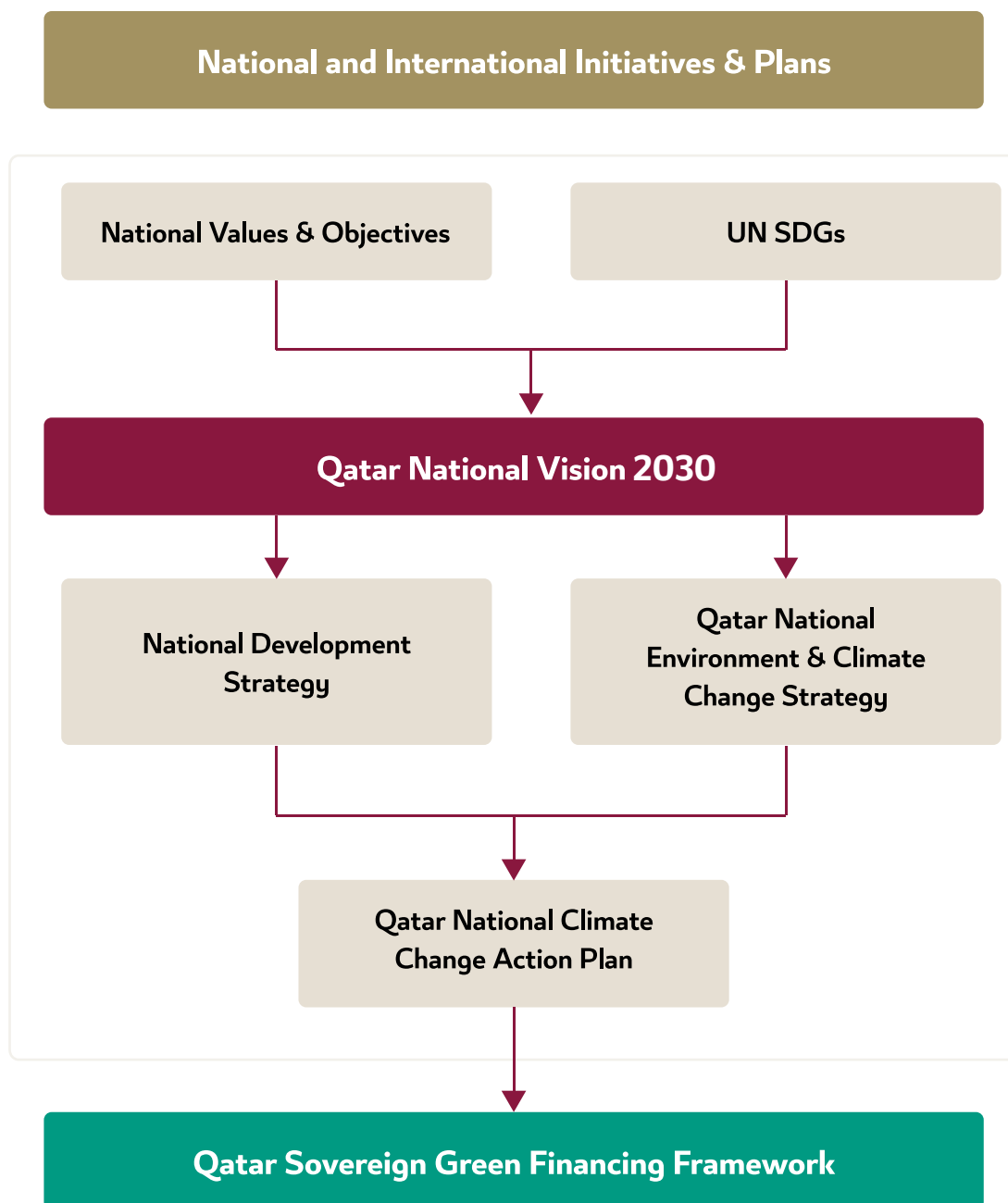
As part of governance commitments within the SGFF, the State issued the Cabinet’s Resolution number (2) for 2023 to establish the Sustainable Financing Committee with responsibilities that are detailed in the “Governance” section of this report.

