

Al Tamimi & Company advises the Arab Republic of Egypt on the First Sovereign Green Bonds Dispersion in the MENA region

Cairo, Egypt - October 19, 2020: The Arab Republic of Egypt issued this October the first sovereign green bonds in the MENA region. The green bonds have been listed on the London Stock Exchange (LSE) and admitted to the LSE's dedicated Sustainable Bond Market (SBM). This breakthrough encourages innovative issuers in sustainable financial institutions to initiate access, flexibility and transparency for investors. Al Tamimi & Company Egypt is the legal advisor and helped pave the way for the Arab Republic of Egypt regarding the recent issuance of its first green bonds.

“This is an amazing achievement for the MENA region which offers an exciting opportunity for both investors and issuers to highly necessitate sustainable growth while leading the investment community,” said Ehab Taha, Partner and Head of Corporate Commercial. The green bonds are aimed to finance green sustainable projects delivering energy efficiency, pollution prevention and uncontaminated transportation solutions.

“The markets have been currently driven by the fear of a second Covid-19 wave, and market contributors are now more selective, which makes the process of investing challenging. But after the issuance of green bonds, it'll become easy to attract sustainably-focused investors in the region.” Ehab Taha further elaborates. Furthermore, the Ministry of Finance said in a statement that investors got a 5.25% yield, with the very strong investor demand helping to reduce that by 50 basis points compared to the opening target.

“Due to the Covid-19 pandemic, Egypt will be needing an economic uplift, and the issuance of green bonds came at a time where it's essential to start increasing demand and provide energy efficient facilities.” said Zeinab Shohdy, Senior Associate, Corporate Commercial. The green bond issuance has ascended in 2020, with Germany joining other European countries in issuing a debut Green bond earlier this year. This new deal encourages the world to focus on the development process and support countries directly for upcoming generations to utilize national resources and enhance sustainability.

