

University of TLEMCEM

Green finance is any structured financial activity that's been created to ensure a better environmental outcome, green finance also is any structured financial activity -a product or service- that's been created to ensure a better environmental outcome. It includes a set of loans, debt mechanisms and investments that are used to encourage the development of green projects or minimize the impact on the climate of more regular projects.

For the United Nations, green financing plays an important role in delivering several of its Sustainable Development Goals. Its Environment team is already working with public and private sector organizations in an attempt to align international financial systems to the sustainable development agenda.

Some of the activities UN Environment is involved in include helping countries re-engineer their regulatory frameworks- so that green borrowing becomes compliant, for example- and helping steer public sector planning in a more environmentally friendly direction.

One common green finance instrument is the green bond. There is a code of conduct that defines what constitutes a green bond. To qualify, a bond must adhere to criteria on the use of proceeds, have a process for project evaluation and selection, ensure proper management of any proceeds, and offer detailed reporting.

The US, China and France are the three biggest issuers of green bonds. Presently, the European Central Bank holds around 20% of all euro-denominated green debt, even though it only started buying corporate bonds as recently as 2016, which indicates that the bank sees this as a way to further its own green agenda.

Part one: Read the text and answer the following questions.

- 1- Give a title to the text ?
- 2- What is the definition of green finance ?
- 3- What is the role of green finance ?
- 4- Mention one of the green finance tools ?
- 5- Mention the biggest countries issuers of green bonds ?

Part two: Learning more.

- 6- Does green finance serve the sustainable development goals ?
- 7- Based on internet, Give some examples of some green finance products or services ?
- 8- Based on internet, what are other green finance instruments ?
- 9- Complete the following table.

Singular	Plural
.....	michanisms
.....	organizations
.....	criteria
.....	bonds
.....	projects

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