MINISTRY OF ECONOMY
OF THE REPUBLIC
OF AZERBAIJAN

ROLE OF THE PRIVATE SECTOR IN ACCELERATING CARBON MARKETS IN AZERBAIJAN

ELNUR IBRAHIMOV

HEAD OF DIVISION
MINISTRY OF ECONOMY

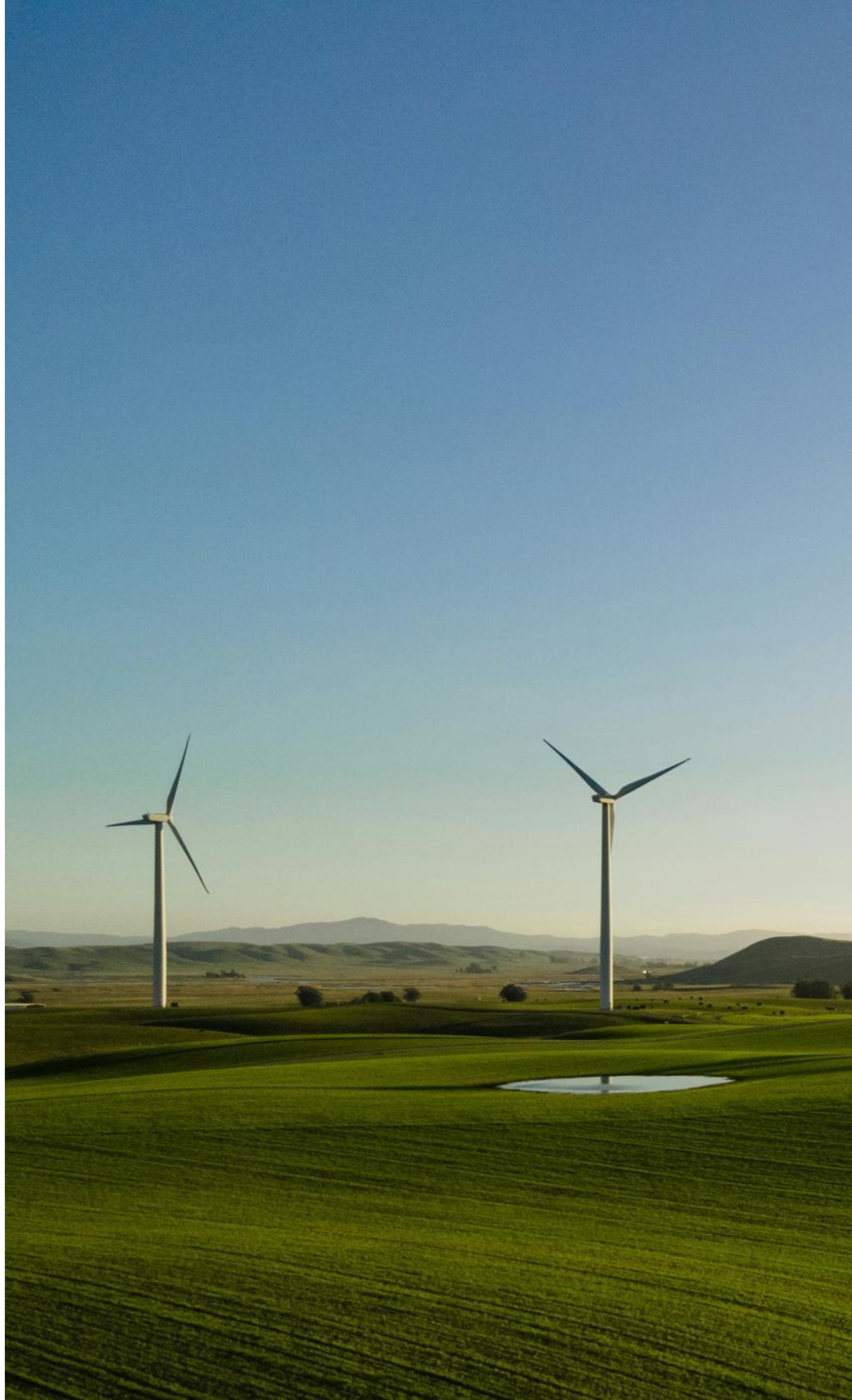
COP29 achieved full implementation of Article 6 of Paris Agreement - Unlocks International Carbon Markets

“Finance COP”

At COP29 in November 2024, the role of the private sector was a central focus, as governments acknowledged that public financing alone is insufficient to meet global climate goals.

New Collective Quantified Goal (NCQG): Countries agreed to a new, more ambitious climate finance target for developing countries. Developed nations committed to mobilizing at least $300 billion annually by 2035.

Broader financing ambition: A parallel roadmap sets a long-term goal of scaling up total climate finance, including private funding, to $1.3 trillion per year by 2035.