Other notable achievements would be the Qatar Central Bank (“QCB”) unveiling its ESG and sustainable strategy during 2024. The goal of the strategy is to establish Qatar as a primary hub for sustainable finance.

State of Qatar Sovereign Green Financing Framework

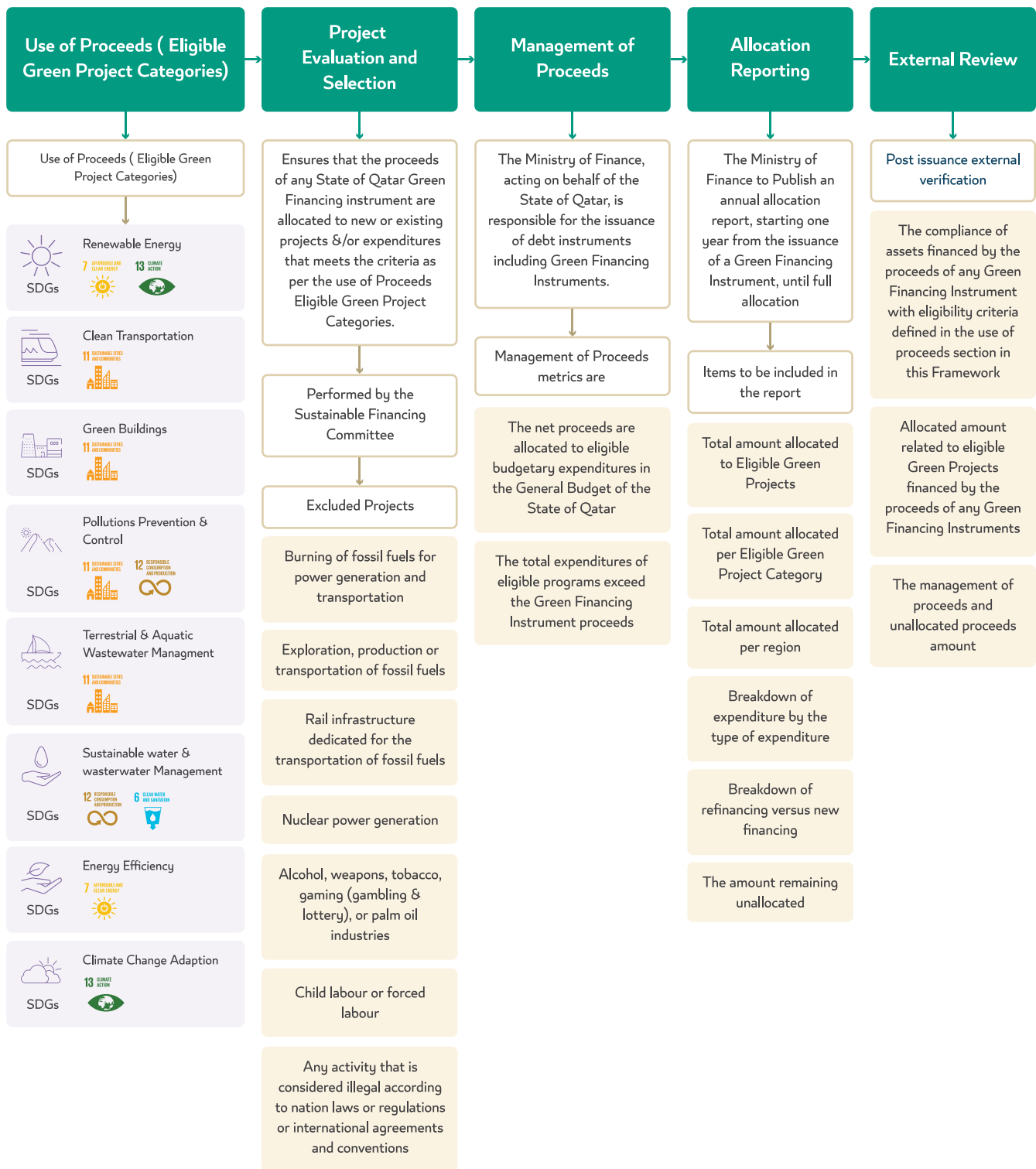
The SGFF aligns with the objectives set forth in the QNV 2030 and Qatar National Climate Change Action Plan (QNCCAP). The Framework was also established in accordance with the International Capital Market Association (ICMA) Green Bond Principles (GBP) 2021, and the Loan Market Association (LMA) Green Loan Principles (GLP) 2023.

