

EDUCATE

Renewable Energy Toolkit

A Practical Guide for
Islamic Financial
Institutions





Table of Contents

Introduction Operationalizing Islamic Finance for Renewable Energy	05
E: ENGAGE Proactive Engagement with the Renewable Energy Sector	14
D: DEVELOP Sustainability Frameworks Aligning Shariah Principles with Renewable Energy	23
U: UTILIZE Innovative Renewable Energy Products	31
C: CAPACITY Building Expertise in Renewable Energy Project Evaluation	40
A: ALIGN Setting Renewable Energy Financing Targets	48
T: TRACK Monitoring and Reporting Progress	56
E: EXCHANGE Joining Sustainable Finance Initiatives and Sharing Best Practices	64
Next Steps Toolkit Resources	70



About Greenpeace MENA and Ummah for Earth

Greenpeace Middle East and North Africa (MENA) organization was established in 2018 to address the complex and unique environmental and climate challenges facing the MENA region. The organization dedicates its efforts to empowering local communities and working with allies to develop innovative and effective solutions that help individuals live in harmony with the environment. The organization's vision is to preserve the natural wealth and diverse local communities of the region and ensure a decent life for future generations in a world of peace, sustainability, and justice. Greenpeace MENA believes that progress in economic, social, and technological fields can be achieved without negatively impacting nature. It works creatively and collaboratively with partners and advocates to mitigate the impacts of the climate crisis and promote sustainable practices and climate change adaptation.

Ummah for Earth

Ummah for Earth is a faith-based climate alliance that was created in 2020. We have been focusing on empowering communities and local environmental initiatives, shedding light on the intersection between Islamic faith and climate action, and encouraging and helping Muslims and youth to raise their voices for the well-being of our common home.

We are now 50 allies that have diverse backgrounds and expertise including religious, environmental, and developmental. The alliance members have come together based on their strong knowledge of Islam, and/or environmentalism.

Ummah for Earth's work is based on understanding the connections between faith, people,



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values and nature. We believe in the Islamic teachings about protecting the environment and caring for the most vulnerable. We inspire our environmental work from three main Islamic principles: Stewardship (الخلافة), Balance (الميزان), and Wisdom (الحكمة). God has entrusted us to be stewards on this Earth, to act responsibly to maintain its balance and to take wise decisions today to preserve the environment for future generations.

Greenpeace MENA, Greenpeace Indonesia, Greenpeace Malaysia and Greenpeace Canada are part of the Ummah For Earth Alliance.

The Global Ethical Finance Initiative (GEFI): The world depends on global finance making the right choices to deliver positive change and achieve the UN’s Sustainable Development Goals. The Global Ethical Finance Initiative (GEFI) has become the hub at the centre of the ethical finance movement, and the partner for action on ethical finance.

Disclaimer

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Whilst every care has been taken in the preparation of this report, no responsibility is taken by GEFI, Greenpeace MENA and Ummah for Earth alliance as to the accuracy or completeness of the data used or consequent conclusions based on that data. If you wish to receive further information on matters expressed in this publication, please contact Greenpeace MENA.



Introduction

Operationalizing Islamic Finance for Renewable Energy

1. The Opportunity
2. The Imperative for Renewable Energy
3. The EDUCATE Framework
4. Who This Toolkit Is For
5. Aims of the Toolkit
6. How to Use This Toolkit
7. Next Steps: Accessing and Using the EDUCATE Toolkit Resources



The Opportunity

As the global energy landscape transforms toward renewable energy, Islamic finance stands uniquely positioned to advance this transition. With assets projected to reach \$6.7 trillion by 2027 and fundamental principles that naturally align with sustainable investment—including ethical investment, avoidance of excessive uncertainty (gharar), and prohibition of harm (dharar)—Islamic finance offers a powerful vehicle for channeling capital toward climate solutions.

The economic case is compelling. Solar photovoltaic and onshore wind now represent the cheapest forms of new electricity generation in most markets, while the green sukuk market is experiencing unprecedented growth—reaching \$9.9 billion in just the first half of 2024, matching the entire 2023 total. The UAE has emerged as the largest green sukuk issuance base (\$3.9 billion in 2023), establishing a regional model for others to follow.

Despite this natural alignment and market momentum, many Islamic financial institutions have historically allocated limited capital to renewable energy projects. This represents a significant missed opportunity both financially and environmentally.



Building on Solid Foundations

This toolkit builds upon the landmark “Islamic Finance and Renewable Energy” report launched in 2024, which established the first comprehensive analysis linking Islamic finance and renewable energy. That pioneering report articulated both the theological foundations and economic case for greater engagement, highlighting that:

- Islamic finance could unlock \$400 billion for climate finance by 2030 through allocating just 5% of projected assets to renewable energy and energy efficiency
- Research shows 90% of Islamic finance customers actively want sustainable banking products
- Multiple Islamic finance structures are well-suited for renewable energy projects, including sukuk al-ijarah for asset-backed projects, istisna’a for construction phases, and mudarabah and musharakah for profit-sharing arrangements

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The Imperative for Renewable Energy

The global energy landscape stands at a pivotal crossroads. As climate change accelerates, the IPCC warns that decisions made this decade will reverberate for millennia, with current trajectories pointing toward a dangerous 3°C temperature increase. The IEA projects fossil fuel consumption will begin declining this decade, necessitating tripled clean energy investments by 2030 to meet climate targets.

Both the MENA region and Southeast Asia possess extraordinary renewable energy potential. MENA receives over 20% of the planet's solar radiation, while Southeast Asian countries benefit from year-round high solar irradiation and significant wind resources in coastal and highland areas. These natural advantages position both regions to meet domestic energy needs and potentially become renewable energy exporters.

Renewable energy offers both regions economic diversification and resilience beyond environmental benefits. Redirecting even a portion of current fossil fuel subsidies toward renewable development could accelerate the transition while delivering stronger economic returns through green job creation, improved public health, and enhanced energy security. The EDUCATE framework provides Islamic financial institutions across both regions with a structured pathway to participate in this transition—aligning religious principles with environmental stewardship and economic opportunity.

References:

<https://www.greenpeace.org/mena/en/renewable-energy-in-mena-ghiwa/>



The EDUCATE Framework

The EDUCATE framework provides a comprehensive approach for Islamic financial institutions to develop and implement renewable energy financing strategies. Each component represents a critical aspect of successful engagement:

Each component of the framework is supported in this toolkit by practical implementation guidance, tools, templates, and real-world case studies demonstrating successful application.

E

Engage: Proactively engage with the renewable energy sector, including developers, communities, policymakers, and other stakeholders. Building relationships and knowledge in this sector creates the foundation for successful financing activities.

D

Develop: Create comprehensive sustainability frameworks that align Shariah principles with renewable energy financing. This includes developing clear policies, assessment criteria, and governance mechanisms that satisfy both religious and environmental requirements.

U

Utilize: Design and deploy innovative renewable energy financing products, from green sukuk to sustainable project financing structures. These instruments should meet market needs while maintaining Shariah compliance.

C

Capacity: Build internal expertise to evaluate renewable energy projects, including upskilling both financial teams and Shariah boards on environmental and technical considerations specific to renewable energy.

A

Align: Set specific renewable energy financing targets aligned with national and international climate commitments. These targets should be ambitious yet achievable, with clear timelines and accountability mechanisms.

T

Track: Implement robust monitoring and reporting systems to measure progress, demonstrate impact, and continuously improve renewable energy financing activities.

E

Exchange: Join sustainable finance initiatives and actively share best practices with peers, regulators, and other stakeholders to accelerate sector-wide progress.



Who This Toolkit Is For

This toolkit is designed for Islamic financial institutions seeking to develop or expand their renewable energy financing initiatives, including:

- **Islamic Banks and Financial Institutions:** From large multinational banks to local financial institutions looking to integrate renewable energy into their financing portfolios
- **Shariah Advisory Boards:** Religious scholars and compliance experts evaluating renewable energy projects against Islamic principles
- **Investment Firms and Asset Managers:** Organizations managing Islamic investment funds seeking sustainable deployment opportunities
- **Takaful Companies:** Islamic insurance providers exploring coverage for renewable energy projects
- **Financial Regulators and Policymakers:** Officials developing enabling frameworks for Islamic green finance



Aims of the Toolkit

The toolkit builds upon the findings of the “Islamic Finance and Renewable Energy” report, which identified a \$400 billion climate finance opportunity through allocating just 5% of Islamic finance assets to renewable energy and energy efficiency by 2030.

The EDUCATE Renewable Energy Toolkit bridges the gap between Islamic finance principles and renewable energy opportunities by:

- **Operationalizing Religious-Environmental Alignment:** Translating the theoretical compatibility of Islamic principles and environmental stewardship into practical frameworks
- **Providing Implementation Pathways:** Offering guidance for developing renewable energy financing capabilities and products
- **Building Internal Capacity:** Developing the specialized expertise required for evaluating and financing renewable energy projects
- **Accelerating Capital Deployment:** Helping institutions efficiently direct capital toward renewable energy projects that align with both financial objectives and religious requirements
- **Enabling Impact Measurement:** Providing frameworks for measuring and reporting both financial performance and environmental benefits



How to Use This Toolkit

This toolkit offers a flexible, modular approach that can be adapted to your institution’s specific needs, market context, and current capabilities:

1. Assess Your Starting Point

Begin by completing the Islamic Finance Renewable Energy Readiness Assessment to identify your institutional strengths and capability gaps

2. Set Your Priorities

Based on the assessment results, determine which components of the EDUCATE framework represent your most pressing strategic needs:

E - Engage:

For institutions needing to build relationships with renewable energy stakeholders

D - Develop:

For those requiring sustainability frameworks aligned with Shariah principles

U - Utilize:

For teams focused on creating innovative renewable energy products

C - Capacity:

For organizations building expertise in project evaluation

A - Align:

For leadership setting renewable energy financing targets

T - Track:

For establishing monitoring and reporting systems

E - Exchange:

For participating in knowledge-sharing initiatives

3. Create Your Implementation Plan

Use the provided templates and frameworks to develop a tailored approach with clear timelines and responsibilities

4. Study Relevant Examples

Each section includes case studies of successful implementation by diverse Islamic financial institutions that can serve as models

5. Track Your Progress

The Implementation Tracker provides a structured approach to monitoring advancement across all framework components

6. Review and Refine

Schedule regular reviews to assess progress, address challenges, and set increasingly ambitious targets as capabilities mature



NEXT STEPS

Accessing and Using the EDUCATE Toolkit Resources

The complete EDUCATE Renewable Energy Toolkit is available as a downloadable resource package that includes all the templates, worksheets, and implementation guides referenced in this document.

