



Opening Remarks by the Director General

Regional Roundtable of the United Nations Environment Programme Finance Initiative (UNEP-FI) on Sustainable Finance

May 6, 2025



Mr. President of UNEP-FI, Dear representatives of the Africa and Middle East financial communities, Dear colleagues, Ladies and Gentlemen,

First of all, let me warmly welcome you to Marrakech and to this Roundtable on sustainable finance in Africa and the Middle East.

I would like to thank Mr. Eric Usher, Head of UNEP-FI, as well as his team, for giving us this opportunity and to hold this event here in Marrakech, this memorable city which frequently hosts important regional and international events.

I would like to recall that in 2016, Marrakech hosted the COP22, during which Morocco made a strong commitment to achieve a renewable energy share of **52%** in its national energy mix by 2030 and net zero carbon by 2050. In parallel, the Moroccan financial sector has committed to align its actions with the national objectives.

In Africa and the Middle East region, many countries have made commitments to decarbonize their economies and they are implementing policies that vary across countries in terms of the objectives and deadlines.

Globally, economies that depend on energy revenues are applying a transition policy focused on renewable energies without abandoning the exploitation of fossil resources, while many lower-income economies have set ambitious objectives for reducing emissions and developing renewable energies which require huge investments.

However, several countries in the two regions, mainly those over-indebted, are facing many challenges such as the lack of funding, the high cost of capital, evolving technology, and the absence of effective risk mitigation mechanisms, which are slowing the progress of planned projects.



On the other hand, most of the financed projects in these countries focus on mitigation. For example, in the MENA region, the share of mitigation financing exceeds 70%, while the share of adaptation financing is limited to 15%.

So, there is no doubt that there are many obstacles to exist along the way to a deep change in consumption and production patterns and to net zero carbon. The stepping back of some countries from their commitments to the Paris Agreement, added other challenges to the collective progress toward climate goals.

Thanks to events like today, which bring in a unique exchange platform for stakeholders (financial institutions, central banks, international financial institutions, donors and experts) we continue to mobilize for the climate and we are able to explore the levers of promoting sustainable finance and mechanisms to strengthen cooperation in addressing the critical climate issues that the continent and the Middle East region are facing.

Indeed, according to World Bank projections for 2050, climate change could reduce the MENA's GDP growth potential by between 1% and 6.6%, depending on the country.

Concerning Morocco, a study conducted in 2023 by Bank Al-Maghrib with the support of the World Bank, showed that in the absence of appropriate measures, annual GDP losses in an extreme drought scenario could reach 2.8% by 2030.

Thus, we must recognize that climate change, in addition to being an environmental issue, is also a social, economic, and financial one which requires urgent actions to mitigate their effects.

It is therefore crucial for our countries to explore innovative ways to reduce investment risk and foster an enabling environment for green and sustainable



investments. Experiences in some regions show that blended finance and Islamic financial instruments are used more and more to address such financing challenges.

In this regard, I want to share with you the Moroccan experience which allows the government to collaborate with the financial authorities and the financial sector to establish a climate finance strategy. This strategy lays the basis for raising the capital needed for sustainable financing which aims towards five goals: i) financing green projects through public-private partnerships, ii) improving natural disasters management and protection iii) easing the fiscal policy to support the greening of the economy, iiiii) establishing a green taxonomy, iiiiii) and managing financial risks related to climate impacts.

Concerning this last point, Bank Al-Maghrib has issued, since 2021, a series of directives that require banks to integrate the climate risks into their risk management policies, to report to the central bank on their exposure to climate-related risks and to publish information on the governance and management of climate risks and the greening of their portfolios.

To progress on the regulation front, we have to overcome many challenges such as:

- the lack of granular and frequent data on the geographic location of assets and on the classification of the economic activities

- and deepening modeling to better understand the interactions between the real economy and the financial sector and vice versa

Regarding all these issues, our international partners have, of course, a key role to play to achieve these goals.



On this point, I would like to commend the UNEP-FI, which enabled, in 2023, a fruitful collaboration with BAM, banks, and public actors to examine the barriers and levers to private investment in climate action, and to explore financing and partnership models to catalyze private investment in green projects.

We eagerly look forward to strengthening this partnership to ensure the successful achievement of this project.

Before concluding, I would like to thank UNEP-FI for its commitment to greening our economies and for the excellent cooperation between our institutions.

I am confident that our dialogue today will lead to relevant outcomes for our respective countries, and we look forward to working collectively on the issues raised today.

Thank you for your attention.