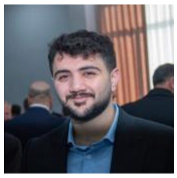
The King Sets the Agenda: A National Turning Point for Jordan's Green Economy



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On September 7, 2026, His Majesty King Abdullah II bin Al Hussein chaired a high-level meeting, attended by His Royal Highness Crown Prince Al Hussein bin Abdullah II, to review the status and progress of green finance and sustainability initiatives in Jordan. During the meeting, His Majesty directed the government to develop a comprehensive and unified national climate-finance strategy in collaboration with the private sector, while emphasizing the importance of organizing, attracting and deploying sustainable finance as part of Jordan's broader development framework. The significance of the meeting can be understood through two interconnected developments: first, the movement towards greater national coordination of green and climate finance; and second, the strengthening of Jordan's international position as a credible participant in the global sustainable-finance agenda.

Jordan has already developed important foundations in this field. The Central Bank of Jordan launched its Green Finance Strategy 2023–2028 to strengthen the financial sector's capacity to mobilise green finance, manage climate-related risks and support the development of green financial products. Jordanian financial institutions have also increasingly introduced sustainable financing instruments. The latest direction therefore does not represent the beginning of Jordan's green-finance journey; rather, it provides an opportunity to connect the different components of an emerging market under a broader and more coordinated national framework.

This national direction also carries important implications for the Economic Modernisation Vision, whose success depends heavily on mobilizing investment to expand productive sectors, create employment opportunities and sustain long-term economic growth. Many of Jordan's major future investment requirements are also closely connected to sustainability, particularly in water management, renewable energy, industrial efficiency, transportation and climate resilience. Strengthening the climate-finance framework can therefore create additional financing channels for these priorities, reducing reliance on public expenditure, conventional borrowing and traditional development assistance alone.

A further advantage of this approach is its capacity to align global sustainability priorities with Jordan's own development needs. International climate finance is increasingly structured around the Sustainable Development Goals, decarbonisation commitments, climate resilience and measurable environmental outcomes. For Jordan, these frameworks should not be treated merely as external commitments or international policy frameworks, but as strategic opportunities where they correspond with domestic priorities. Water security, energy efficiency, resilient infrastructure, sustainable transportation and green industrial development are all areas in which international sustainability objectives directly complement Jordan's economic interests. A unified climate-finance strategy can therefore help translate global sustainability priorities into domestic investment opportunities, ensuring that international climate objectives reinforce rather than compete with Jordan's national development agenda.

The importance of climate finance is already visible in major national initiatives. The National Water Conveyance Project secured USD 295 million from the Green Climate Fund, demonstrating how specialised climate-finance mechanisms can contribute directly to addressing one of Jordan's most significant structural challenges: water scarcity. More broadly, the project illustrates how a strategic national priority can be connected with international sources of capital that may not be available through conventional infrastructure-financing channels.

Jordan also already has access to institutions with substantial dedicated climate-finance capacity, including the Green Climate Fund, IFC, EBRD, the European Investment Bank and other international development partners.

The opportunity created by a unified national strategy is therefore not simply to identify additional sources of funding, but to provide these institutions with a larger and better-prepared pipeline of Jordanian projects and financial instruments in which to invest. This could enable Jordan to move beyond securing climate finance on a project-by-project basis towards establishing a more consistent and repeatable investment pipeline.

Jordan's future climate-finance architecture could further develop by building upon existing financing mechanisms that have already been explored specifically for the Kingdom. The Economic and Social Commission for Western Asia (ESCWA) designated Jordan as a pilot country for its Climate/SDGs Debt Swap initiative and supported the creation of a national task force to investigate how external debt-service obligations might be redirected toward domestic climate and sustainable development priorities, with particular emphasis on adaptation projects within the water sector. This strategy is especially pertinent for Jordan, as the expansion of green investments through new borrowing alone may exacerbate pressures on an already limited fiscal position. Debt-for-climate swaps present an alternative mechanism: rather than incurring additional debt, a portion of existing external debt commitments can be converted into domestic investments aligned with nationally agreed priorities. In the context of a comprehensive climate-finance strategy, such mechanisms could complement instruments such as green bonds, concessional finance, and development finance, thereby enabling Jordan to advance sustainability objectives while also linking climate investments with improved fiscal management.

The economic opportunity extends beyond the projects themselves. Developing a robust sustainable-finance market can stimulate activity within Jordan's financial sector and wider professional-services economy. Green bonds, climate funds and sustainable investment products require financial structuring, environmental assessment, reporting, auditing, legal expertise, risk analysis and project preparation. As this market develops, these requirements can support the growth of specialised capabilities within Jordanian banks, advisory firms, companies and public institutions. Climate finance can therefore contribute to economic development both through the investments it enables and through the professional and financial ecosystem that develops around sustainable investment.

The meeting's emphasis on technical support for both the public and private sectors is particularly important because it underpins the derisking process. Capital does not flow simply because a project addresses an important environmental or development objective. Investors must be able to understand, assess and price the risks involved. In many emerging markets, the principal obstacle is not risk alone, but uncertainty surrounding project preparation, governance, revenue streams, regulation and long-term viability. Credible feasibility studies, transparent governance, measurable environmental outcomes and recognised financial standards can help transform this uncertainty into risks that investors are able to calculate and manage. Strengthening Jordan's capacity in this area would not eliminate investment risk, but it could increase the number of credible and investible projects capable of competing for international climate capital. In this sense, developing a national climate-finance architecture is also about constructing the confidence required for capital to enter Jordan's green economy.

A unified national strategy could provide the institutional framework needed to support this transition. It could clarify national priorities, strengthen cooperation between government and the private sector, improve project preparation and create greater consistency in Jordan's engagement with international climate funds and sustainable investors. Over time, it could also encourage more Jordanian banks and companies to issue green and sustainability-linked instruments, expand green lending and develop new financial products directed towards sustainable economic activity.

Green finance already exists in Jordan; the opportunity now is to move from individual transactions and initiatives towards a deeper, more coordinated and more credible market. The foundations are increasingly visible, but the next stage will depend on whether these separate elements can be integrated into a functioning national architecture capable of producing a continuous pipeline of credible investment opportunities.

If implemented effectively as per the directives of His Majesty, this strategy has the potential to strengthen Jordan's capacity to attract global sustainable capital while advancing the objectives of the Economic Modernizations Vision. Equally important, it could institutionalize green finance as an enduring component of Jordan's financial framework, one that aligns international sustainability priorities with domestic development goals, finances strategic investments and supports a more resilient and diversified economic trajectory.