DOWNLOAD TOOLKIT

ENGAGE

Proactive Engagement with the Renewable Energy Sector

1. Why Engagement Matters
2. The Engagement Challenge
3. Strategic Engagement Framework
4. Action Plan: Building an Effective Engagement System
5. Case Study: Green Mosques Initiative in Morocco
6. Implementation Tips
7. Measuring Engagement Effectiveness

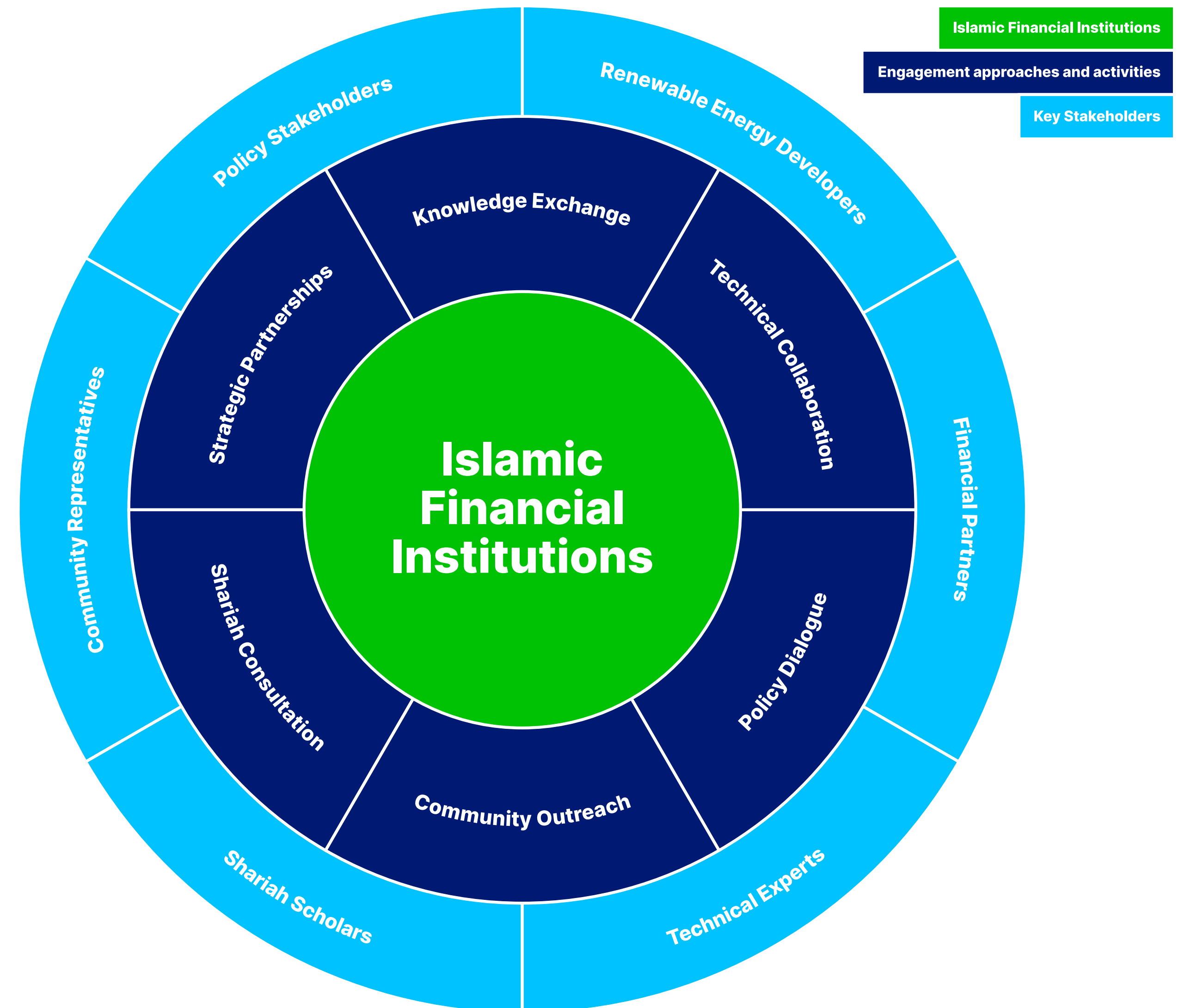
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Why Engagement Matters

Engagement is the catalyst that initiates the EDUCATE framework cycle. Building strategic relationships with key stakeholders in the renewable energy ecosystem creates the foundation for successful Islamic finance participation in this rapidly growing sector.

Proactive engagement enables Islamic financial institutions to acquire essential market intelligence, develop technical understanding, and position themselves as valued partners in renewable energy financing.





The Engagement Challenge

Islamic financial institutions face distinct challenges when approaching renewable energy financing:

Knowledge Gaps:

Limited familiarity with renewable technologies, project economics, and risk profiles

Stakeholder Complexity:

Diverse ecosystem requiring specialized engagement approaches

Market Evolution:

Rapidly changing regulatory frameworks and technological advancements

Shariah Integration:

Need to align technical solutions with Islamic finance principles from earliest stages



Strategic Engagement Framework

Key Stakeholders for Effective Engagement

Renewable Energy Developers

Companies developing solar, wind, and other clean energy projects provide essential insights about project economics, technical requirements, and financing challenges. Engaging with developers helps identify specific opportunities for Shariah-compliant financing solutions.

Shariah Scholars

Religious authorities provide essential guidance on structuring compliant financing and building confidence among investors. Early engagement ensures Shariah considerations are integrated from the conceptual stage rather than retrofitted later.

Policy Stakeholders

Government agencies, regulators, and industry bodies shape market conditions through incentives and regulations. Building these relationships helps institutions anticipate changes, identify opportunities, and contribute to supportive policy frameworks.

Financial Partners

Conventional financial institutions, multilateral development banks, and impact investors bring complementary perspectives and potential co-financing opportunities. Collaborative relationships expand financing capacity and share risk.

Technical Experts

Engineering firms, consultants, and industry associations offer specialized knowledge about renewable technologies and performance assessment. Their expertise helps Islamic financial institutions conduct thorough due diligence and evaluate project risks appropriately.

Community Representatives

Local leaders, civil society organizations, and community groups provide insights about social acceptance and implementation challenges, ensuring alignment with Islamic principles of social welfare and avoiding harm.

Awqaf Sector

Islamic endowment bodies (awqaf) manage endowed assets—land, real estate, and investment portfolios—that can be mobilized to finance and de-risk renewable energy projects. Engaging the Awqaf sector as investor partners or outcome funders unlocks patient, low-cost capital while aligning project design with faith-driven stewardship values. Their participation strengthens social impact, fosters community trust, and bridges financing gaps in emerging markets.

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Action Plan: Building an Effective Engagement System

Immediate Actions 0-3 months

- Designate a senior champion and form a cross-functional Renewable Energy Task Force with representatives from Shariah compliance, credit, risk, and business development
- Complete comprehensive stakeholder mapping using the Renewable Energy Stakeholder Mapping Tool, assigning clear relationship owners for priority stakeholders
- Schedule initial meetings with 5-8 renewable energy developers to understand their financing challenges and project pipelines
- Organize site visits to operational renewable energy projects for key staff and Shariah board members to build technical understanding

Short-Term Actions 3-6 months

- Host a roundtable bringing together developers, technical experts, and Shariah scholars to identify integration points between technical requirements and Islamic financing principles
- Establish formal mechanisms to capture and share market intelligence across departments, including a knowledge repository and regular briefings
- Develop relationships with 2-3 technical advisors who can provide specialized project evaluation support
- Create systematic processes for tracking engagement effectiveness with clear Key Performance Indicators linked to strategic objectives
- Establish regular executive reporting on engagement progress and renewable energy market developments



Medium-Term Actions

6-12 months

- Launch a quarterly industry forum that positions your institution as a thought leader in Islamic finance for renewable energy
- Develop strategic partnerships with industry associations, technical experts, and educational institutions
- Implement a thought leadership initiative highlighting the unique alignment between Islamic finance principles and renewable energy
- Create structured opportunities for Shariah scholars, technical experts, and financing teams to collaborate on innovative solutions
- Begin integrating stakeholder insights and technical knowledge into formal product development processes

Long-Term Initiatives

12+ months

- Establish your institution as a recognized authority through regular publications, events, and demonstration projects
- Develop systematic knowledge transfer mechanisms between external experts and internal teams to build lasting institutional capability
- Create engagement models that provide clear value to all stakeholders, not just information gathering for your institution
- Build multi-level relationships with key organizations spanning technical, operational, and executive interactions
- Integrate renewable energy financing fully into strategic planning and business development processes

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Case Study:

Green Mosques Initiative in Morocco

Morocco's Green Mosques Initiative exemplifies the impact of strategic stakeholder engagement in Islamic renewable energy projects. Faced with high electricity costs and a national energy transition goal, Morocco's Ministry of Islamic Affairs partnered with the Ministry of Energy and the German development agency GIZ to retrofit hundreds of mosques with solar panels and energy-efficient technologies. Religious leaders were engaged from the earliest stages and trained to frame energy conservation as part of Islamic values like stewardship (khalifah) and balance (mizan). Concurrently, local clean-tech firms were trained to deliver the installations, combining faith outreach with economic development. The engagement of imams as sustainability advocates proved particularly effective in shifting public attitudes toward clean energy.

To date, more than 100 mosques have undergone retrofits, with energy costs dropping by over 40% in participating facilities. The program has also led to the creation of around 300 green jobs and catalyzed energy audits in nearly 1,000 more mosques, preparing them for future upgrades. Beyond cost savings, the initiative has transformed religious leaders into sustainability messengers and built a template for scaling renewable energy in religious infrastructure. This model has inspired similar initiatives in other Muslim-majority countries, underscoring how stakeholder engagement, when rooted in religious legitimacy and local economic empowerment, can unlock lasting systems change.

References:

GIZ. (2020). Energy Efficiency in Public Buildings and Mosques in Morocco.
Deutsche Gesellschaft für Internationale Zusammenarbeit



Implementation Tips

1. Focus Beyond Financial Aspects:

Expand engagement to include technical, environmental, and social dimensions of renewable energy projects, not just financing considerations.

2. Engage Early in Development Cycles:

Build relationships with developers during project planning phases rather than waiting for financing requests, allowing you to influence project design for better Shariah compatibility.

3. Include Shariah Experts in Technical Discussions:

Bring Shariah scholars into technical meetings to identify compliance challenges early and develop appropriate solutions before projects are fully designed.

4. Implement Systematic Ongoing Engagement:

Create regular touchpoints with key stakeholders rather than treating engagement as one-time events, allowing relationships to deepen over time.

5. Develop Multi-Level Engagement:

Build connections at technical, operational, and leadership levels within partner organizations to ensure comprehensive understanding and support.

6. Start with Targeted Initiatives:

Begin with focused engagement activities in areas of greatest strategic relevance rather than trying to engage all stakeholder groups simultaneously.

7. Create Clear Value Exchange:

Ensure engagement activities provide tangible benefits to stakeholders, not just information gathering for your institution.

8. Document All Interactions:

Maintain systematic records of renewable energy stakeholder exchanges to build institutional knowledge and prevent relationship disruption from staff changes.

9. Leverage Existing Relationships:

Use current banking relationships to identify clients already active in renewable energy as natural starting points for sector engagement.

Shariah Consideration: When engaging with technical experts, explicitly discuss how renewable energy technologies align with Shariah principles, particularly regarding uncertainty (gharar) in performance estimation and ownership structures.