The following figure illustrates the relationship of various initiatives that contributed to the formation of the SGFF:



Summary of the SGFF Sections

The Framework defined the State's sustainable financing approach as follows:



Governance

The State passed the Cabinet's Resolution No. (2/2023) to establish the Sustainable Financing Committee ("SFC" or the "Committee"). The main goal of the committee is to streamline processes and align various governmental institutions in matters relating to sustainable financing. The Committee formation includes members from various sectors and disciplines, enhancing the governance of the SGFF. The structure, roles and responsibilities of the committee are as follow:

Committee Members

- ♦ Ministry of Finance
- ♦ Ministry of Environment and Climate Change
- ♦ Ministry of Transport
- ♦ Public Works Authority (Ashghal)
- ♦ Qatar General Electricity and Water Corporation (Kahrama)
 - ♦ The Cabinet's Resolution authorised the committee to form sub-committees as needed

The chair, vice chair & members of the SFC were designated by the Minister of Finance decision number (22) for the year 2024, as per the requirements of the SGFF. The most recent committee meeting was in January 2025.

Committee Roles and Responsibilities

- ♦ 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.
- ♦ 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 the Framework.
- ♦ 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).
- ♦ 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 the Framework.
- ♦ Prepare annual reports on financed projects and assets and the impact of finance and provide all relevant information in accordance with the reporting section of the Framework.
- ♦ Enhance accountability and transparency across relevant government departments and sectors with regards to the provisions of the Framework.

Sovereign Green Bond Issuance

In May 2024, the State of Qatar issued its inaugural Green Bond. The USD 2.5 billion issuance comprised a dual tranche structure, featuring USD 1.0 billion 5-year and USD 1.5 billion 10-year maturities, representing the joint largest Green offering by a CEEMEA Sovereign issuer at the time. The inaugural Green Bond marked the first international bond offering for the State since 2020, the first ever Green issuance by a Sovereign from the GCC and the lowest margin spreads for the five and ten-year tranches for a USD denominated offering from CEEMEA.

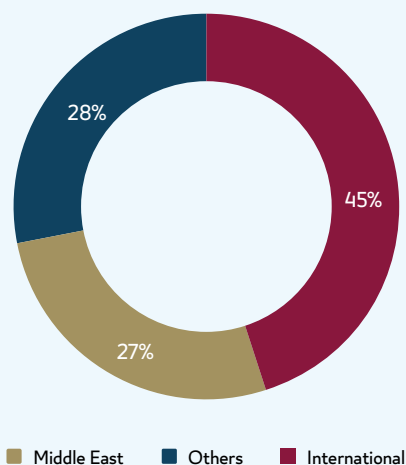
Issuance Details

Issuer	State of Qatar	
Issue Type	Reg S / 144 A Senior Unsecured Green Notes	
Issue Ratings	Aa2 / AA / AA(Moody's / S&P / Fitch)	
Maturity	5 Years	10 Years
Issue Size	USD 1.0 billion	USD 1.5 billion
Coupon	4.625%	4.750%
Re-offer Price	99.4980	99.4650
Re-offer Yield	4.74%	4.82%
Re-offer Spread	T+30 Bps	T+40 Bps
Book at Re-offer	>USD 3.46 billion	> USD 4.32 billion
Oversubscription	3.46 times	2.88 times

