

**Just Transition Finance**  
Case Studies from  
Banking and Insurance

**UN**   
environment  
programme

finance  
initiative



**BANK OF AFRICA**  
Supporting Inclusive  
SME Decarbonization  
through the Pan-African  
Chair in Sustainability  
and Impact Finance

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**Cover photo:** Aureliano Soares Martins with one of the cisterns he uses to water his crops. IFAD.org / © Fernanda Oliveira.

This report includes case studies illustrating how banks and insurance companies are embedding just transition considerations in their strategies, processes, products, and partnerships. It reflects practices current at the time of publication and is intended to support financial institutions in considering approaches to just transition; it does not prescribe specific actions or define expectations for financial institutions.

Any approaches, criteria, or recommendations referred to in this report are to be understood in accordance with applicable law, including competition law. They do not constitute a recommendation by, or binding commitment on, any of the banks or insurance companies mentioned in this report, nor do they supersede any legal and contractual obligations. Financial institutions remain responsible for determining their own strategies and actions in relation to just transition.

Participation in the UNEP FI Just Transition Pilot Programme, or inclusion of a case study in this report, does not imply that a financial institution applies or endorses all statements, practices, or recommendations set out in this report.



# Executive summary

The transition to low-carbon, climate-resilient economies is not only a technical challenge—it is a social one. Transition pathways that fail to address the needs of workers, communities, and vulnerable populations face growing political and operational risk, while those designed with equity and inclusion at their core are more credible, durable, and effective. Financial institutions play an important role in enabling and financing these pathways.

This report draws on the UNEP FI Just Transition Pilot Programme—a yearlong initiative that convened over a dozen banks and insurers for peer exchange and expert input—to document how just transition considerations are being integrated across banking and insurance. Its main contribution is a set of case studies illustrating how participating institutions are embedding just transition in their strategies, processes, products, and partnerships. These institutions are at different stages of engagement and operate in diverse regulatory, sectoral, and geographic contexts.

The case studies reveal that just transition integration has no single starting point. They are united not by a common method but by a common orientation—identifying where the social dimensions of transition are most material to the institution’s own portfolio, mandate, and client relationships, and building from there. For most institutions, this required organizational groundwork: cross-functional collaboration to bridge silos, internal capacity building to develop shared understanding, and senior sponsorship to establish mandate.

Product and client-facing finance saw significant activity, while partnerships and co-creation also proved essential: virtually every case study involves collaboration beyond the institution itself—with multilateral organizations, public authorities, peer institutions, municipalities, academic partners, or civil society—reflecting that the reach and legitimacy required for just transition finance often exceeds what any single institution can provide alone.

# Recommendations

The case studies demonstrate that just transition finance has moved beyond conceptual endorsement into an early phase of applied practice. Institutions are moving past the question of whether just transition is relevant toward how it can be translated into concrete decisions. Building on the framework established in [Just Transition Finance: Pathways for Banking and Insurance](#), ten recommendations provide practical entry points for financial institutions at different stages of engagement:

- 1 Leverage just transition as a horizontal, integrative lens**, connecting climate, social, human rights, and business objectives rather than treating just transition as a standalone agenda.
- 2 Develop place-based and sector-specific strategies anchored in local realities**, leveraging local presence and partnerships to respond to concentrated transition risks and opportunities.
- 3 Embed social dimensions in transition planning**, systematically addressing social dependencies and impacts of institutional plans, and using transition planning as a vehicle for engaging clients on workforce impacts, gender equality, and inclusive transition pathways.
- 4 Align institutional practice with international standards as the baseline**, treating frameworks such as the UN Guiding Principles on Business and Human Rights as a floor rather than a ceiling.
- 5 Engage clients and business partners as co-agents of just transition**, investing in advisory capacity and co-designing financing and protection solutions around client needs.
- 6 Invest in meaningful stakeholder engagement**, developing channels for consultation and transparency that extend beyond existing client relationships to reach workers, communities, and affected populations, and encouraging clients to do the same.
- 7 Advance just transition through partnerships and collaboration**, contributing to public-private partnerships, multi-stakeholder initiatives, and the broader enabling environment for just transition finance.
- 8 Recognize the broadening scope of just transition**, extending approaches beyond industrial phaseout to transition-enabling activities, adaptation, resilience, nature, and the circular economy.
- 9 Invest in governance, capacity, and cross-functional coordination**, addressing internal silos and cultivating senior sponsorship to create mandate and accountability on just transition.
- 10 Develop approaches to measuring and reporting on just transition activities and outcomes**, including simple, decision-useful indicators that can track progress without waiting for comprehensive methodologies to mature.