ENGAGE:

Implementation

Tool

Track these key indicators to evaluate your engagement program using **Tool A: Islamic Finance Renewable-Energy Readiness & Stakeholder Tool** and **Tool F: Engagement Strategy Planner**.

- Number of renewable energy stakeholders in active relationship pipeline
- Frequency and quality of knowledge-sharing activities
- Participation in relevant industry forums and events
- Conversion rate from engagement to financing opportunities
- Staff competency development in renewable energy understanding

The stakeholder tracking module in Tool A helps you map and monitor these relationships, while Tool F provides structured planning templates for industry participation and knowledge exchange activities.

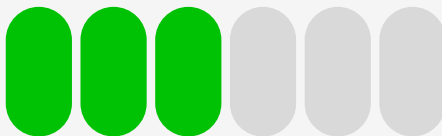
8/15

Active Stakeholder Relationships



3/6 per quarter

Knowledge-Sharing Activities



2/6 annual events

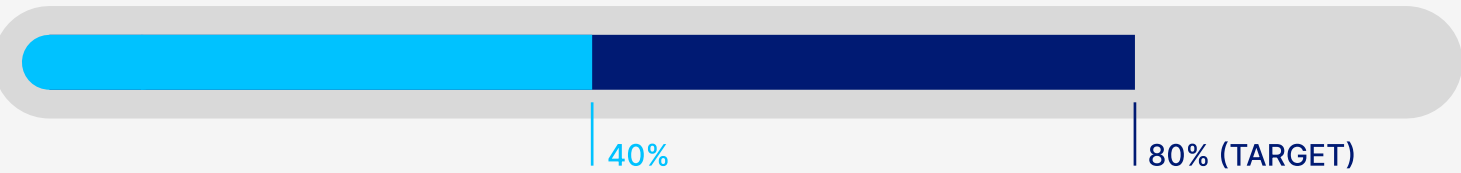
Industry Forum Participation



Engagement-to-Financing Conversion



Staff Renewable Energy Competency



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DEVELOP

Sustainability Frameworks Aligning Shariah Principles with Renewable Energy

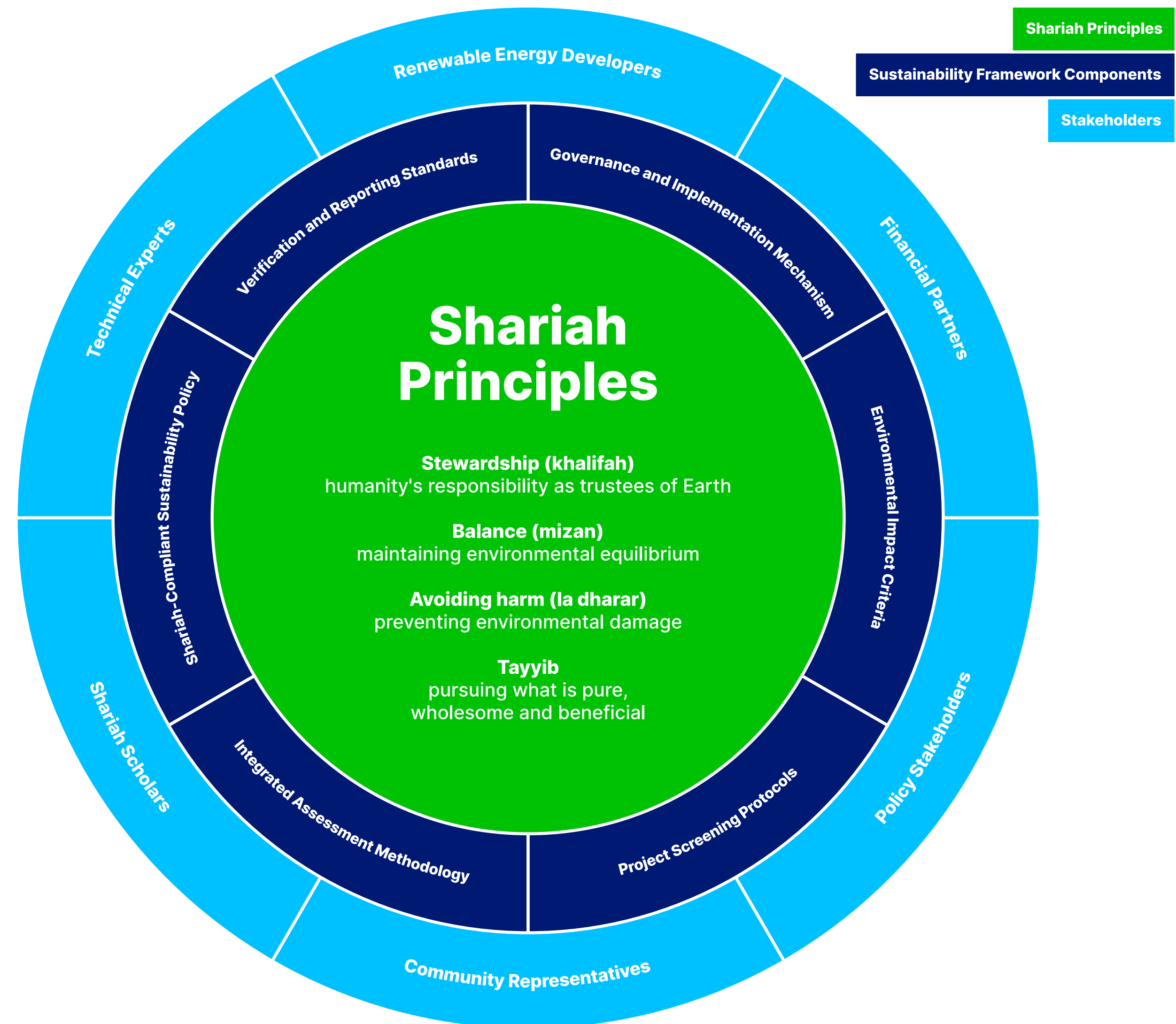
1. Creating Strong Foundations for Islamic Renewable Energy Financing
2. Why Frameworks Matter
3. Key Framework Components
4. Case Study: Indonesia's Green Sukuk Framework
5. Framework Development and Action Plan: A Phases Approach
6. Implementation Tool

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Creating Strong Foundations for Islamic Renewable Energy Financing

Developing robust sustainability frameworks that harmonize Shariah principles with renewable energy criteria is the cornerstone of successful Islamic participation in this growing market. These frameworks provide the essential infrastructure for consistent decision-making, proper governance, and efficient evaluation of renewable energy opportunities while ensuring religious compliance.





Why Frameworks Matter

Islamic financial institutions that develop clear frameworks gain significant advantages:

Faster Decision-Making:

Standardized assessment processes reduce evaluation time

Enhanced Confidence:

Shariah scholars can approve structures with greater assurance

Consistency:

Similar projects receive comparable treatment across the organization

Risk Mitigation:

Potential compliance issues are identified early in the process

Market Credibility:

Demonstrates serious commitment to both Islamic principles and sustainability



Key Framework Components

1. Shariah-Compliant Sustainability Policy

A formal policy document establishing how renewable energy aligns with Islamic principles and institutional values. This policy serves as the foundation for all renewable energy activities, providing clarity for both internal teams and external partners.

Key elements include alignment with Maqasid al-Shariah, specific environmental objectives, governance structure, and explicit connection between Islamic values and renewable energy benefits.

2. Integrated Assessment Methodology

A comprehensive approach to evaluating renewable energy projects that seamlessly combines Shariah requirements with sustainability criteria.

This methodology addresses critical religious considerations such as avoidance of riba and gharar alongside environmental factors like emissions reduction and resource efficiency, ensuring projects meet both religious and sustainability objectives.

3. Governance and Implementation Mechanism

Clear roles, responsibilities, and processes for applying the framework throughout the organization, from initial screening through monitoring and reporting.

Effective governance includes Shariah Board oversight protocols, management accountabilities, documentation requirements, and escalation procedures for complex cases.

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Case Study:

Indonesia's Green Sukuk Framework

Indonesia's Green Sukuk Framework illustrates how Islamic finance can be integrated with international ESG standards through a robust sustainability framework. Launched in 2018, the framework allowed Indonesia to issue the world's first sovereign green sukuk, raising \$1.25 billion for climate-aligned investments. Developed in consultation with Shariah scholars, environmental experts, and international institutions like CICERO, the framework outlines eligible green project categories, establishes Shariah compliance protocols, and incorporates global best practices from the ICMA Green Bond Principles. It serves as a dual-compliance structure that aligns Maqasid al-Shariah with climate outcomes.

The framework's clarity and credibility have attracted strong investor demand, including both Islamic and conventional investors. It enabled Indonesia to finance a range of green infrastructure projects including renewable energy plants, sustainable transport systems, and energy efficiency upgrades. Annual impact reports disclose the allocation of funds and the environmental results achieved, such as emissions avoided and capacity added. As a model of regulatory innovation, the framework has not only supported Indonesia's climate goals but has also become a reference point for other countries developing Islamic green finance mechanisms.

References:

UNDP Indonesia & Ministry of Finance. (2018).

Green Sukuk: Financing the Sustainable Development Goals.



Framework Development and Action Plan:

A Phases Approach

Phase 1: Foundation Building 0-3 months

- Form a cross-functional framework development team with executive sponsorship and clear mandate
- Conduct inventory of existing policies, procedures, and governance structures
- Engage Shariah Board in foundational discussions on renewable energy principles and their alignment with Islamic values
- Research leading Islamic sustainability frameworks and standards to identify adaptation opportunities

Phase 2: Framework Design 3-6 months

- Draft core framework components including Shariah screening methodology, environmental impact assessment criteria, and risk management integration
- Develop practical assessment tools and templates for renewable energy project evaluation
- Create governance structure with clear roles and responsibilities for framework implementation
- Obtain formal Shariah Board endorsement of the framework design and assessment approach

Phase 3: Stakeholder Validation Integrated throughout months 3-6

- Conduct internal consultations across relevant departments to ensure operational feasibility
- Seek expert feedback from external specialists in renewable energy technology and financing
- Refine framework based on stakeholder input to enhance usability and effectiveness
- Develop visual guides illustrating how Shariah principles and sustainability criteria align in renewable energy context



Phase 4: Implementation 6-9 months

- Finalize framework documentation, assessment tools, and governance procedures
- Train staff on framework application with role-specific guidance for different functions
- Integrate framework into existing systems and decision-making processes
- Pilot framework on sample renewable energy projects and refine based on practical experience
- Establish monitoring mechanisms to track framework implementation effectiveness

Phase 5: Continuous Improvement Ongoing from month 9

- Conduct regular framework effectiveness reviews with defined improvement cycles
- Monitor emerging standards and best practices in both Islamic finance and renewable energy
- Gather user feedback through structured channels to identify enhancement opportunities
- Update framework components as needed to maintain alignment with evolving market practices

Implementation Tips and Challenge Solutions

- 1. Address Standard Fragmentation:**
Create a principles-based framework adaptable to evolving Islamic sustainable finance standards while maintaining core Shariah requirements.
- 2. Simplify Technical Complexity:**
Develop streamlined, technology-specific assessment tools that make renewable energy evaluation accessible to financial professionals.
- 3. Balance Multiple Perspectives:**
Use a consultative process engaging Shariah experts, sustainability specialists, and business units from the earliest planning stages.
- 4. Work Within Resource Constraints:**
Begin with essential framework elements for priority technologies and expand gradually through defined phases.
- 5. Visualize Shariah-Sustainability Connections:**
Create visual representations showing how renewable energy technologies fulfill Maqasid al-Shariah, helping staff understand and apply these connections.