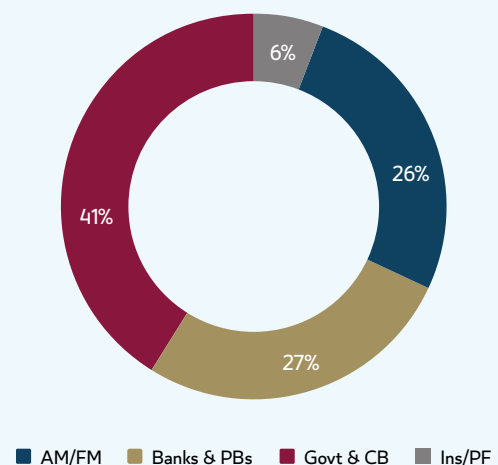
Issuance Breakdown by Geography and Investor Type

5 Year Tranche

Breakdown by Geographical Distribution

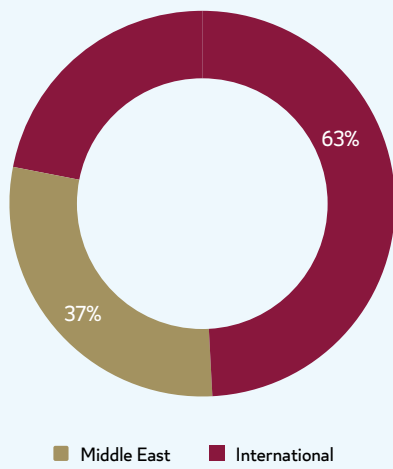


Investor Type

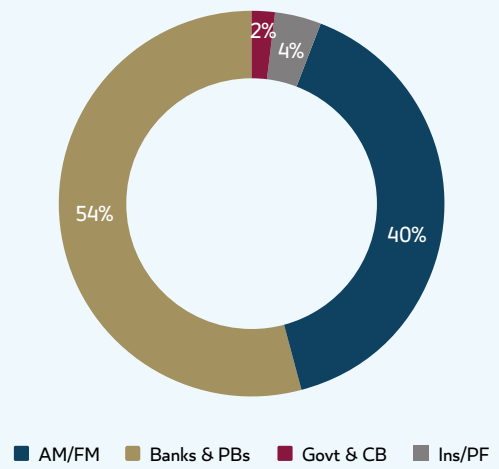


10 Year Tranche

Breakdown by Geographical Distribution



Investor Type



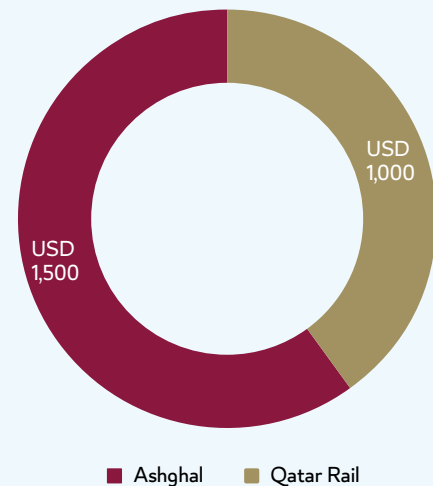
Allocation of Proceeds

The Sovereign Green Bond proceeds are 100% allocated as at 31st of March 2025. The allocation spanned across two entities, three green categories and four years of expenditures. 100% of proceeds are allocated domestically within the State of Qatar. The following breakdown provides further details.

Allocation by Entity

60% of the inaugural Green Bond proceeds were allocated to Ashghal projects while 40% were allocated to Q-Rail.

Values expressed in millions.



Public Works Authority (“Ashghal”)

Ashghal is the government agency responsible for overseeing the planning, design, procurement, construction, delivery, and asset management of public infrastructure projects across Qatar. Ashghal plays a crucial role in the country’s sustainable economic and social development and works to deliver projects that implement the best practices in infrastructure management.

The Ministry of Finance, acting on behalf of the State, funds Ashghal’s infrastructure projects. Projects include wastewater treatment, drainage such as surface water networks, pumping stations, collection basins and related drainage pipelines.

