**FSD Africa and CDG Capital support Africa’s first corporate clean mobility green bond worth 1 billion dirhams ($95m) issued by Morocco’s National Railway Operator, ONCF**

*This is Africa’s first corporate clean mobility bond**worth 1 billion dirhams ($95m) launched by the* [*Office National des Chemin de Fer*](https://www.oncf.ma/en/) *(ONCF) to facilitate the refinancing of the operations of an electrified railway line aiming to achieve low carbon transportation in Morocco.*

**Casablanca, July 28, 2022** – Africa’s first corporate clean mobility bond has today been launched by Morocco’s national railway operator (ONCF). FSD Africa provided technical assistance for the green certification process of this bond.

With this issuance, ONCF is targeting to raise approximately 1 billion dirhams ($95m) to support the Al Boraq project, which has led to considerable gains for the community in terms of connectivity, travel time and frequency, while reducing greenhouse gas emissions.

This high-speed line (Ligne à Grande Vitesse – LGV) project is part of a master plan to connect Tangier to Marrakech by 2030, advancing economic development by providing faster inter-urban passenger and freight lines with reduced carbon emissions. Through the LGV Journey time between Tangier and Kenitra has been reduced by 2 hours and 25 minutes and will result in a reduction of over 2.9 million tonnes of carbon equivalent over a 30-year timeframe.

Indeed, reinforcing the ecological qualities intrinsic to the railway mode, as a vector of sustainable mobility, ONCF is fully committed to a socio-environmental policy, placing sustainable mobility at the heart of its corporate strategy and its development model. From January 1, 2022, ONCF has taken a bold step in its energy transition by running all of its Al Boraq trains on clean wind energy. ONCF is carrying out its green transformation in a gradual way, by increasing 25% of its overall energy consumption to green energy, to reach 50% in 2023 before fully transitioning into green energy by 2030.

According to the International Energy Agency (IEA), rail is among the most efficient and lowest emitting modes of transport: trains represent only 0.3% of global total emissions compared to 2% for aviation. Whilst transport represents a large share of green bond issuances worldwide (20% of all green bonds issued globally), in Africa, it is still greatly underrepresented (less than 1%) of total issuances.

This project is an important example of how the utilisation of a capital market instrument – a Green Bond, can address infrastructure challenges and provide a climate-friendly solution. FSD Africa considers this project as one of the approaches to effect the change and to show other potential issuers and investors the feasibility of the green bond labeling process.

Green bonds are one of the most readily accessible and economical options to help raise large amounts of capital to meet environmental targets in Africa. The potential long-term expected market system changes of this project will contribute to a more sustainable future characterised by the creation of economic resilience via a more efficient and low-carbon transport of passengers and goods.

Commenting on the project, **FSD Africa CEO, Mark Napier,** said**:** “*Climate Finance is an important focus area for FSD Africa. This project presents an opportunity for FSD Africa to support the issuance of Africa’s first corporate clean mobility bond. The issuance of green bonds as a tool for unlocking significant capital for sustainability-related investment has been gaining traction in Africa in recent years. We look forward to supporting further green bond issuances*”.

**Simon Martin, British Ambassador in Morocco** said: “*Morocco’s capacity for financial innovation is powering a new era of post-covid economic growth that, with the right ingredients, can set the Kingdom on a truly sustainable development pathway. I’m incredibly proud that, through the work of organisations like FSD Africa and its partners, the British Government is helping support Morocco’s journey to establish low carbon transport infrastructure through its national railway operator ONCF issuing Africa’s first corporate clean mobility bond*”

**—ENDS—**

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**Note for editors**

Over the last three years, FSD Africa has been actively engaged in climate finance initiatives successfully supporting eight green bond transactions and, more recently, focusing on five priority countries: Kenya, Nigeria, Ethiopia, Ghana and Morocco. The support for green bond demonstrations has been very successful particularly in Nigeria and Kenya thanks to the development of their respective Green Bond Programmes. Examples of pipeline transactions include verification support for sovereign and corporate bonds such as the Nigeria Sovereign Green Bond issuance, the Acorn Holdings Limited and Kenya sovereign green bond.

**About FSD Africa**

FSD Africa is a specialist development agency working to help make finance work for Africa’s future. Based in Nairobi, FSD Africa’s team of financial sector experts work alongside governments, business leaders, regulators, and policymakers to design and build ambitious programmes that make financial markets work better for everyone. Established in 2012, FSD Africa is incorporated as a non-profit company limited by guarantee in Kenya. It is funded by UK aid from the UK government.

For more information, please visit: <http://www.fsdafrica.org>