DEVELOP:

Implementation Tool

[DOWNLOAD TOOLKIT](#)

The Shariah Sustainability Assessment Matrix (Tool B) provides a structured methodology for evaluating projects against both religious and sustainability criteria. This practical tool enables consistent application of your framework across different project types and technologies, with built-in scoring for Shariah compliance, environmental impact, social benefit, and project viability dimensions.

UTILIZE

Innovative Renewable Energy Products

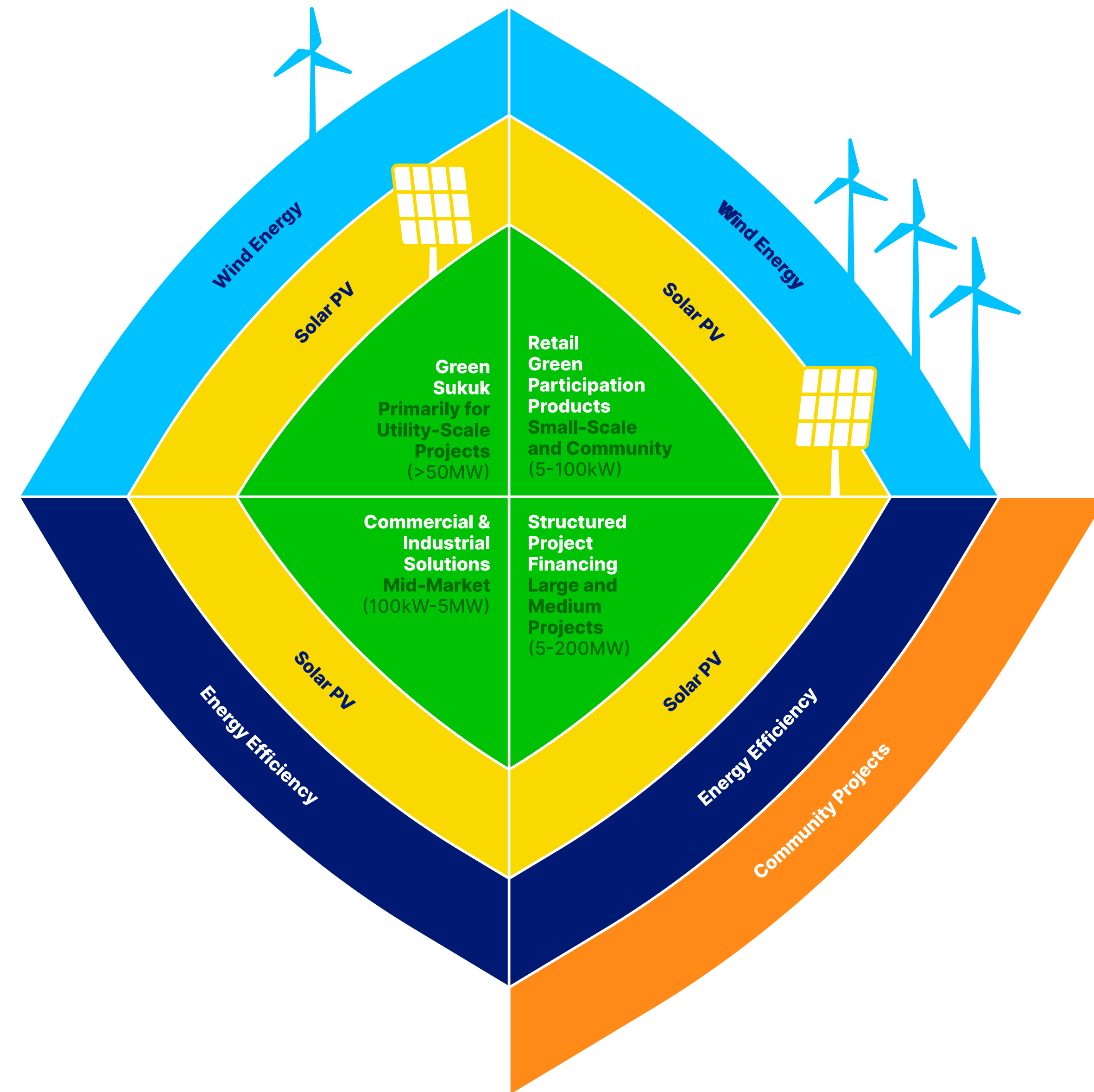
1. Expanding Islamic Finance Through Product Innovation
2. The Product Innovation Opportunity
3. Key Islamic Renewable Energy Products
4. Product Development Approach
5. Case Study: Beximco Green Sukuk for Solar
6. Implementation Tool

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Expanding Islamic Finance Through Product Innovation

Creating innovative Shariah-compliant products tailored to renewable energy's unique characteristics is essential for Islamic financial institutions to move from theoretical interest to active market participation. The right product structures unlock financing for a sector naturally aligned with Islamic finance principles.





The Product Innovation Opportunity

Islamic finance offers natural advantages for renewable energy financing:

Asset-Based Approach:

Renewable projects involve tangible assets well-suited to Islamic contracts

Risk-Sharing Philosophy:

Partnership structures align with project financing requirements

Ethical Screening:

Built-in sustainability screening complements renewable energy objectives

Long-Term Perspective:

Focus on real economic value matches renewable project lifecycles



Key Islamic Renewable Energy Products

1. Green Sukuk

Shariah-compliant capital market instruments where proceeds exclusively finance eligible renewable energy projects, providing long-term funding while meeting investor demand for ethical investments.

The Green Sukuk market has demonstrated exceptional growth, reaching over \$11 billion in 2024. UAE has emerged as the dominant issuance hub (\$3.9B in 2023), establishing regional benchmarks through innovations in structure, documentation, and verification processes.

Implementation Keys: Robust Shariah governance frameworks with dual certification (Shariah and environmental), standardized documentation aligned with both AAOIFI standards and international green bond principles, and comprehensive impact reporting that verifies both financial performance and environmental outcomes.

2. Structured Project Financing

Tailored multi-contract arrangements that address the unique characteristics of renewable energy project life cycles while maintaining strict Shariah compliance at each stage.

Proven Structures:

- Istisna'a-ljarah combinations for development-to-operation transitions, particularly effective for utility-scale solar and wind projects
- Wakalah-based structures with underlying ljarah arrangements for operational flexibility
- Hybrid Mudarabah-Musharakah structures for equitable risk-sharing across project phases
- Diminishing Musharakah for assets with clear ownership transfer pathways

These structures have been successfully implemented across the MENA region, with Saudi Arabia's PIF-backed renewable initiatives and Qatar's sustainable infrastructure programs demonstrating their effectiveness at scale.



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3. Commercial & Industrial Solutions

Specialized mid-market products for businesses implementing on-site renewable generation that can significantly reduce operating costs while meeting sustainability commitments.

The commercial sector represents the fastest-growing segment in MENA renewable finance, with UAE’s commercial solar initiative demonstrating how tailored Islamic financing can accelerate adoption. Innovative structures like Equipment Murabaha with performance guarantees have proven particularly effective for commercial-scale solar deployments.

4. Retail Green Participation Products

Consumer-focused offerings enabling individuals to participate in renewable energy financing through investment accounts, dedicated funds, and direct ownership support.

GP MENA research confirms that 90% of Islamic banking customers actively seek sustainable banking products. Leading institutions in Malaysia and UAE have successfully launched green investment accounts and renewable energy funds that allow retail customers to participate in the energy transition while earning halal returns aligned with their values.



Product Development Approach

Market Gap Analysis 0-3 months

Identify specific renewable energy financing needs unaddressed by existing products, focusing on underserved segments with high potential for both impact and commercial viability. Begin by analyzing:

- Current market offerings versus renewable energy financing requirements
- Competitor product gaps and customer pain points
- Segments where Islamic finance offers distinct advantages over conventional structures
- Technologies most compatible with Shariah-compliant financing models

Structure Design 3-6 months

Develop appropriate structures addressing identified needs while maintaining strict Shariah compliance. This phase includes:

- Adapting established contract forms (Istisna’a, Ijarah, Mudarabah) to renewable energy’s specific characteristics
- Designing risk-sharing mechanisms that fairly distribute performance uncertainty
- Incorporating minimum production guarantees compatible with Shariah principles
- Creating competitive pricing models that leverage Islamic liquidity pools and green financing incentives

Implementation Planning 5-8 months

Create operational infrastructure to efficiently deliver the new products while maintaining robust Shariah governance:

- Develop standardized term sheets and documentation templates for different project types
- Create operational workflows integrating Shariah review at critical decision points
- Prepare staff training programs targeting both technical and Shariah compliance aspects
- Establish monitoring frameworks to track performance against both financial and impact objectives



Market Launch

6-12 months

- Introduce products strategically with comprehensive support for internal teams and potential clients:
- Launch initial products with selected clients to demonstrate proof of concept
 - Develop clear guides explaining product mechanics for renewable developers unfamiliar with Islamic structures
 - Gather implementation feedback through structured channels
 - Refine offerings based on market response before broader rollout
 - Expand product range to address additional market segments as capabilities mature

Addressing Key Development Challenges

- 1. Technology Uncertainty:**
Structure products with transparent risk-sharing mechanisms that address the inherent variability in renewable energy production while maintaining Shariah compliance.
- 2. Competitive Considerations:**
Create economic structures that access both dedicated Islamic and conventional liquidity pools while leveraging available green financing incentives.
- 3. Knowledge Gaps:**
Address renewable energy-specific issues early in product development, including treatment of carbon credits, battery storage components, and performance guarantees.
- 4. Market Education:**
Develop educational materials that explain both the technical and Shariah aspects of renewable energy products for internal teams and external clients.

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Case Study:

Beximco Green Sukuk for Solar

Bangladesh's first green sukuk, issued by Beximco Group in 2021, showcases how Islamic finance products can be innovatively structured to support renewable energy deployment. The US\$400 million sukuk was used to finance two large-scale solar power projects (200 MW and 30 MW) and energy-efficient textile manufacturing upgrades. The sukuk utilized an Istisna'a-Ijarah structure to comply with Islamic principles while offering competitive returns for investors. It was listed on both Dhaka and Chittagong stock exchanges, and included Shariah board oversight to maintain compliance.

The Beximco sukuk attracted wide investor interest and was oversubscribed. It helped fund the construction of a 200 MW solar plant that became operational in 2023, with a second 30 MW project underway. Additionally, the funds enabled green upgrades in Beximco's industrial operations, highlighting the flexibility of sukuk in supporting mixed-use sustainability projects. The project demonstrated the viability of utilizing Islamic capital markets for large-scale renewable energy in emerging economies.

