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Global Sustainable Finance Is Heading for $1.6 Trillion in 2026. Sudan Cannot Issue a Bond to Claim Any of It.

Research Team

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Global sustainable finance is set to hit $1.6 trillion in 2026, but Sudan has no capital market to claim any of it. 3Bi proposes a pooled, guarantee-backed bond vehicle for fragile states.

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The Ask

3Bi recommends that the African Development Bank (AfDB), the Green Climate Fund (GCF), and regional development-finance institutions move now to design a pooled, guarantee-backed sustainable-bond vehicle that lets fragile and conflict-affected states - Sudan foremost among them - access the record growth in global sustainable finance indirectly, since none of them can issue a green bond on their own account. Waiting for Sudan to become bond-market-ready before building this vehicle guarantees it arrives too late.

Why Now

A new market report puts a hard number on a gap Sudan has felt for years without seeing quantified: global sustainable finance issuance is projected to reach $1.621 trillion in 2026, up 5.3% on 2025's $1.5 trillion, according to Dutch investment bank ING's mid-year outlook, reported by the Attaqa energy research unit on 7 August 2026. Europe, the Middle East, and Africa (EMEA) are leading that growth - but the growth within EMEA is overwhelmingly public-sector and corporate, not the kind of financing a state without a functioning capital market can reach. At the same time, the African Union's Committee of African Heads of State and Government on Climate Change (CAHOSCC), meeting in Addis Ababa on 13 February 2026, restated a harder fact: less than 3% of global climate finance reaches sub-Saharan Africa annually, and most of what does arrive comes as loans, not grants, deepening the debt burdens of states already least able to carry them. Sudan sits at the intersection of both trends - inside a region posting record sustainable-debt growth, and inside the continent capturing almost none of it.

The Evidence

Three data points, read together, make the case.

First, the boom is real and it is a bond-market boom. ING's report, covering the first half of 2026, recorded $846 billion in global sustainable debt issuance (bonds and loans, excluding asset-backed securities) - within the healthy $800-900 billion range the market has held since 2022. Green bonds and loans are projected to take 60% of the sustainable-debt market in 2026, up from 50% in 2024 and 40% in 2021. Public-sector issuers - governments, sovereigns, and supranational institutions - led H1 2026 growth with a record $245 billion, up 50% year-on-year; government-agency issuance specifically jumped 73%. This is a market rewarding issuers with the institutional infrastructure to sell debt at scale: functioning treasuries, credit ratings, custodial and settlement systems, investor relations capacity. Sudan currently has none of these in working order.

Second, the growth is regionally concentrated in a way that flatters Africa's headline numbers without reaching African fragile states. EMEA is named as the fastest-growing region in ING's report specifically because of European and Gulf public-sector and financial-institution issuance - not because Sudan, South Sudan, or comparable fragile states are participating. The same report notes non-financial corporate issuance actually fell to $250 billion in H1 2026, and that private markets are lagging their 2026 targets more than public markets - a signal that even within the boom, the least market-ready issuers are falling further behind, not catching up.

Third, the AU's own figures show the exclusion is structural, not incidental. CAHOSCC's 13 February 2026 Addis Ababa communique did not describe a temporary funding shortfall; it described a persistent architecture in which under 3% of climate finance reaches sub-Saharan Africa and most of that arrives as debt rather than grants. Sudan's own climate-finance track record illustrates the pattern: its primary adaptation financing instrument remains Green Climate Fund grant windows - for example, a $25.6 million GCF-backed resilience project supporting agriculture, health, and water security, co-financed by Sudan's Federal Ministry of Agriculture and Natural Resources and a UNDP grant - channelled through its National Adaptation Programme of Action (NAPA), not through any capital-markets instrument. That is a sound mechanism for what it does, but it is entirely separate from, and orders of magnitude smaller than, the trillion-dollar bond market growing next door.

Addressing the Counter-Case

The obvious objection: Sudan cannot responsibly access bond markets right now regardless of what vehicles exist elsewhere, given the absence of a stable fiscal counterparty, an active conflict economy, and no functioning debt-management office capable of servicing new obligations. That is correct, and 3Bi is not recommending Sudan attempt a sovereign green-bond issuance today. The recommendation is narrower: build the aggregation and guarantee mechanism now, at the regional or continental level, so that when a credible national counterparty exists - even a transitional one, even for a defined reconstruction-only mandate - Sudan can plug into an already-functioning pipeline rather than starting from zero during whatever window of stability emerges. A second objection holds that blended-finance guarantee facilities already exist (through the AfDB, GCF, and others) and a new vehicle risks duplicating them. The evidence above argues the opposite: existing mechanisms have not moved the 3% figure, and grant-only channels like NAPA cannot scale to match a trillion-dollar market growing at 5% a year. The gap is not the absence of climate finance institutions; it is the absence of an instrument that lets fragile states borrow at the market's growing scale without requiring bond-market infrastructure they do not have.

What 3Bi Recommends, Specifically

3Bi recommends three concrete steps, sequenced to be actionable before Sudan itself is bond-ready.

First, the AfDB and GCF should commission, within 2026, a joint feasibility study for a pooled sustainable-bond vehicle covering Sudan and comparably fragile states (South Sudan, Somalia, and similar cases), structured so a regional or continental issuer raises capital against a diversified pool of guarantees, with proceeds ring-fenced for adaptation and reconstruction use in participating states. This decouples market access from any single state's creditworthiness.

Second, donor governments and development-finance institutions already funding Sudan's NAPA-linked grant projects should be asked to convert a defined share of future commitments into first-loss guarantee capital for this pooled vehicle rather than additional stand-alone grants - preserving the total resource envelope while building the infrastructure for larger future access.

Third, Sudan's own technocrats - within the Ministry of Finance and Ministry of Energy and Mining - should begin now, in parallel and regardless of the broader political timeline, to build the minimum debt-management and reporting capacity (a functioning debt registry, a designated point of contact for prospective guarantors) that participation in such a vehicle would eventually require, so capacity-building is not the last step before access but a concurrent one.

Sourcing and Contact

Primary source: Attaqa Energy Research Unit (Washington), "Sustainable finance issuance may rise to $1.6 trillion (report)," 7 August 2026, citing ING (Dutch investment bank) mid-year sustainable finance outlook, attaqa.net/2026/08/07. Cross-checked via WebSearch: African Union, "African Leaders Call for Urgent Overhaul of Global Climate Finance at the CAHOSCC Meeting," 21 February 2026 (CAHOSCC meeting held 13 February 2026, Addis Ababa), au.int. UNDP, "Government of Sudan, Green Climate Fund, UNDP announce project to support 3.7m people with climate-resilient water and food security," undp.org/sudan. Green Climate Fund country page for Sudan, greenclimate.fund/countries/sudan. UNDP Climate Change Adaptation, "Sudan National Adaptation Programme of Action (NAPA)," adaptation-undp.org.

For questions on this brief, contact 3Bi's Research Team via 3bisudan.org.

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