# Case studies: Just transition finance in practice

Click the organization's name on this page to read their case study and click [here](#) to read the full report.

# BANK OF AFRICA

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## INDUSTRY

- Banking

## REGION

- Morocco

## CLIMATE FOCUS

- Mitigation

## KEY THEMES

- Capacity building for SME customers
- Academic and industry partnership model
- Productive innovation and tailored advisory
- Inclusive industrial transition

Small- and medium-sized enterprises (SMEs), particularly in export industries, underpin Morocco's industrial fabric and employment landscape. For many women and youth, they offer a first entry into formal work.<sup>1,2,3</sup> Yet many operate in energy- and water-intensive sectors in a context of rising resource stress, while fossil fuels including coal remain dominant energy sources. This leaves many SMEs—and the people that depend on them for their livelihoods—highly exposed to both transition and physical climate risks. The EU Carbon Border Adjustment Mechanism creates additional pressure to track and lower GHG emissions.<sup>4</sup> Building on its established training and outreach infrastructure for SMEs, BANK OF AFRICA (BOA) launched a Pan-African Chair in Sustainability and Impact Finance that combines capacity building, economic inclusion, financial support and data tools to help SMEs anticipate these changes and turn compliance into a driver of inclusive growth.

## Supporting inclusive SME decarbonization through the Pan-African chair in sustainability and impact finance

The Moroccan Government has committed to a 45.5% reduction in GHGs by 2030. In addition, CBAM requirements—including emissions disclosure and verification to avoid higher carbon pricing factors—are expected to apply across Morocco's major export sectors, including textiles and agro-industry. Clean energy and energy efficiency are thus becoming central considerations not only for reaching policy goals, but also for SME competitiveness and market access.

BANK OF AFRICA has long championed SME development in Morocco, investing steadily for over a decade to build a support ecosystem with deep territorial reach. Since establishing its Entrepreneurship Observatory in 2009, the Bank has cultivated partnerships with more than 200 local stakeholders, hosting over a hundred regional conferences since 2011 and engaging some 15,000 SMEs. Through training, mentoring, and networking, the Bank's efforts have not only delivered on SME growth and employment; they also embed inclusion from the outset. They include women-only training cohorts, programmes to support women-led cooperatives, and an innovation incubator for youth, which reaches 12,000 students each year, coaching 700 and selecting 30 for incubation—57 per cent of them women.

### Morocco's textile industry: A mainstay of women's livelihoods

The textile and garment industry is Morocco's largest industrial employer, representing 25–30 per cent of manufacturing jobs and 10–12 per cent of exports,<sup>5</sup> mainly to the EU. Women make up most of the workforce, largely concentrated in SME clusters around Casablanca, Tangier, and Fez.<sup>6</sup> Textile and garment manufacturing offers a gateway to formal employment for low- and middle-income women, offering both income stability and opportunities for skills development. Yet, many are highly energy- and process-intensive, relying on heat, water, and chemical treatments that drive both costs and emissions. Improving efficiency not only reduces water impacts in high-risk regions and lowers emissions, strengthening competitiveness in the process. It also has a direct social inclusion impact, helping to preserve jobs and sustain women's participation in a major export sector that is struggling to adopt emissions reduction measures.

## The pan-African chair in sustainability and impact finance

As part of its SME strategy, BANK OF AFRICA developed an integrated approach to just transition, combining capacity building, inclusion, finance and data tools. This approach is implemented through the Pan-African Chair in Sustainability and Impact Finance, which was officially launched on December 19, 2023, in partnership with six leading Moroccan academic institutions. The chair has quickly become an operational pillar of the Bank, linking knowledge production, skill development, and tangible outcomes for SMEs and local economic actors.

A central focus of this approach is the Capacity Impact Program, launched in October 2024, to address the increasing sustainability needs of businesses. Designed to provide organizations with the tools and skills to integrate ESG principles into their strategies and operations, the programme has already supported nearly 40 companies, particularly exporting SMEs in the textile and agribusiness sectors, where sustainability requirements are crucial for access to international markets.

The programme aims to strengthen businesses' competitiveness by enabling them to transform ESG constraints into levers for value creation through structured awareness-raising, applied training, and operational tools. This skills development is a prerequisite for a just

transition that avoids the exclusion or marginalization of vulnerable players in the face of economic and regulatory changes.

After participating companies complete the capacity-building programme, BANK OF AFRICA engages in structured dialogue with them to offer financing and advisory solutions tailored to their ESG maturity levels, sector trajectories, and competitiveness challenges. This continuum—from capacity building to financing and advisory support—anchors the just transition in concrete, measurable, and reproducible economic decisions.