References:

Dhaka Stock Exchange. (2022). Beximco Green Sukuk Al Istisna'a



UTILIZE:

Implementation

Tool

DOWNLOAD TOOLKIT

The Islamic Renewable-Energy Product-Selection Matrix (Tool C) provides a structured methodology for matching appropriate Islamic financial products with specific project characteristics. This interactive tool helps you identify the most suitable Shariah-compliant structures based on project type, size, phase, and customer profile. Simply select your project parameters, and the matrix will display recommended primary and alternative financing structures along with their key implementation considerations.

CAPACITY

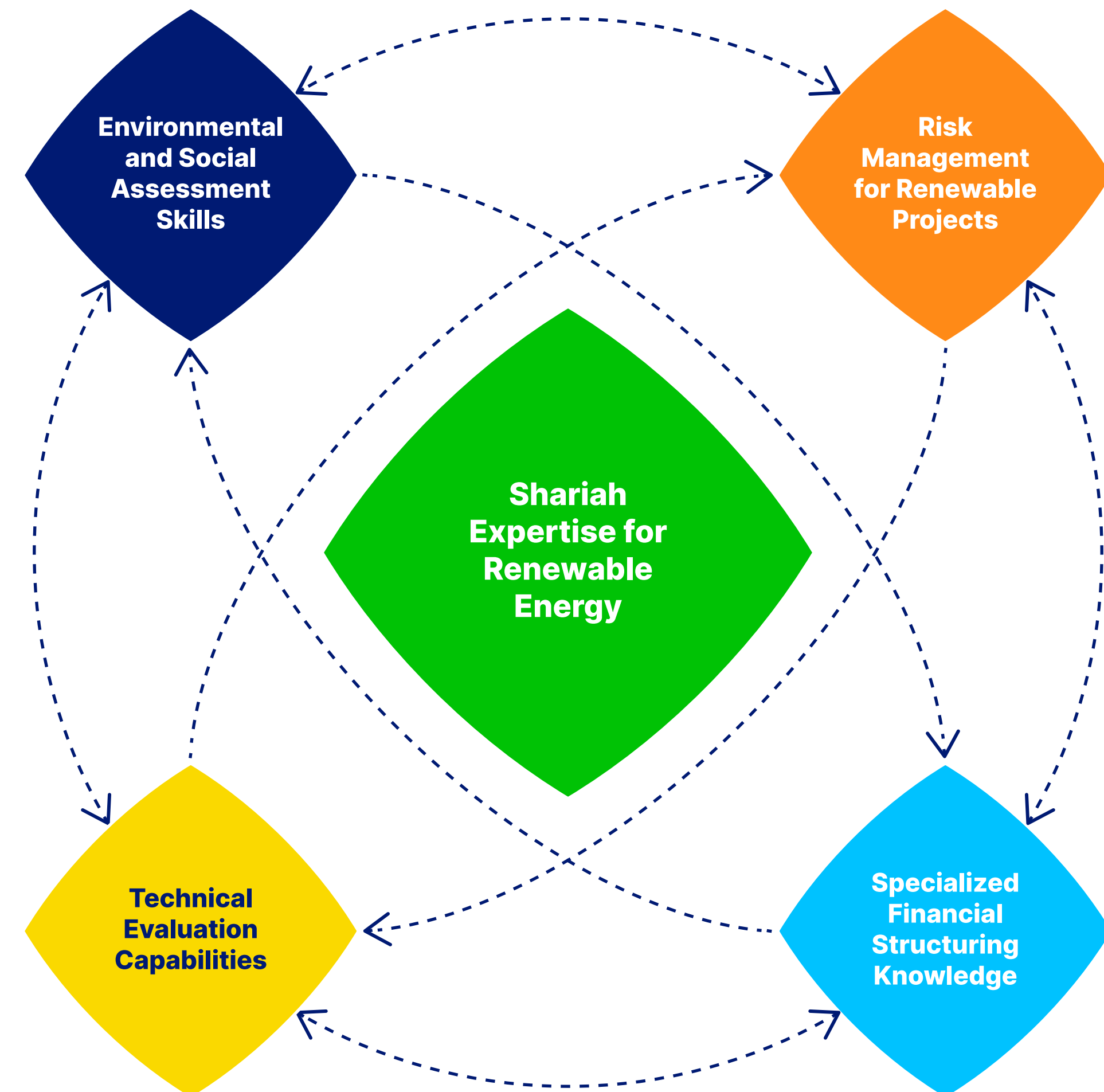
Building Expertise in Renewable Energy Project Evaluation

1. Developing Essential Human Capital for Islamic Renewable Energy Finance
2. The Capacity Challenge
3. Core Competency Areas
4. Building Internal Renewable Energy Expertise
5. Implementation Timeline
6. Case Study: Malaysia's Green Sukuk Framework
7. Implementation Tool



Developing Essential Human Capital for Islamic Renewable Energy Finance

Building institutional capacity to evaluate, structure, and monitor renewable energy projects is critical for Islamic financial institutions seeking to capitalize on this growing market. Without specialized expertise spanning technical, environmental, financial, and Shariah dimensions, institutions face significant challenges in accurately assessing projects and managing their unique risks.



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The Capacity Challenge

Islamic financial institutions face several challenges when building renewable energy expertise: multidisciplinary requirements spanning technical, environmental, financial, and Shariah domains; rapid technology evolution requiring ongoing knowledge updates; limited industry experience with renewable energy project cycles; and the complexity of integrating Shariah principles with technical aspects of renewable projects.

Addressing these challenges requires a systematic approach to capacity building across the organization.



Core Competency Areas

1. Technical Evaluation Capabilities

Staff responsible for project assessment need sufficient technical understanding to evaluate renewable energy technologies and their performance characteristics. Key competencies include understanding technology fundamentals, resource assessment methodologies, performance estimation techniques, and equipment quality evaluation—enabling accurate evaluation of project feasibility and expected returns.

2. Environmental and Social Assessment Skills

As sustainability is central to renewable energy investments, staff must be able to evaluate projects' environmental and social impacts. Essential skills include understanding impact assessment methodologies, climate mitigation measurement, and social benefit evaluation to ensure projects deliver genuine sustainability outcomes.

3. Specialized Financial Structuring Knowledge

Renewable energy projects have unique financial characteristics requiring specialized structuring knowledge. Critical competencies include understanding renewable energy economics, project finance techniques for different technologies, risk allocation mechanisms, and financial modeling for long-term assets with variable outputs.

4. Shariah Expertise for Renewable Energy

Shariah boards and compliance staff need specific knowledge to effectively evaluate renewable energy projects against Islamic principles. Key capabilities include understanding how renewable technologies align with Shariah objectives, identifying potential compliance issues in project structures, and developing appropriate fatawa for different renewable energy applications.

5. Risk Management for Renewable Projects

Risk teams require specialized knowledge to effectively identify, assess, and mitigate renewable energy project risks. Essential competencies include understanding technology-specific risks, resource variability impacts, policy and regulatory risk factors, and appropriate mitigation strategies for renewable energy investments.



Building Internal Renewable Energy Expertise

Strategic Capability Development

Islamic financial institutions need specialized knowledge spanning technical, environmental, and Shariah dimensions to successfully evaluate and finance renewable energy projects. A systematic approach to building this expertise is essential for success.

Integrated Capacity Building Approach

Rather than addressing technical and Shariah capabilities separately, implement an integrated development program that simultaneously builds expertise across four key dimensions:

1. Technical Assessment:

Develop practical understanding of renewable technologies, performance evaluation, and resource assessment through hands-on learning experiences and partnerships with technical experts.

2. Shariah Application:

Build specialized knowledge in applying Islamic principles to renewable energy projects, focusing on structure development, risk evaluation, and environmental impact assessment.

3. Commercial Analysis:

Enhance capabilities in renewable energy economics, financial modeling for variable output projects, and competitive analysis of Islamic versus conventional financing structures.

4. Implementation Knowledge:

Create practical expertise in documentation, monitoring, and reporting for renewable energy projects through case studies and guided project participation.



Implementation Timeline

Foundation Building First Quarter

- Conduct comprehensive skills assessment identifying specific capability gaps
- Appoint cross-functional renewable energy champions with clear development mandates
- Establish relationships with technical advisors and Shariah experts specializing in renewable energy
- Create a centralized knowledge repository for core resources and learning materials

Knowledge Development Months 3-6

- Implement tailored learning programs for different functional areas based on identified needs
- Organize site visits to operational renewable energy projects for hands-on learning
- Launch cross-functional workshops bringing together technical, Shariah, and business perspectives
- Develop standardized evaluation tools integrating both technical and Shariah considerations

Practical Application Months 6-12

- Implement mentoring relationships pairing experienced staff with developing team members
- Create guided opportunities for staff to participate in actual renewable energy evaluations
- Develop internal case studies based on initial project experiences
- Establish regular knowledge-sharing forums to disseminate insights across the organization

Implementation Keys

- **Integrated Approach:**
Build technical and Shariah knowledge simultaneously rather than as separate tracks, enabling staff to see connections between Islamic principles and renewable energy characteristics.
- **Practical Focus:**
Emphasize hands-on learning through project visits, shadowing opportunities, and guided evaluations rather than relying solely on classroom training.
- **Strategic Prioritization:**
Begin with capability development for teams directly involved in renewable energy financing before expanding to broader organizational training.
- **Knowledge Preservation:**
Implement systems to capture and share insights through documentation, case studies, and collaborative tools to build institutional memory.

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Case Study:

Malaysia's Green Sukuk Framework

Malaysia's Securities Commission established the Sustainable and Responsible Investment (SRI) Sukuk Framework in 2014, laying the groundwork for capacity development in Islamic green finance. The framework was built through collaboration with financial institutions, regulators, and Shariah scholars, integrating global ESG standards with Islamic financial principles. It mandates clear guidelines for eligible green projects and requires transparency in impact reporting. To build sectoral capacity, the Commission conducted industry workshops and provided educational materials to enable issuers, investors, and advisory firms to understand and apply the framework.

Since its inception, the framework has facilitated the issuance of over RM18.9 billion in SRI sukuk for projects ranging from solar power and education to healthcare and waqf-based social initiatives. Notably, it enabled the world's first green sukuk for a 50 MW solar PV plant in 2017. Through its proactive capacity-building efforts, Malaysia has cultivated a deep and experienced market ecosystem, positioning itself as a global leader in Islamic sustainable finance.

References:

Securities Commission Malaysia. (2023).

Sustainable and Responsible Investment Sukuk Framework.



