

From Building Frameworks to Developing Sustainable Products

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The world today is witnessing accelerating transformations in the way finance and its role in economic and social development are viewed. The financial sector is no longer evaluated solely on its capacity to generate growth and returns; it is now regarded as one of the principal drivers of the transition toward more sustainable economies capable of confronting environmental and climate challenges. Within this context, green finance has emerged as one of the most significant contemporary trends reshaping the role of financial institutions and banks across the world, including in Jordan.

In Jordan, discussion of sustainability and green finance is no longer merely a theoretical orientation or an international commitment; it has become an integral part of a comprehensive national vision aimed at enhancing resource-use efficiency, supporting economic transformation, and strengthening the national economy's capacity to adapt to climate change and global economic pressures. From this standpoint, the growing role of the Jordanian banking sector has emerged as an essential partner in supporting this transition, whether through developing green financial products, integrating sustainability standards into banking operations, or strengthening climate risk management within banks' institutional frameworks.

Within this framework, the launch of the Guide for Developing Green Financial Products for Banks and Financial Institutions, developed in partnership between the Association of Banks in Jordan and the German Agency for International Cooperation (GIZ) through the GAIN project, and in collaboration with the Ministry of Environment and the Ministry of Industry, Trade and Supply, to represent an important practical step in advancing the development of the green finance ecosystem in the Kingdom.

This Guide derives particular importance from the fact that it provides a practical framework and an applied methodology that helps banks and financial institutions move from the stage of vision and strategy to the stage of actual implementation and the development of financial products that are both applicable and scalable. The Guide responds to a genuine need within the banking sector, particularly in light of the rapid developments that have shaped the regulatory and legislative environment in recent years, whether through the Central Bank of Jordan's Green Finance Strategy (2023–2028), the launch of the Jordanian National Taxonomy for Green Activities, or the growing requirements for disclosure, sustainability, and climate risk management.

The Guide affirms that the real challenge no longer lies in establishing frameworks and strategies, but rather in the capacity of financial institutions to translate them into practical financing products that achieve a balance among client needs, economic viability, and the operational sustainability of banks. To this end, the Guide presents an integrated methodology covering the various stages of green product development, beginning with understanding green finance criteria and the classification of activities, moving through analysis of market and client needs, and extending to product design, feasibility assessment, launch, and impact monitoring. It also provides practical tools that assist banks in analyzing their credit portfolios and identifying promising sectors and opportunities in the field of green finance.

The Guide also reflects an important shift in the perspective on green finance, viewing it as an intelligent evolution of existing banking products through the integration of sustainability and environmental efficiency criteria. Therefore, enabling the expansion of green finance in a practical and applicable manner. The Guide further emphasizes mitigating the risks of greenwashing through the adoption of clear standards grounded in the Jordanian National Taxonomy for Green Activities and the relevant international principles. This enhances the credibility of sustainable finance and opens the door for banks to benefit from international financing opportunities and to strengthen their role in supporting vital sectors such as energy, water, agriculture, industry, and sustainable transport.

In this context, the idea of preparing this Guide emerged as the outcome of an ongoing institutional dialogue led by the Association of Banks in Jordan, and arose primarily from the outputs of the Green Finance Forum (GREEFIN 2025), which emphasized the importance of transitioning from the level of vision to the level of designing applicable solutions and products. The development of practical tools to support banks in designing green financial products was among the foremost recommendations of the Forum. The Guide today thus comes as a direct practical translation of those recommendations and as an embodiment of an approach committed to transforming dialogue into actionable, implementable initiatives.

Building upon this cumulative approach, the Association of Banks in Jordan continues its efforts to strengthen the sustainable finance ecosystem through developing training programs, building capacity, and enhancing partnerships with national and international stakeholders. The Association will also continue to organize the Green Finance Forum (GREEFIN), which will be held on the first of September this year, as a national and regional platform for dialogue, exchange of expertise, and the development of joint initiatives in the field of green finance and sustainability.

Today, we are not merely speaking of a new global trend, but of a genuine transformation in the nature of banking work and its role in the economy and society. The Jordanian banking sector, with the expertise, capabilities, and strong institutions it possesses, is well-positioned to be at the forefront of this transformation and to contribute effectively to building an economy that is more sustainable, more resilient, and better equipped to meet the challenges of the future.