

Can Islamic Finance Become a Climate Finance Force? Leaders Gather in Baku to Bridge the Gap

Senior leaders in climate finance, development and Islamic finance met in Baku to explore new pathways for climate resilience and energy transition funding.

BAKU, AZERBAIJAN, June 24, 2026 /EINPresswire.com/ -- Senior leaders from the climate finance, sustainable development and Islamic finance sectors met in Baku during the Islamic Development Bank (IsDB) Annual Meetings 2026, calling for closer coordination to mobilize Islamic finance for climate action and energy transition priorities.

The strategic roundtable was convened by IFAAS Group (UK) and brought together representatives from multilateral development banks, international organizations, government institutions, standard-setting bodies, investors, philanthropic organizations, climate finance actors and Islamic finance institutions.

The discussion focused on a practical challenge: Islamic finance has scale, principles and structures that are closely aligned with sustainable development, but its role in climate and transition finance remains below its potential. Participants pointed to persistent gaps between capital providers, credible project pipelines and implementation partners, as well as the need for stronger coordination across the ecosystem.

The event featured contributions from H.E. Dr Mahmoud Mohieldin, United Nations Special Envoy on Financing the 2030 Agenda; H.E. Nigar Arpadarai, Member of the Parliament of Azerbaijan and Former UN Climate Change High-Level Champion for COP29; Dr Tarik Akin, Head of Finance Department at the Investment and Finance Office of the Presidency of the Republic of



Türkiye; and Dr. Farrukh Raza, Chariman of the Governance & Ethics Committee, Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)

Participants also included representatives from the IsDB Group, Eurasian Development Bank, Organization of Islamic Cooperation (OIC), FSD Ethiopia, Pooled Fund on International Energy, Carboun Institute, INCEIF, ISRA, the Netherlands Commission for Environmental Assessment, Islamic banking groups and other ecosystem stakeholders.

Dr Anouar Gadhoun and Dr Moutaz Abojeib presented findings on pathways to better connect Islamic finance, sovereign and strategic capital, and climate finance ecosystems. While the work was developed within the framework of the TeraMED initiative, the findings raised recommendations with wider relevance for climate resilience, sustainable development and [energy transition financing](#).

Participants also discussed the emerging concept of a Global [Islamic Climate Finance](#) Alliance (GICFA), a proposed multi-stakeholder platform intended to improve collaboration between

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Islamic finance has the foundations to play a much larger role in climate resilience and sustainable development, but stronger ecosystem collaboration is essential.”

*Dr. Moutaz Abojeib, CEO,
IFAAS Group (UK)*

than duplicate existing mandates.

With Türkiye expected to hold the [COP31](#) Presidency, participants also considered how Islamic finance could gain stronger visibility within the global climate agenda and contribute more directly to implementation.

The roundtable concluded with interest in continued stakeholder consultation around the



proposed alliance and related collaboration opportunities.

The outcomes are reflected in the Baku Roundtable Communiqué, which will serve as a foundation for further engagement on the role of Islamic finance in climate resilience, sustainable development and the energy transition.

About IFAAS (UK)

IFAAS is an international advisory firm specializing in Islamic finance, sustainable finance, strategy, policy and market development.

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