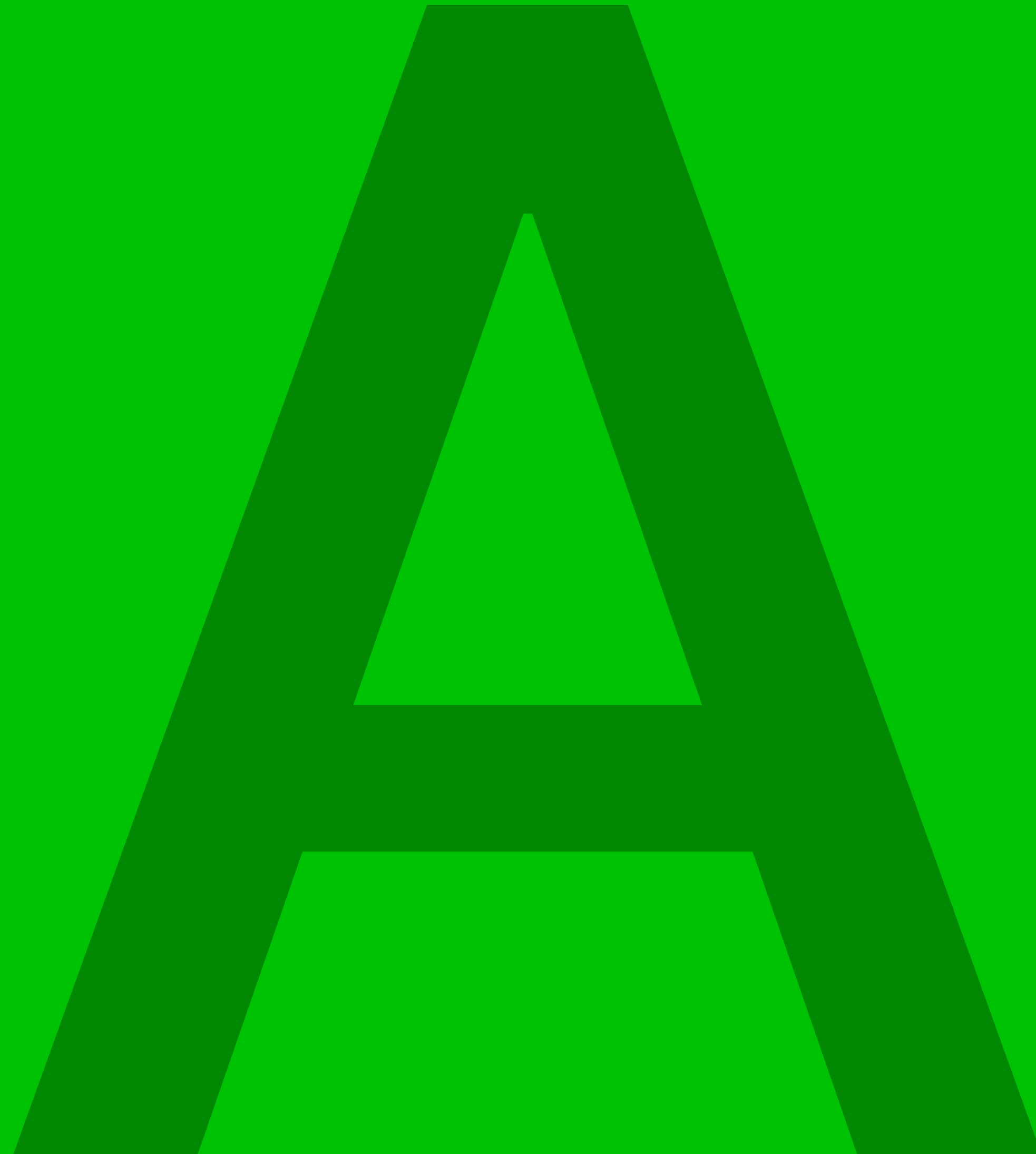
CAPACITY:

Implementation

Tool

[DOWNLOAD TOOLKIT](#)

Renewable-Energy Skills-Development Planner (Tool D) provides a practical methodology for institutions to identify capability gaps and build expertise across different functions. This comprehensive tool helps prioritize capacity development initiatives based on strategic objectives while tracking progress over time. The interactive dashboard visualizes current proficiency levels against targets, enabling strategic allocation of training resources to areas of greatest need.



ALIGN

Setting Renewable Energy Financing Targets

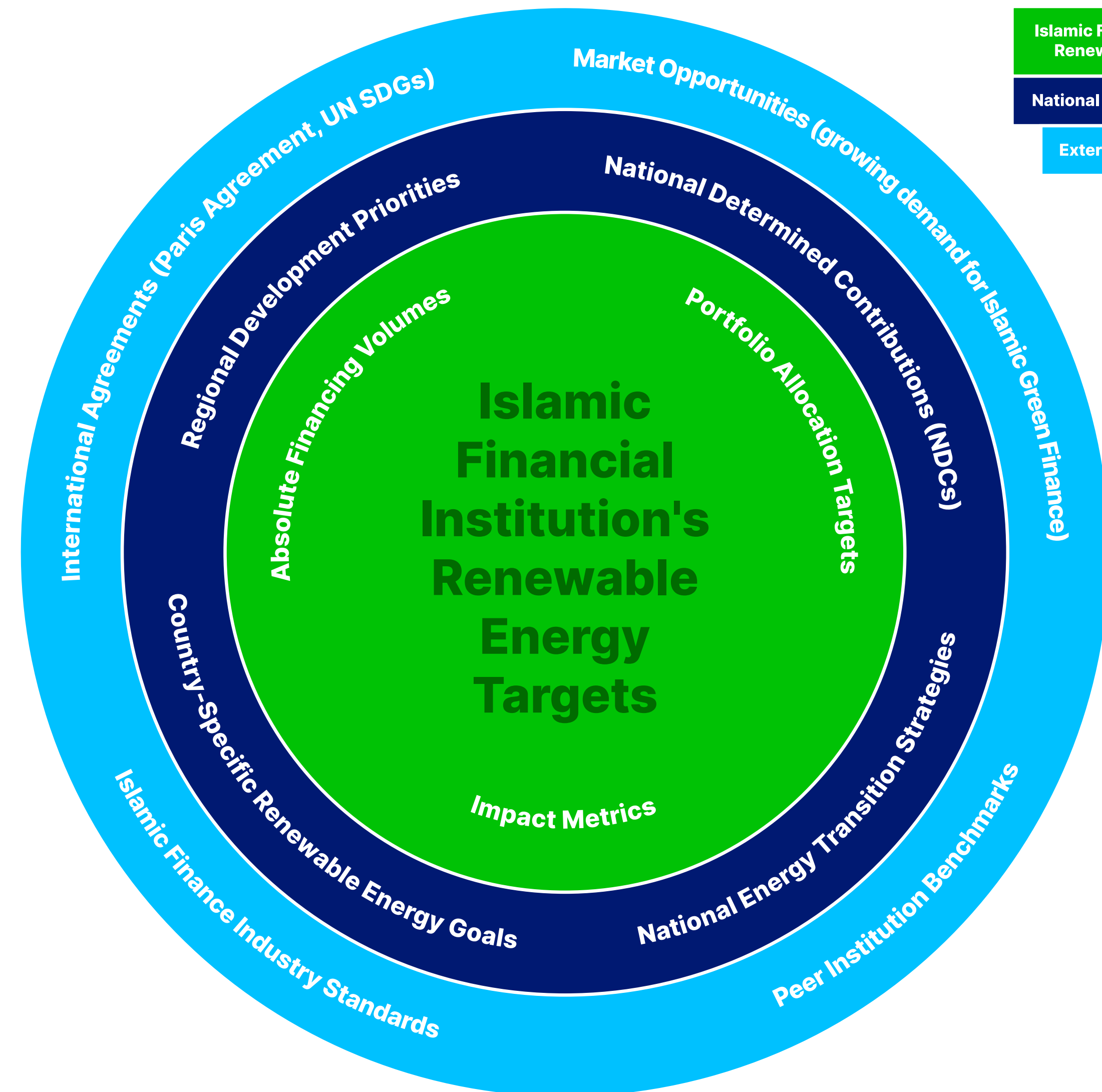
1. Creating Meaningful Commitments with Impact
2. Why Target Setting Matters
3. Effective Target Design
4. Strategic Alignment: Connecting Targets to Impact
5. Implementation Roadmap
6. Case Study: Indonesia's Sovereign Green Sukuk Program
7. Implementation Tool

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Creating Meaningful Commitments with Impact

Setting clear, measurable renewable energy financing targets transforms aspirations into actionable commitments that provide direction, create accountability, and position Islamic financial institutions to make tangible contributions to climate goals.

Islamic Financial Institution's
Renewable Energy Targets

National Climate Frameworks

External Alignment Points



Why Target Setting Matters

Islamic financial institutions that establish renewable energy targets gain significant strategic advantages:

Strategic Focus:

Clear targets direct business development efforts toward high-impact opportunities

Resource Mobilization:

Specific goals enable appropriate allocation of capital and expertise

Performance Accountability:

Measurable targets allow progress tracking and gap identification

Credibility Building:

Well-articulated goals demonstrate serious commitment to stakeholders

Without specific targets, renewable energy initiatives often remain peripheral, failing to achieve meaningful scale.



Effective Target Design

1. Impact Metrics

Include targets for the environmental outcomes of your financing:

Environmental Outcomes

Set targets that translate financial commitments into tangible benefits (e.g., “Financing 500MW of renewable capacity by 2025” or “Supporting projects that avoid 1 million tons of CO2 annually”).

2. Portfolio Allocation Targets

Establish specific percentages of financing activities dedicated to renewable energy:

Asset-Based Approach

Set targets as percentages of relevant portfolios (e.g., “15% of corporate financing for renewable energy by 2026”), creating measurement benchmarks adjusted to your institutional size.

Progressive Implementation

Design targets with logical progression (e.g., 5% by 2023, 10% by 2025, 15% by 2027), allowing capability development while maintaining momentum.

3. Absolute Financing Volumes

Complement percentage targets with specific financing amounts:

Currency-Based Commitments

Establish concrete targets in currency terms (e.g., “\$500 million in renewable energy financing by 2025”), creating clear communication metrics.

Technology-Specific Allocations

Consider targets for different renewable technologies based on your strategic focus areas and market opportunities.



Strategic Alignment: Connecting Targets to Impact

External Policy Alignment

Link your institution's renewable energy targets directly to national and international climate commitments:

- Connect financing goals to your country's Nationally Determined Contributions, showing how Islamic finance will help achieve specific climate targets
- Align with national energy transition strategies by focusing on priority technologies and sectors identified in government plans
- Match financing targets with regional development priorities, such as rural electrification or grid modernization

Internal Organizational Integration

Embed renewable energy targets throughout your organizational structure:

- Cascade institutional goals into specific business unit targets with clear accountability mechanisms
- Integrate renewable energy achievements into performance evaluation and compensation structures
- Incorporate targets into strategic planning processes and regular business reviews



Implementation Roadmap

Implementation Tip: Begin with focused targets in areas where you have existing capabilities and clear market opportunities, creating early successes that build momentum for more ambitious goals.

Shariah Perspective: Frame renewable energy targets explicitly within Islamic principles of environmental stewardship (khalifah) and preventing harm (la dharar), demonstrating how financing goals fulfill religious obligations alongside business objectives.