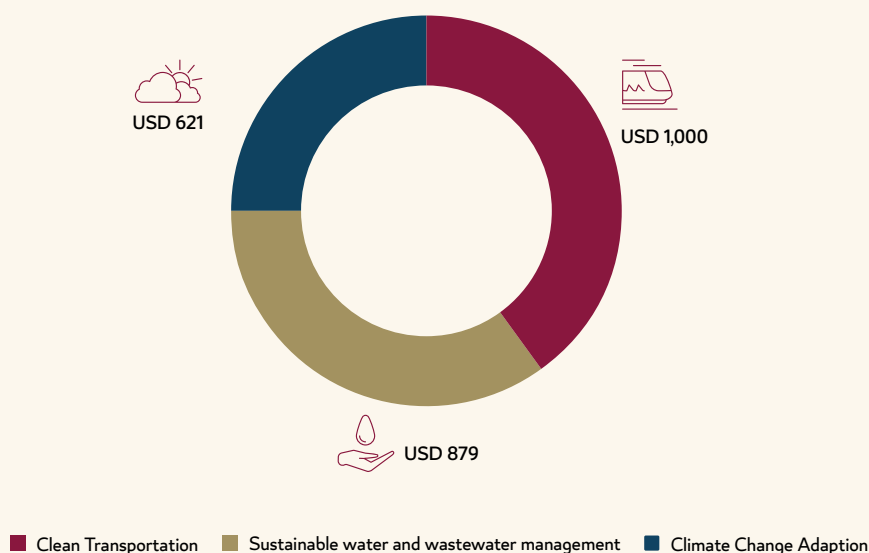
Qatar Railways Company (“Q-Rail”)

Q-Rail is the state-owned enterprise responsible for the development and operation of Qatar’s rail network. The main projects under the company’s portfolio are the Tram and Metro.

Q-Rail projects are funded by the Ministry of Finance. Doha Metro and Lusail Tram remain pivotal in bolstering an integrated national transport system, offering a sustainable transportation solution that mitigates environmental impacts while fostering social inclusion and economic growth. These rail projects not only improve transportation and logistics within Qatar but also support the broader goal of creating a connected and efficient infrastructure system across the region.

Allocation by Eligible Project Category

The three categories included in the allocation process were clean transportation, sustainable water and wastewater management, and climate change adaptation with proceeds being allocated 40%, 35% & 25% to each category respectively.

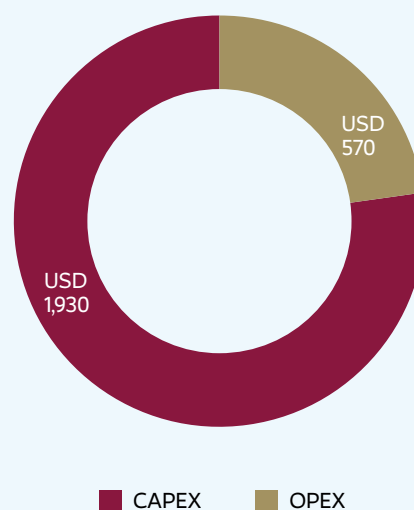


Tranche	Clean Transportation	Sustainable water and wastewater management	Climate change Adaption	Total
5 Years	USD 1,000	-	-	USD 1,000
10 Years	-	USD 879	USD 621	USD 1,500
Total	USD 1,000	USD 879	USD 621	USD 2,500

Values expressed in millions.

Allocation by Type of Expenditure

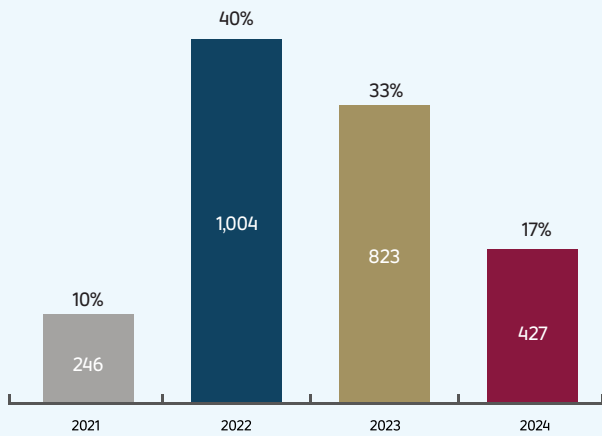
23% of the Green Bond proceeds were allocated to OPEX expenditures, while 77% were allocated to CAPEX expenditures.



