

## **Green Bonds as a Financing Mechanism for Energy Transition in Emerging Markets: The Case of Morocco**

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**Abstract :** Energy transition is one of Morocco's key sustainable development issues and is at the heart of the 2030 National Sustainable Development Strategy. On the one hand, it reflects the Moroccan government's determination to reduce the negative impact of energy consumption on the environment, and on the other, its determination to rely essentially on renewable energies to meet its energy needs. With this in mind, several tools are being implemented, including green bonds designed to finance projects with a high environmental or climate impact. Thus, since 2015, several green bonds have been issued for a cumulative total of \$0.4 Billion . This article aims to examine the impact of green bonds on Morocco's energy transition. Through the Granger causality and cointegration test, this article examines the existence of a short- and long-term causal relationship between green bond issuance and investment in renewable energy projects on the one hand, and between green bond issuance and CO<sub>2</sub> emission reductions on the other. The results suggest that there is no short-term causal relationship between green bond issuance and renewable energy investments on one hand and CO<sub>2</sub> emissions reduction on the other hand. However, in the long run, there is a relationship between green bond issuance and CO<sub>2</sub> emissions reduction in Morocco.

**Keywords :** climate impact, CO<sub>2</sub> emissions, energy transition, green bonds, Morocco

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