Phase 1: Foundation 0-3 months

- Analyze your current renewable energy portfolio and financing activities
- Review national climate plans to identify alignment opportunities
- Benchmark against peer institutions to establish appropriate ambition levels
- Engage key stakeholders, particularly Shariah board members, to build consensus on approach

Phase 2: Development 3-6 months

- Create a comprehensive target framework including both portfolio allocations and absolute financing volumes
- Assess feasibility against institutional capabilities and market opportunities
- Design monitoring mechanisms that track both financial and impact metrics
- Secure formal leadership commitment and Shariah board endorsement

Phase 3: Integration 6-12 months

- Incorporate approved targets into business planning and reporting cycles
- Develop targeted communications for internal teams and external stakeholders
- Implement regular performance reviews with clear accountability for results
- Build supporting capabilities in key teams to enable target achievement

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Case Study:

Indonesia's Sovereign Green Sukuk Program

Indonesia's sovereign green sukuk program provides a leading example of how Islamic finance can be aligned with national climate and development targets. Launched under the Green Bond and Green Sukuk Framework in 2018, the program directs sukuk proceeds toward "Eligible Green Projects" that correspond to Indonesia's Paris Agreement commitments. These include utility-scale renewable energy, sustainable transport, waste management, and climate adaptation projects. Each issuance is mapped to Indonesia's Nationally Determined Contributions (NDCs), reinforcing policy alignment.

By 2023, Indonesia had issued 10 sovereign green sukuk, raising more than \$6.6 billion for climate-aligned investments. Annual impact reports track metrics such as megawatts of renewable energy installed, tons of CO2 avoided, and beneficiaries reached. This approach has strengthened investor confidence while enabling the Ministry of Finance to integrate Islamic finance directly into the country's sustainable development strategy. Indonesia's model illustrates how clear alignment between Islamic finance instruments and national priorities can unlock scalable, long-term climate finance.

References:

Ministry of Finance Indonesia. (2023). Green Sukuk Allocation and Impact Reports



ALIGN: Implementation Tool

[DOWNLOAD TOOLKIT](#)

Strategic Target-Setting & Impact Tracking Workbook (Tool E) provides a comprehensive framework for establishing meaningful renewable energy financing targets aligned with your institution's capabilities and market context. This tool allows you to set multi-year KPIs for renewable energy financing, track project-level impacts, and monitor progress toward annual targets through an integrated dashboard.

TRACK

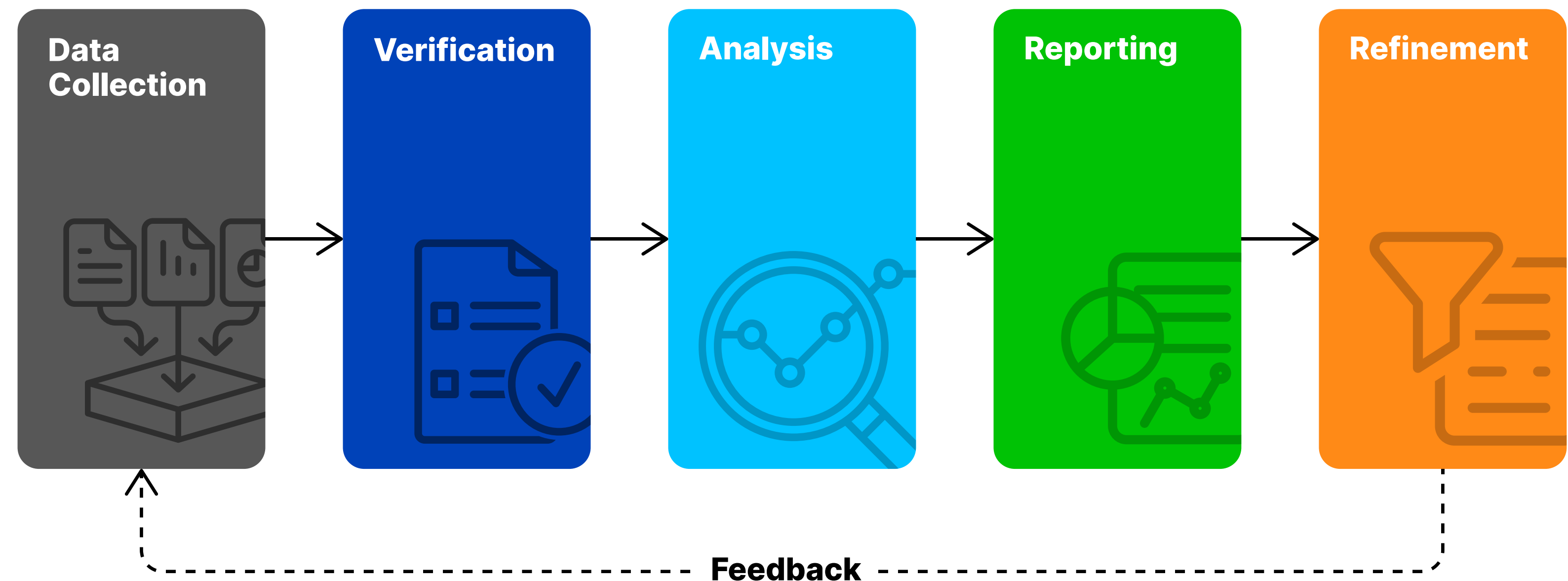
Monitoring and Reporting Progress

1. [Beyond Numbers: Building Credible Impact Measurement](#)
2. [Tracking for Credibility and Progress](#)
3. [Key Tracking Dimensions](#)
4. [Case Study: Saudi Electricity Company’s Green Sukuk – Advancing Transparency in Islamic Sustainable Finance](#)
5. [Renewable Energy Financing: Implementation & Impact Tracking Framework](#)
6. [Implementation Tool](#)



Beyond Numbers: Building Credible Impact Measurement

Implementing robust monitoring and reporting systems is essential for Islamic financial institutions to demonstrate the authenticity of their renewable energy financing. The Islamic Finance Report highlighted that the Green Sukuk market reached \$9.9 billion in just the first half of 2024—yet without proper tracking, this financial activity cannot be translated into verified environmental impact.





Tracking for Credibility and Progress

Effective monitoring systems serve multiple strategic purposes:

Target Accountability:

Provide transparent evidence of progress toward stated renewable energy financing targets

Impact Verification:

Quantify the actual environmental benefits generated through financing

Investor Confidence:

Meet the growing demand for verified green investments highlighted in the Islamic Finance Report

Regulatory Compliance:

Satisfy increasing disclosure requirements for climate-related financing



Key Tracking Dimensions

1. Financial Performance Metrics

Financing Volumes and Structures: Monitor renewable energy financing amounts against targets, with breakdowns by technology, geography, and Islamic contract types (murabaha, ijara, musharaka)

Portfolio Integration: Track the percentage of renewable energy assets within overall portfolio, measuring progress toward the 5% allocation target capable of unlocking \$400 billion for climate finance by 2030

Risk-Return Profile: Calculate risk-adjusted returns on renewable investments compared to conventional energy financing

2. Environmental Impact Metrics

Energy Generation: Track renewable energy capacity (MW) and actual generation (MWh) from financed projects

Emissions Reduction: Calculate greenhouse gas emissions avoided through financed projects using methodologies aligned with both national frameworks and OIC standards

Resource Efficiency: Monitor water conservation and land use metrics reflecting Islamic principles of balance (mizan) and moderation (wasatiyyah)

3. Shariah Compliance Verification

Use of Proceeds Verification: Ensure financed activities remain aligned with Shariah requirements and stated environmental purposes

AAOIFI Alignment: Track adherence to Shariah Standard No. 30 on Environmental Protection throughout project lifecycle

Impact Alignment: Verify that project impacts fulfill Islamic principles of avoiding harm (la dharar) and promoting welfare (maslaha)



Case Study: Saudi Electricity Company's Green Sukuk – Advancing Transparency in Islamic Sustainable Finance

In September 2020, the Saudi Electricity Company (SEC) issued its inaugural green sukuk, raising USD 1.3 billion to finance environmentally sustainable projects. This issuance marked the first green sukuk by a utility company in the Middle East, aligning with Saudi Arabia's Vision 2030 objectives to diversify energy sources and promote environmental sustainability. The proceeds were allocated to projects aimed at enhancing energy efficiency and integrating renewable energy into the national grid, including the installation of approximately 10 million smart meters and infrastructure to support renewable energy sources.

A distinguishing feature of SEC's green sukuk is its commitment to rigorous monitoring, reporting, and verification (MRV) processes. The company established a Green Financing Committee responsible for evaluating and selecting eligible projects, ensuring alignment with the Green Sukuk Framework. SEC pledged to provide annual updates detailing the allocation of funds and the environmental impact of the financed projects, including metrics such as greenhouse gas emissions avoided and energy savings achieved. These reports are subject to external verification by independent auditors, reinforcing investor confidence and setting a precedent for accountability in Islamic sustainable finance.

References:

Saudi Electricity Company. (2020). Green Sukuk Framework.

Saudi Electricity Company. (2020). Environmental, Social and Governance (ESG) Report.



Renewable Energy Financing: Implementation & Impact Tracking Framework

Strategic Implementation Timeline

Phase 1: Foundation 0-3 months

- Define comprehensive metrics integrating financial performance, environmental impact, and Shariah compliance
- Establish baseline data across all performance dimensions
- Develop standardized project monitoring templates with clear verification protocols

Phase 2: Operationalization 3-6 months

- Implement systematic data collection processes with third-party verification mechanisms
- Launch internal performance dashboard linking project outcomes to institutional targets
- Produce initial integrated performance analysis for stakeholder review

Phase 3: Market Leadership 6-12 months

- Publish comprehensive external impact report showcasing renewable energy financing outcomes
- Establish cyclical reporting framework aligned with continuous improvement methodologies
- Connect project performance to national climate commitments and Islamic finance leadership goals



Execution Framework

Data Infrastructure & Governance

Create robust systems for performance tracking that balance detail with practicality. Begin with high-impact metrics that clearly demonstrate progress, expanding sophistication as capabilities mature. Implement standardized project reporting with Shariah compliance verification integrated throughout all stages.

Analysis & Insight Generation

Transform collected data into actionable intelligence through visual dashboards highlighting achievements and areas needing attention. Benchmark performance against broader green sukuk market metrics, establishing your institution’s contribution to Islamic sustainable finance development.

Stakeholder Communication

Develop transparent impact reporting that demonstrates both environmental outcomes and ongoing Shariah compliance—the essential differentiator for Islamic green finance. Ensure reporting addresses the credibility concerns highlighted in the Islamic Finance Report through independent verification of claimed benefits.

Strategic Integration

Align reporting frameworks with both institutional growth objectives and broader market development goals, positioning your renewable energy financing initiatives as exemplars of the principles outlined in Islamic sustainable finance guidelines.



TRACK: Implementation Tool

[DOWNLOAD TOOLKIT](#)

Strategic Target-Setting & Impact Tracking Workbook (Tool E) includes robust frameworks for monitoring and reporting your renewable energy financing performance. This integrated workbook provides templates for measuring both financial metrics (such as financing volumes and portfolio percentages) and impact indicators (including installed capacity, emissions avoided, and beneficiaries reached).