Values expressed in millions.

Allocation by Year

Proceeds were allocated to the look back and look forward periods in line with the SGFF requirements. The following diagram illustrates the allocation by year details:



Values expressed in millions.

Allocated vs Unallocated Proceeds

The state achieved 100% allocation as at 31st of March 2025.



■ Allocated ■ Unallocated

Values expressed in millions.

Case Studies

Eligibility Category: Clean Transportation

Qatar Railway Company – Doha Metro

The Doha Metro spans 76 kilometres across three lines (Red, Gold, and Green) with 37 stations, while the Lusail Tram will cover 18 kilometres across four lines (Orange, Purple, Pink, and Turquoise) with 25 stations.

In 2023, the network facilitated 53.65 million trips recorded on the Doha Metro and Lusail Tram combined; promoting environmental sustainability, social inclusion, and economic development as part of Qatar's integrated national transport framework.

Operated by Q-Rail under the Ministry of Transport, the systems align with the SDGs, GRI, and UN Global Compact principles, supporting the Qatar National Vision 2030.



Eligibility Category: Climate Change Adaption

Climate Change Adaptation projects mitigate the risks of flooding by improving storm-water management and protecting essential infrastructure from the risk of flooding, efficiently collecting rainwater run-off for re-use.

Ashghal – Al Wakra and Al Wukair Sewage Treatment Works

Construction of a drainage tunnel to transfer drainage flows to Al Wakra and Al Wukair Sewage Treatment Works. The main drainage tunnel will operate by gravity has a total length of 13.3km and a diameter of 3.5 metres. Al Wakra and Al Wukair Sewage Treatment Works will have an initial capacity of 150 million litres per day.

Excavation works will be carried out using advanced technologies specifically designed to suit the geological characteristics of Qatar, to ensure efficiency of excavation process and provide maximum safety standards for workers. The design life of the main drainage tunnel is 100 years, built to the best construction practices and implemented in accordance with international standards of health, safety, environment and sustainability management.

Ashghal – Al Wakra and Al Wukair Sewage Treatment Works

Construction of storm water drainage tunnel to protect people and assets from the negative impacts of rainwater accumulation in vital areas which provide essential services to the community.

The drainage tunnel is approximately 1.7km long and 1.5 metres wide, excavation work is at depths ranging 7-10metres below ground.



External Verification

Limited Assurance Report

Independent Limited Assurance Report

Independent Limited Assurance Report to the Ministry of Finance acting on behalf of the State of Qatar

We have been engaged by the Ministry of Finance, acting on behalf of the State of Qatar (“SoQ”, the “Issuer”) to perform a limited assurance engagement relating to the Selected Information, as outlined below, within the SoQ’s Green Bond Allocation Report (the “Report”) which discloses the reported use of the proceeds of the Green Bonds issued in 2024.

Use of report

This report is made to the Ministry of Finance, acting on behalf of the SoQ, in accordance with the International Standard on Assurance Engagements 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB) (“ISAE 3000 (Revised)”) and our agreed terms of engagement. Our work has been undertaken so that we might state to the Ministry of Finance those matters we are required to state to them in this limited assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Ministry of Finance, acting on behalf of the SoQ, for our work, for this report, or for the conclusion we have formed.

Our conclusion

Based on our work as described in this report, nothing has come to our attention that causes us to believe that the Selected Information, as presented in Appendix 1 has not been prepared, in all material respects, in accordance with the Applicable Criteria as shown in the State of Qatar’s Sovereign Green Financing Framework (2023).

Respective responsibilities

SoQ management are responsible for:

- Establishing the Applicable Criteria for preparing the Selected Information;
- Designing, implementing and maintaining internal processes and controls over information relevant to the preparation of the Selected Information that are free from material misstatement, whether due to fraud or error; and
- Measuring and reporting the Selected Information based on the applicable criteria.

