

# SCALE-UP OF CLIMATE FINANCE

## Bank Al Maghrib Perspectives

**Green Finance Unit**

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# Financial Sector Roadmap to enhance cooperation in Climate Finance

- Bank Al Maghrib coordinated the elaboration of the roadmap of the Moroccan Financial Sector for Sustainable Finance with reference to established international sustainable development goals. The roadmap revolves around the following major themes :



- Governance of environmental and social risks;
- Products / financial instruments dedicated to sustainable development;
- Promotion of financial inclusion as a vector for sustainable development;
- Capacity building in the field of sustainable finance;
- Transparency and market discipline.

- Including an effective multi-stakeholder collaboration in Africa :

- Regional cooperation for Sustainable Development ;
- Positioning CFC as a Hub for Climate Finance in the region.



- Monitoring and regular follow-up of the implementation of commitments made by the financial sector.

# Financial Sector Roadmap to enhance cooperation in Climate Finance : Achievements to date

## Governance of environmental and social risks

- Integration of environmental risks arising from investment and financing activities by several banks
- Implementation of dedicated action plans
- Voluntary adoption of excluding policies
- Development of a tool for climate risk impact screening by a major bank

## Climate finance products/ financial instruments

- Some banks is accredited by the GEF and some have put in place funds dedicated to renewable energies
- Three banks have already issued green bonds
- Development of green finance products allocated to sustainable projects including energy efficiency
- Mobilization of international programs that support low carbon solutions mainly EBRD initiatives and European Union green facilities (Green value chain, FINTECC, MORSEFF, Green Business Booster)

## Financial Inclusion

- One bank have implemented a gender policy
- Many banks have launched mobile banking paiement solutions

## Building capacities

- Moroccan banks benefit from internal and external capacity building activities related to climate finance

## Transparency

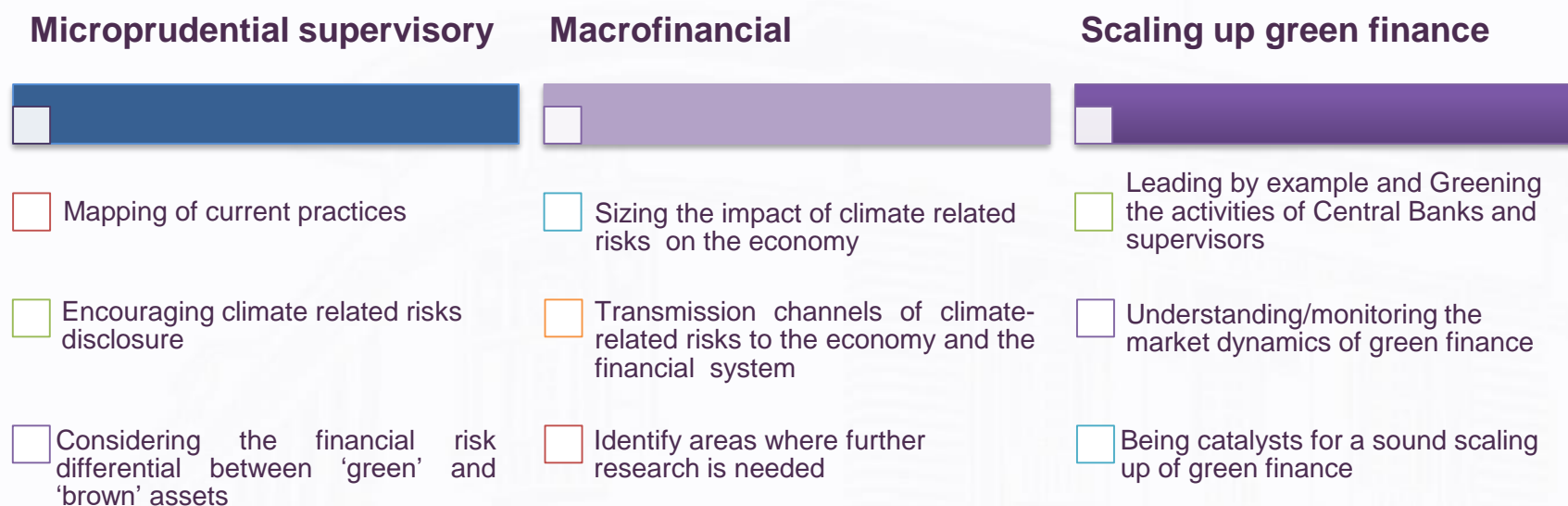
- Several banks include ESG risks in their annual reports and financial disclosure.