EXCHANGE

Joining Sustainable Finance Initiatives and Sharing Best Practices

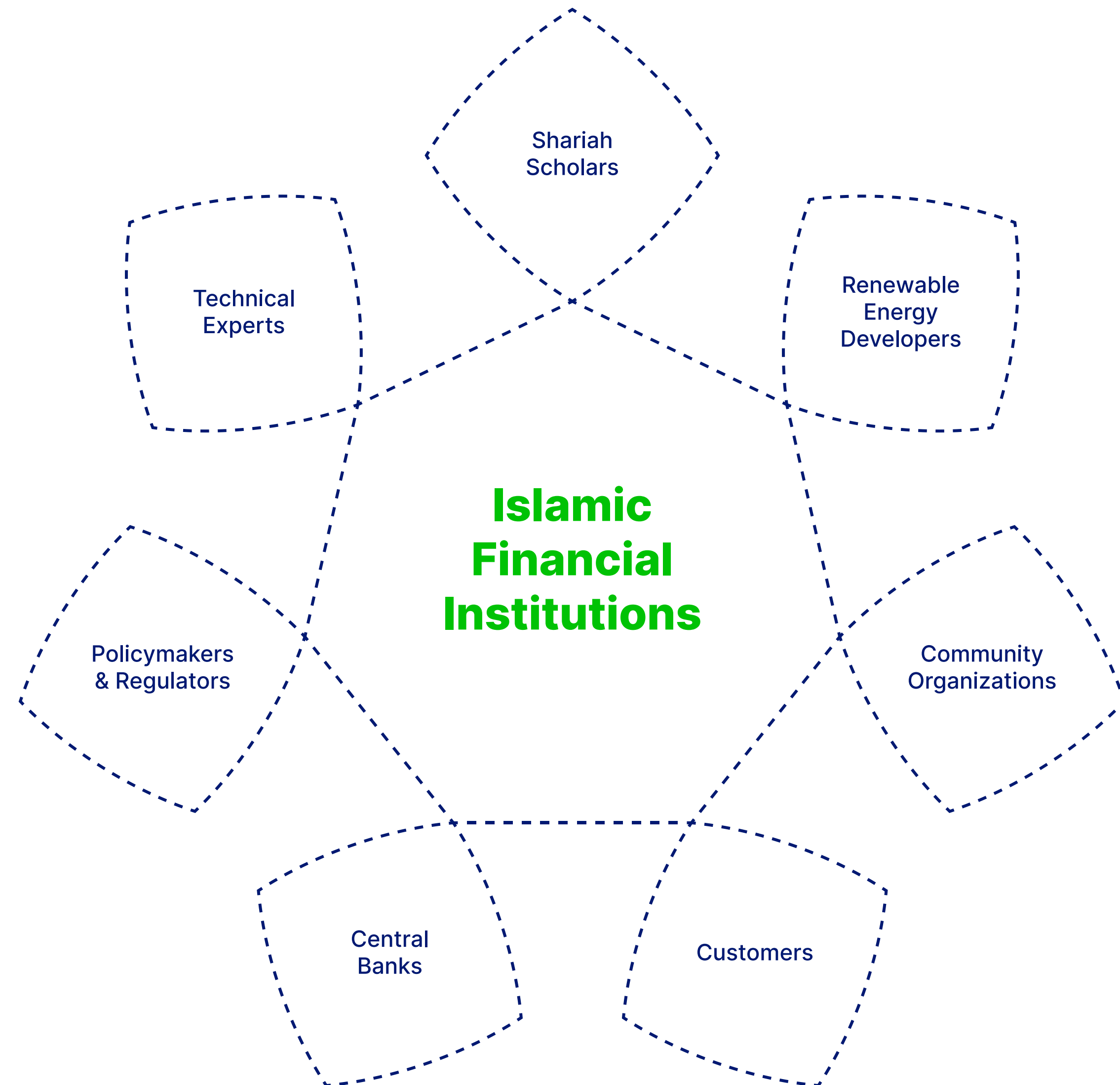
1. Amplifying Impact Through Strategic Collaboration
2. Strategic Benefits of Knowledge Exchange
3. Practical Exchange Implementation
4. Case Study: High-Level Working Group on Green Sukuk
5. Implementation Tool

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Amplifying Impact Through Strategic Collaboration

Active participation in sustainable finance networks enables Islamic financial institutions to accelerate renewable energy financing while contributing to market development. The Islamic Finance Report highlighted that knowledge exchange is essential to unlock the \$400 billion climate finance opportunity by 2030.





Strategic Benefits of Knowledge Exchange

Islamic financial institutions that engage in knowledge exchange gain significant advantages:

Accelerated Implementation:

Learn from peers' successes and challenges rather than reinventing approaches

Standard-Setting Influence:

Shape emerging frameworks for Islamic green finance when they're most formative

Co-Financing Opportunities:

Identify partners for larger projects that exceed single-institution capacity

Market Intelligence:

Gain early awareness of trends, innovations, and regulatory developments



Practical Exchange Implementation

Strategic Knowledge Exchange Platforms

Islamic Green Finance Ecosystem Development

High-Level Working Groups: Participate in dedicated initiatives like the Islamic Green Finance Working Group to develop practical standards for Shariah-compliant green financing instruments

Scholar-Practitioner Dialogues: Engage in platforms bringing together Shariah scholars, sustainability experts, and finance professionals to develop consensus on emerging issues in renewable energy financing

Standardization Collaborations: Partner with peer institutions to develop standardized documentation for Islamic renewable energy financing structures, reducing transaction costs market-wide

Practical Knowledge Networks

Practitioner Exchange Communities: Establish peer groups of Islamic finance professionals working on renewable energy deals to share implementation approaches and solutions

Technical-Financial Integration Forums: Create platforms connecting renewable energy experts with Islamic finance professionals to build mutual understanding of technical requirements and Shariah-compliant financing solutions

Deal Documentation Library: Develop detailed case studies of successful renewable energy financing transactions, focusing on practical implementation lessons that can be adapted across the market

Strategic Market-Building Partnerships

Policy Engagement Collaborations: Coordinate with industry bodies to advocate for enabling policy environments for Islamic renewable energy finance, addressing regulatory barriers identified in the Islamic Finance Report

Educational Initiatives: Partner with universities and training organizations to develop specialized education programs addressing the critical capacity gaps in Islamic green finance

Developer Awareness Programs: Collaborate with renewable energy associations to educate project developers about Islamic financing options, expanding the pipeline of Shariah-compliant projects



Case Study:

High-Level Working Group on Green Sukuk

The High-Level Working Group on Green Sukuk, formed in 2021 during COP26, demonstrates the importance of cross-border knowledge exchange in scaling Islamic climate finance. Co-convened by Indonesia's Ministry of Finance, the Islamic Development Bank, the UK government, and the London Stock Exchange Group, the group unites regulators, market operators, scholars, and development institutions. It functions as a global platform to share best practices, harmonize standards, and promote green sukuk adoption across jurisdictions.

The working group published its first market report in 2022, highlighting rapid growth and recommending harmonization of taxonomies, documentation, and capacity-building strategies. The initiative has already facilitated technical assistance to emerging market issuers and helped standardize templates for green sukuk structuring. Its collaborative model illustrates how coordinated international exchange can overcome fragmentation and accelerate the mainstreaming of Shariah-compliant climate finance.

References:

UKIFC & LSEG. (2022). High-Level Working Group on Green Sukuk Report.



EXCHANGE:

Implementation Tool

Engagement Strategy Planner (Tool F) helps you map high-value knowledge exchange forums, analyze capability gaps, and schedule participation in key industry initiatives. The planner includes sections for identifying the most relevant Islamic sustainable finance networks, developing strategic contribution approaches, and tracking engagement effectiveness.

Islamic Renewable-Energy Messaging Guide (Tool G) provides a comprehensive framework for developing compelling communications about your renewable energy financing initiatives. The guide contains ready-made business case messages, department-specific talking points, and responses to common misconceptions for both internal and external audiences.

Glossary of Terms – Islamic Finance & Renewable Energy (Tool H) offers plain-English definitions of key Shariah contracts, renewable energy technologies, and sustainability frameworks referenced throughout the toolkit, ensuring consistent understanding across your organization.

DOWNLOAD TOOLKIT



Toolkit Resources

1. **Next Steps: Accessing and Using the EDUCATE Toolkit Resources**
2. **What's Included in the Downloadable Package**
3. **How to Use These Resources**
4. **Technical Support and Updates**



NEXT STEPS

Accessing and Using the EDUCATE Toolkit Resources

The complete EDUCATE Renewable Energy Toolkit is available as a downloadable resource package that includes all the templates, worksheets, and implementation guides referenced in this document.

[DOWNLOAD TOOLKIT](#)



What's Included in the Downloadable Package

Each tool is provided in a practical, ready-to-use format with clear instructions, templates, and examples to facilitate immediate implementation.

The toolkit resources include:

A. Islamic Finance Renewable-Energy Readiness & Stakeholder Tool

A self-assessment workbook that scores your renewable-energy strategy and captures key external stakeholders in one place.

B. Shariah Sustainability Assessment Matrix

Helps you evaluate how well each renewable-energy product satisfies Shariah and sustainability requirements, flagging documentation gaps.

C. Islamic Renewable-Energy Product-Selection Matrix

Choose project scale, phase and customer type; the tool returns the most suitable Shariah-compliant financing structure along with a quick dashboard.

D. Renewable-Energy Skills-Development Planner

Tracks critical competency areas, shows current vs target proficiency, calculates gaps and displays training progress on a live dashboard.

E. Strategic Target-Setting & Impact Tracking Workbook

Lets you set multi-year renewable-finance KPIs, log project-level impact data and view real-time progress toward each annual target.

F. Engagement Strategy Planner

Maps high-value forums and initiatives, analyses capability gaps, schedules knowledge-exchange actions and highlights overdue tasks.

G. Islamic Renewable-Energy Messaging Guide

Contains ready-made business-case messages, department-specific talking points and myth-busting responses for staff and client communications.

H. Glossary of Terms – Islamic Finance & Renewable Energy

Provides plain-English definitions of key Shariah contracts, renewable-energy technologies and ESG frameworks referenced in the toolkit.



How to Use These Resources

1. Make Working Copies

Create copies of all templates before entering your institution's data to preserve the originals for future reference

2. Customize to Your Context

Adapt the templates to reflect your specific market, regulatory environment, and organizational structure

3. Begin With Priority Areas

Start by implementing tools related to your assessment priority areas rather than attempting to use all resources simultaneously

4. Document Your Journey

Use the provided documentation templates to record decisions, challenges, and solutions for organizational learning

5. Update Regularly

Schedule quarterly reviews to refresh your stakeholder maps, capability assessments, and implementation plans as your program matures

6. Integrate with Existing Systems

You don't need to use the standalone workbooks if your institution already has established platforms or systems. The frameworks, methodologies, and metrics can be integrated into your existing tools, dashboards, or enterprise systems to maintain organizational consistency while implementing the EDUCATE approach



Technical Support and Updates

For technical assistance with the toolkit resources or to access future updates:

> Email: marnaout@greenpeace.org

> Visit: www.ummah4earth.org/en/islamic-finance-report/

The EDUCATE Renewable Energy Toolkit represents our shared commitment to environmental stewardship (khalifah) through Islamic finance. By implementing these resources and sharing your experiences, you contribute to fulfilling our collective religious obligation to care for our planet while creating sustainable economic value.