National initiatives and private sector engagement

MINISTRY OF ECONOMY
OF THE REPUBLIC
OF AZERBAIJAN

Engagement of Private sector

Green energy zones and pledges

Support for Small and Medium Enterprises (SMEs)

Incentives for private investment in “Green”

Green finance regulations

National initiatives and private sector engagement

Incentives for private investment in “Green”

10 years from the date of registration of the resident in the industrial or technological parks

50 % exemption on profit (income) tax and fully exemption from property and land taxes

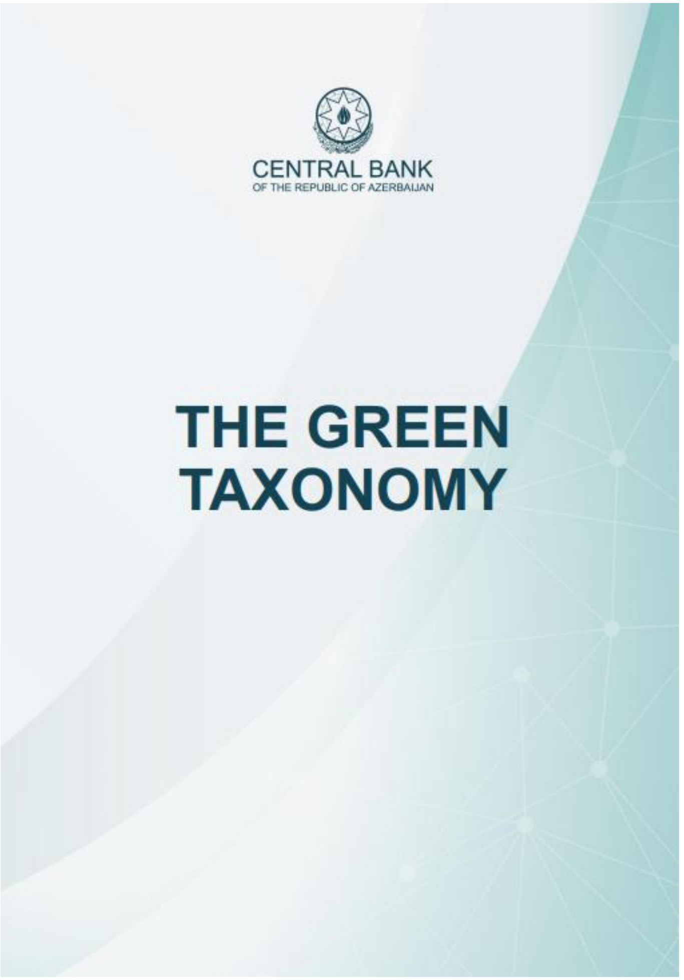
‘Startup’ certificate

National initiatives and private sector engagement

MINISTRY OF ECONOMY
OF THE REPUBLIC
OF AZERBAIJAN

Engagement of Private sector

Green finance regulations



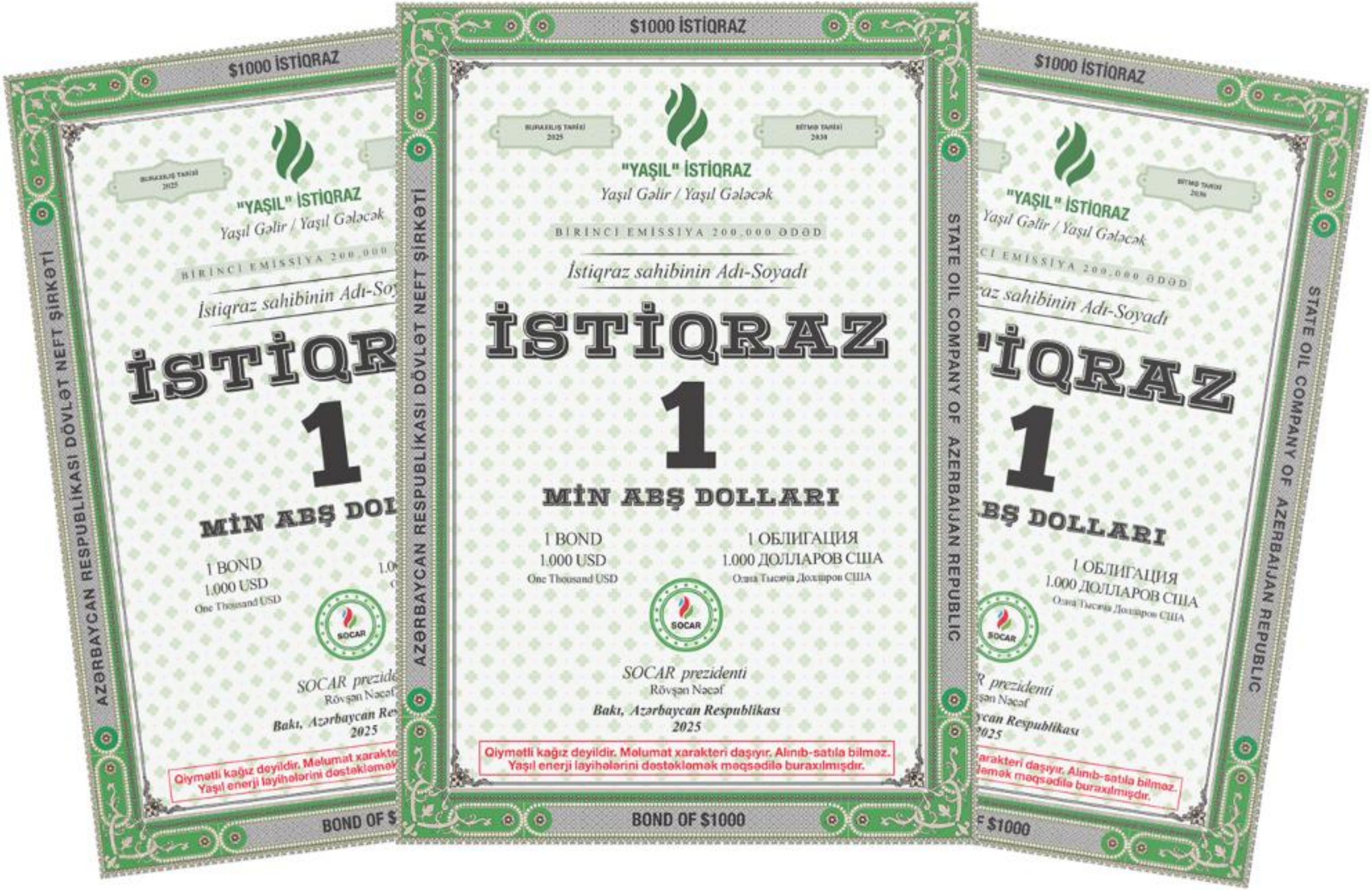
- *The Central Bank of Azerbaijan introduced a new green taxonomy to guide sustainable investments, helping to align private capital with national climate objectives.*
- *The Azerbaijani banking sector also pledged $1.2 billion for green projects by 2030.*

Main users of the Taxonomy

MINISTRY OF ECONOMY OF THE REPUBLIC OF AZERBAIJAN

Banks and non-bank credit institutions, credit unions	• Develop green finance products (e.g., green loans). • Align lending portfolios with national and international green standards. • Assess the sustainability of projects before financing. • Support the adoption of sustainable economic activities through financing. • Monitor and disclose the environmental and sustainability impact of loan portfolios and investment portfolios for relevantly licensed banks.