# International engagement through the Network for Greening the Financial System (NGFS)

- Bank Al Maghrib actively contribute to the NGFS work that is splitted into three main areas of focus :



- Bank Al Maghrib's Task Force on Green Finance provides constructive inputs to NGFS key groups to ensure the climate finance priorities of NGFS also include issues of particular importance to developing countries.

# A dedicated Unit to Climate Finance issues

- A Green Finance Unit was created by Bank Al Maghrib on March 2019 with the aims of :

## Risk assessment

- Carrying out studies and analysis on environmental and climate risks incurred by financial institutions

## International work

- Contributing to the work of regional and international groups on environmental and climate risks

## Mitigation actions

- Proposing and deploying preventive and corrective actions to mitigate environmental and climate risks

## Roadmap coordination

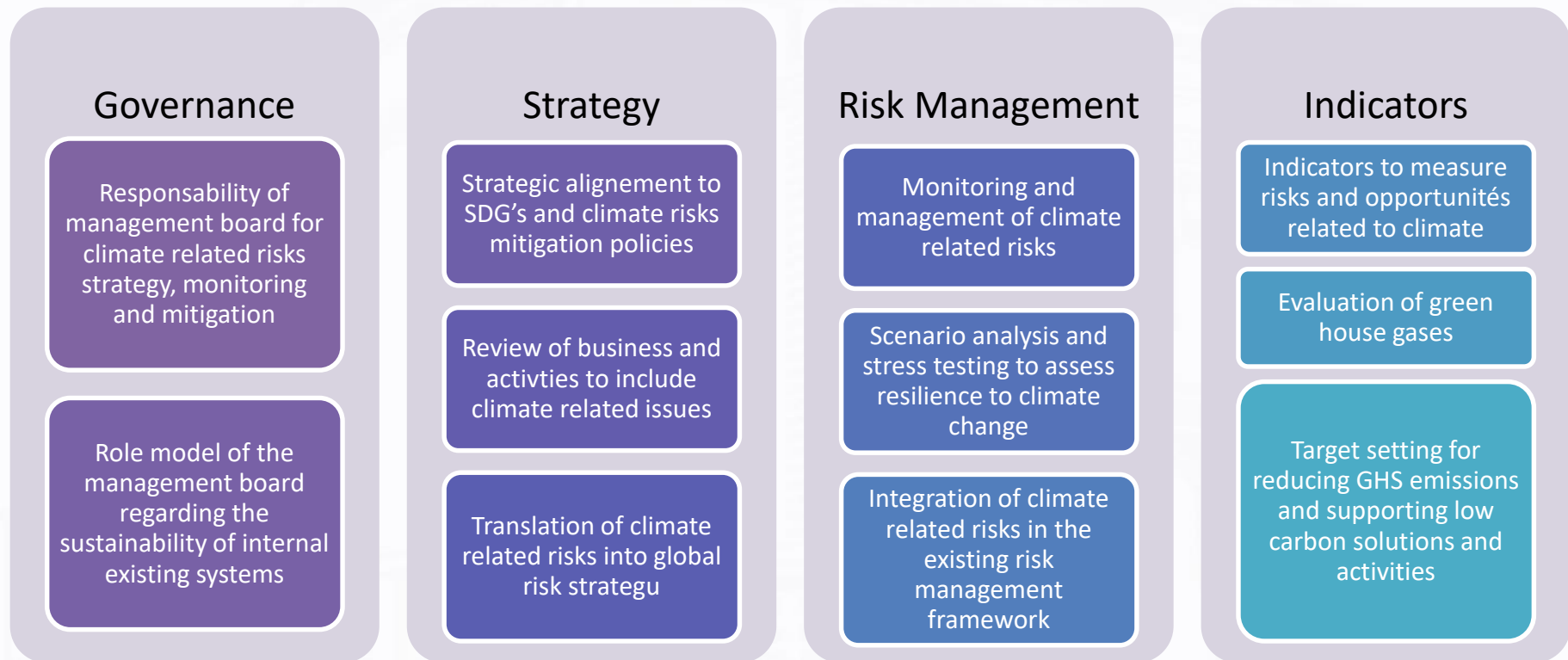
- Coordinating the implementation of the roadmap for sustainable finance in the financial sector

- The Unit is being supported by an internal Task Force dedicated to green/climate finance issues including prudential regulation specialists.



# Management of Financial Risks arising from environment and climate change

- Bank Al Maghrib is developing new regulatory text, which is expected to introduce requirements for Financial Institutions to manage environmental related risks and disclosure information on environmental issues.
- The text draws on international best practices and standards developed by the Task Force for Climate Risk Disclosure (TCFD) :





Thank you for your attention

