



Creating Markets, Creating Opportunities

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IFC, Financial Regulatory Authority Begin Consultation on Green Bonds Guidelines in Egypt

Cairo, Egypt, June 27th, 2018—IFC, a member of the World Bank Group, and the Financial Regulatory Authority of Egypt today launched a consultation process for guidelines to foster the development of the country's green bond market and help address climate change.

IFC has been assisting the FRA in formulating draft guidelines for green bonds that will now undergo a consultation process with market stakeholders by providing comparative studies from international markets. A green bond is like a normal bond, but with an additional commitment to deploying its funds to projects that address key areas of environmental concern like climate change, natural resources depletion, loss of biodiversity and air, water or soil pollution.

"Our partnership with IFC helped us provide the necessary information to both issuers and investors, providing a comprehensive reference guide for the market to develop a new financial tool to support green growth in Egypt," said Dr. Mohammed Omran, Chairman of the FRA. "This is also in line with our strategy to develop new financial instruments within the Egyptian market over the next four years."

IFC focuses on helping the private sector address climate change through investments and innovative financing, and by addressing regulatory and policy obstacles to green growth. Green bonds can help finance investments in renewable energy, agribusiness, green buildings, and energy efficiency projects.

"Private sector investment is crucial to ensure a greener future, and channeling such investments in this area can help drive growth in green finance, which is a priority for IFC in the region," said Walid Labadi, IFC Country Manager in Egypt, Libya and Yemen.

The global green bond market has taken off in recent years to total \$155 billion in 2017, a 78 percent increase from the previous year. Since 2005, IFC has invested \$18.3 billion in long-term financing from its own account and mobilized another \$11 billion through partnerships with investors for climate-related projects in areas like renewable power, energy efficiency, sustainable agriculture, green buildings, waste, and supporting private sector adaptation to climate change.

This initiative is a partnership between IFC's MENA Sustainable Energy Finance Program, IFC Treasury, and the World Bank Treasury. The MENA SEF Program is co-financed by the Canadian Department of Foreign Affairs, Trade and Development (DFATD) and the Hungarian Export-Import Bank Plc.

About FRA

FRA is an independent public authority with a legal status. FRA is responsible for supervising and regulating Egyptian Non-Banking Financial Markets and instruments, including capital markets and all activities related to insurance, mortgage finance, leasing, factoring, and microfinance. FRA's role is to regulate the markets, ensure their financial stability and competitiveness to attract more local and foreign investments, and protect investors, customers and policyholders. For more information, visit www.fra.gov.eg

About IFC

IFC—a sister organization of the World Bank and member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work with more than 2,000 businesses worldwide, using our capital, expertise, and influence to create markets and opportunities in the toughest areas of the world. In FY17, we delivered a record \$19.3 billion in long-term financing for developing countries, leveraging the power of the private sector to help end poverty and boost shared prosperity. For more information, visit www.ifc.org

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