## Challenges, enablers, and lessons

One of the main challenges banks face is developing operational approaches that better meet the constraints of smaller businesses in the context of decarbonization.

Through this initiative, Bank of Africa is demonstrating the pragmatic implementation of the just transition. The Bank is moving beyond an exclusively compliance-based approach to build an inclusive, progressive, and impact-oriented transition that serves small- and medium-sized enterprises (SMEs), export value chains, and sustainable regional development.

# Endnotes

- 1 Lopez-Acevedo G., Betcherman G., Khellaf A. and Molini V. Morocco's Jobs Landscape: Identifying Constraints to an Inclusive Labor Market. International Development in Focus. Washington, DC: World Bank; 2021. Available from: [documents1.worldbank.org/curated/en/236951615353771651/pdf/Morocco-39-s-Jobs-Landscape-Identifying-Constraints-to-an-Inclusive-Labor-Market.pdf](https://documents1.worldbank.org/curated/en/236951615353771651/pdf/Morocco-39-s-Jobs-Landscape-Identifying-Constraints-to-an-Inclusive-Labor-Market.pdf) [Accessed 4 March 2026].
- 2 Haut-Commissariat au Plan (HCP). Towards Inclusive Development in Morocco: Policy Pathways for Enhancing Women's Participation. Rabat: HCP; 2025. Available from: [hcp.ma/file/243615/](https://hcp.ma/file/243615/) [Accessed 4 March 2026].
- 3 Lopez-Acevedo G., Robertson R., Roche Rodriguez J.A. and Ruiz Zárata D. Local Labor Market Outcomes and Trade Policy through the Gender Lens: Lessons from Morocco [blog post]. Let's Talk Development. Washington, DC: World Bank; 14 December 2023. Available from: [blogs.worldbank.org/en/developmenttalk/local-labor-market-outcomes-and-trade-policy-through-gender-lens-lessons-morocco](https://blogs.worldbank.org/en/developmenttalk/local-labor-market-outcomes-and-trade-policy-through-gender-lens-lessons-morocco) [Accessed 4 March 2026].
- 4 Carbon Border Adjustment Mechanism (CBAM) is an EU regulatory mechanism, applied to selected imports, to ensure that imported goods face a carbon price comparable to that faced by EU-based producers under the EU Emissions Trading System (ETS). It requires importers to purchase certificates reflecting 'embedded emissions'.
- 5 Moroccan Agency for Investment and Export Development (AMDIE). Textile Industry [sector brief]. Rabat: AMDIE; February 2022. Available from: [morocconow.com/wp-content/uploads/2021/10/Pitch-Textile-AMDIE.pdf](https://morocconow.com/wp-content/uploads/2021/10/Pitch-Textile-AMDIE.pdf) [Accessed 4 March 2026].
- 6 International Finance Corporation (IFC). Sourcing of Post-Industrial Cotton Textile Waste in the Tangier Area, Morocco. Washington, DC: 2022. Available from: [ifc.org/content/dam/ifc/doc/2023-delta/202212-sourcing-of-post-industrial-cotton-textile-waste-in-the-tangier-area-morocco.pdf](https://ifc.org/content/dam/ifc/doc/2023-delta/202212-sourcing-of-post-industrial-cotton-textile-waste-in-the-tangier-area-morocco.pdf) [Accessed 4 March 2026].



UNEP Finance Initiative brings together a large network of banks, insurers and investors that catalyzes action across the financial system to deliver more sustainable global economies.

For more than 30 years the Initiative has been connecting the UN with financial institutions from around the world to shape the sustainable finance agenda. We've established the world's foremost sustainability frameworks, helping the finance industry achieve sustainability goals, address sustainability risks and identify the business opportunities in taking a responsible approach to banking and insurance.

Convened by a Geneva, Switzerland-based secretariat, more than 550 banks and insurers are individually implementing UNEP FI's Principles for Responsible Banking and Principles for Sustainable Insurance. Financial institutions work with UNEP FI on a voluntary basis to apply these industry frameworks and

[unepfi.org](https://unepfi.org)

develop practical guidance and tools that drive institutional change, shaping the future of sustainable finance and positioning their businesses for the transition to a sustainable and inclusive economy. In parallel, UNEP FI also drives systems change and fosters enabling conditions in service of the broader mission to mobilize and align private finance to help achieve the UN Sustainable Development Goals.

Founded in 1992, UNEP FI was the first organization to engage the finance sector on sustainability and incubated the Principles for Responsible Investment, now the world's leading proponent of responsible investment.

Today, we cultivate leadership and advance sustainable market practice while supporting the implementation of global programmes at a regional level across Africa & the Middle East, Asia Pacific, Europe, Latin America & the Caribbean, and North America.



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