Our responsibility is to express a conclusion on the Selected Information based on our procedures. We conducted our engagement in accordance with ISAE 3000 (Revised), in order to state whether anything had come to our attention that causes us to believe that the Selected Information has not been prepared, in all material respects, in accordance with the Applicable Criteria as defined within the Report.

Our procedures consisted primarily of:

- Performing enquiries with management to understand how the Applicable Criteria has been applied in the preparation of the Selected Information;
- Obtaining an understanding of the key systems, processes and controls for managing and reporting the Selected Information;
- Inspecting issuance documentation to confirm the total reported value of net proceeds;
- Inspecting minutes of the Sustainable Finance Committee to confirm the value of portfolio allocations during the period and that allocated projects were considered against the eligible categories and approved;
- Substantive testing to confirm that a sample of identified assets from the approved listing were funded in line with the approach set out in the Applicable Criteria;
- Obtaining a listing of assets to confirm this is consistent with the disclosure relating to proportion of total proceeds refinanced;
- For a sample of assets refinanced, inspecting operational records or other appropriate project documentation to confirm the amounts refinanced and that refinancing eligibility is in line with the Applicable Criteria; and
- Accumulating misstatements and control deficiencies identified and assessing whether material.

Criteria

The Applicable Criteria is published within the SoQ Sovereign Green Financing Framework (Section 2) issued in 2023.

The self-defined applicable criteria; the nature of the Selected Information; and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organisations and from year to year within an organisation as methodologies develop.

Inherent limitations

Our engagement provides limited assurance as defined in ISAE 3000. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations exist in all assurance engagements due to the selective enquiry of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Our work does not involve testing the operating effectiveness of controls over the underlying data, nor have we sought to review systems and controls beyond those relevant to the Selected Information.

Our independence and competence

We complied with Deloitte's independence policies, which address and, in certain cases, exceed the requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants in their role as independent auditors, and in particular preclude us from taking financial, commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality, and from any involvement in the preparation of the report.

We applied the International Standard on Quality Management ("ISQM") 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements. Accordingly, we maintained a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Walid Slim
Partner
License No.319
For and on behalf of Deloitte & Touche – Qatar Branch

25 March 2025

APPENDIX 1

The Selected Information

The Selected Information subject to limited assurance is set out below and is presented in State of Qatar's Sovereign Green Bond Report.

Issuance Details

Issuer	State of Qatar	
Issue Type	Reg S/144 A Senior Unsecured Green Note	
Issue Ratings	Aa2/AA/AA (Moddy's/S&P/Fitch)	
Maturity	5 Years	10 Years
Issue Size	USD 1.0 billion	USD 1.5 billion
Coupon	4.625%	4.750%
Re-offer Price	99.4980	99.4650
Re-offer Yield	4.74%	4.82%

Allocation of proceeds

Tranche	Clean Transport (USD 'million)	Sustainable water and wastewater management (USD 'million)	Climate Change Adaption (USD 'million)	Total (USD 'million)
5 Years	1,000			1,000
10 Years		879	621	1,500
Total	1,000	879	621	2,500

Key Metrics

Portfolio Company	Proceeds allocated (USD 'million)	Percentage of proceeds allocated
Q-Rail	1,000	40%
Ashgal	1,500	60%
Total	2,500	100%

Disclaimer

The State of Qatar Sovereign Green Bond Allocation Report was prepared and published strictly for informational purposes, in line with the requirements of the State's Sovereign Green Financing Framework (2023). The report was prepared in conjunction with multiple government related entities. This report may contain forward-looking statements that reflect the State of Qatar current plans and expectations relating to future events or outcomes. Such statements are subject to updating on an ongoing basis, which could cause actual results to differ. The data and information presented in this report are believed to be accurate as at the publication date. A follow up report is to be published in the case, for any reason, material changes to the data and information presented occur. This report covers the eligible projects and expenditures financed / refinanced using the proceeds of the May 2024 Green Bond Issuance.



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State of Qatar Sovereign Green Bond Allocation Report March 2025

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