Stock market participants (investment companies, investment funds, fund managers, etc.)	• Structure investment portfolios and funds focused on green assets. • Use the Taxonomy to align securities offerings (e.g., green bonds) with environmental and sustainability standards. • Monitor and disclose the environmental and sustainability impact of investment portfolios. • Guide fund allocations toward green investments.

Public institutions, government institutions and non-governmental organizations	• Raise awarenessof relevant parties for Taxonomy-aligned practices and technologies. • Develop policies to enable green finance, economic decarbonization and sustainability, to mitigate and manage related risks. • Use the Taxonomy to guide tax policies and other policy incentives.
Auditing, assurance and certification institutions	• Verify alignment with the Taxonomy criteria and standards. • Ensure accuracy and transparency of green or sustainability reports and disclosures. • Provide third-party verification for sustainable financial instruments and green projects.
Other legal entities	• Raise funds for green projects or investments through green financial products (e.g., green bonds, loans). • Align their business activities with the Taxonomy to meet environmental and sustainability standards. • Use the Taxonomy to showcase the environmental impact and sustainability of their projects.


$1000 İSTİQRAZ
"YAŞIL" İSTİQRAZ
Yaşıl Gəlir / Yaşıl Gələcək
BIRINCI EMISSIYA 200.000 ƏDƏD
İstiqraz sahibinin Adı-Soyadı
İSTİQRAZ
1
MİN ABŞ DOLLARI
1 BOND
1.000 USD
One Thousand USD
1 ОБЛИГАЦИЯ
1.000 ДОЛЛАРОВ США
SOCAR
SOCAR prezidenti
Rövşən Nəcəf
Bakı, Azərbaycan Respublikası
2025
Qiymətli kağız deyildir. Məlumat xarakteri daşıyır. Alınıb-satıla bilməz.
Yaşıl enerji layihələrini dəstəkləmək məqsədilə buraxılmışdır.
BOND OF $1000
AZƏRBAYCAN RESPUBLİKASI DÖVLƏT NEFT ŞİRKƏTİ
STATE OIL COMPANY OF AZERBAIJAN REPUBLIC

Thank you for your attention!