

Pathways to Sustainable Finance “Trajectoires vers la Finance Durable”

*2023 International Forum of the Sustainable Banking and Finance Network
Organized by the Bank of Central African States (BEAC), Sustainable Banking and
Finance Network (SBFN), and International Finance Corporation (IFC), a member
of the World Bank Group*

Douala, Cameroon (8 and 9 May 2023)

EVENT SUMMARY

Nearly 200 participants, including financial sector regulators, banking associations, and financial sector institutions from over 20 African countries, joined the 2023 SBFN International Forum in Douala, Cameroon, co-hosted with the Bank of Central African States (BEAC).

Entitled “Pathways to Sustainable Finance, the Forum confirmed SBFN’s commitment to support BEAC’s journey to advance sustainable finance in its 6 member countries: Cameroon, Central African Republic, Chad, Equatorial Guinea, Gabon, and the Republic of the Congo.

Day 1 of the event featured trainings for SBFN members and prospective members on i) how to develop national sustainable finance roadmaps, and ii) catalyze markets for sustainable finance instruments.

Day 2 of the Forum was filled with discussions about regional trends and innovations in sustainable finance, multi-stakeholder approaches to creating the regional vision, as well as exchanges about lessons learnt from SBFN members and other African countries.

These discussions supported constructive engagement and collective efforts among stakeholders to design pathways to sustainable finance in the Central African Economic and Monetary Community (CEMAC) zone.



Bank of Ghana Officials receive certificates for the training on sustainable finance roadmaps and instruments from Dahlia Khalifa (right), IFC Director for Central Africa, Liberia, Nigeria and Sierra Leone

Highlights from the Panel Discussions



High-level panel discussions highlighted the increasingly important role that sustainable finance will play in mitigating environmental, social, and governance (ESG) risks in private sector activities, as well as the effects of climate change. They underscored how sustainable finance can strengthen the financial sector, attract investment, boost economic activities, and help achieve the Sustainable Development Goals.

The first panel discussion on “**A vision for sustainable finance in the Central African Economic and Monetary Community,**”

was moderated by BEAC and helped lay the foundation for a common vision for sustainable finance in the subregion, including consideration of ESG and climate-related issues. This discussion was crucial for determining the scope of opportunities, benefits, and challenges that sustainable finance could present to all the institutions from the CEMAC zone represented at the Forum.

The second panel discussion focused on “**Trends that define sustainable finance in Africa.**” It was moderated by IFC and promoted a better understanding of current and emerging trends in the financial sector in Africa. It also addressed ways to integrate financial inclusion strategies within sustainable finance roadmaps. IFC and the African Development Bank (AfDB) shared their experiences as key players both as investors in Africa and in helping to develop the financial sector on the continent. They highlighted the factors to be considered when defining climate finance strategies and, more generally, sustainable finance strategies. Representatives from GIZ (the German Agency for International Cooperation), the Tanzania Bankers Association, and the Capital Markets Authority of the West African Monetary Union (AMF-UMOA) shared their experiences in developing enabling environments to foster sustainable investments in Africa and promoting innovations in sustainable finance instruments, such as gender bonds.



The third panel, “**Lessons from the adoption of sustainable finance in emerging markets and developing economies,**”

also moderated by IFC, featured speakers from four SBFN member institutions: Kenya Bankers Association; Moroccan Capital Market Authority; Bank of Ghana; and the Banking Association South Africa. The panelists shared their countries’ journeys in developing the enabling regulatory and voluntary environments for sustainable finance. It was noted that, particularly in low-income countries, budgetary and institutional constraints remain a barrier to advancing sustainable finance policies and practices on the part of regulators as well as industry. To do so, countries must have

a clear commitment, find innovative solutions, involve stakeholders, and leverage the support of development partners. Among the innovations, it has been demonstrated that it is necessary to create and incentivize a market for sustainable finance instruments, and develop metrics to measure the ESG performance of the financial sector. The key role of industry associations was highlighted in supporting the development of national sustainable finance initiatives, building the capacity of financial institutions, and encouraging financial sector innovation.

Lastly, drawing on the rich peer experiences from other jurisdictions, the final panel discussion was dedicated to **“Developing a Sustainable Finance Initiative/Roadmap for the Central African Economic and Monetary Community”**. It highlighted the importance of adopting a multistakeholder approach to the development of a CEMAC sustainable finance roadmap, involving both the public and private sectors. The panel noted that essential first steps would be to conduct a preliminary diagnostic assessment and establish an appropriate governance structure, involving all relevant actors. In terms of the scope for such an assessment, the discussions underscored the need to cover the banking sector, capital markets, insurance, social security, and non-banking financial institutions. Noting the urgent need to align with international best practices and support the Sustainable Development Goals, the represented sectors confirmed their commitment to the process and agreed on a timeline for the development of the CEMAC roadmap. The subregion has also called for the support of international partners, including IFC, SBFN and the World Bank Group, as they advance on this journey.

The Way Forward

In conclusion of the forum, and taking into consideration the challenges facing CEMAC countries and stakeholders, several key recommendations were identified by BEAC, namely:

- scoping the broader financial sector in sustainable finance activity, going beyond banking to include capital markets, insurance, social security and non-banking financial institutions;
- promoting greater collaboration between public and private sector finance and incorporating the needs and priorities of key stakeholders;
- deploying innovations, particularly in the area of financial inclusion tied to sustainable finance;
- redoubling commitments to sustainable finance and the Sustainable Development Goals;
- creating and incentivizing a market for sustainable finance financial instruments;
- developing metrics to measure the ESG performance of the financial sector; and
- collaborating with development partners to build capacity, including enhancing the key role of professional associations in supporting capacity development.



Furthermore, the forum reached a consensus on the growing significance of sustainable finance in addressing environmental, social, governance, and climate risks. It was acknowledged that sustainable finance is instrumental in bolstering the financial sectors of emerging and developing nations, fostering economic growth, and advancing the pursuit of the Sustainable Development Goals.

[Click here](#) for more information on the event.