

Masdar gets green funds

24 January 2009



Masdar, the master-developer behind the flagship Masdar City project, is confident of raising the necessary funds to complete the world's first zero-carbon city, despite the current financial situation.

Masdar City, which comes with a US \$22 billion (AED81 billion) price tag, is a public-private partnership.

Under-construction Masdar City will raise the majority of its funds through attracting green businesses.

The government of Abu Dhabi has provided 20% of funds, or \$4.4 billion, leaving Masdar to raise the majority of the remaining \$17.6 billion funds from the private sector.

"Twenty percent of total funding is from the Abu Dhabi government - the Masdar initiative backing," Masdar director of property development Khaled Awad told Construction Week. "The rest is coming from private investors."

Awad said that \$300 million had been "procured" to date from the private sector, and that the majority of funds would be raised by businesses signing leases within the city.

Masdar City will be home to 1500 businesses. It will become an "eco-cluster," aiming to attract firms from fields such as advanced energy, water, waste disposal, green construction and sustainable transportation.

"The money that we have been spending so far is the government investment," Awad said.

Five to seven percent will also be financed through carbon credits that Masdar is saving through its renewable energy initiatives, Awad said, adding that "the project would not be feasible without carbon financing."

Awad added that "the \$22 billion total includes utilities, water, infrastructure, everything."

Masdar chief executive Dr Sultan Al Jaber mirrored Awad's confidence in the ability of the project to raise the necessary funds.

"We are looking beyond the current economic problems," he said. "All of our developments are proceeding, and there are no delays to any of our projects."

The first phase of Masdar City is due to come online in September, with the opening of the Masdar Institute of Science and Technology.

The city will grow to eventually become home to 50,000 residents, creating over 70,000 jobs and adding 2% to Abu Dhabi's annual GDP.

{Arabian Business}