A world tour of climate solutions

2020 EDITION

AFD
AGENCE FRANÇAISE DE DÉVELOPPEMENT

INTRO-DUCTION

AFD AND DEVELOPMENT: WHO DOES WHAT?

Agence Française de Développement (AFD) Group, a public institution and international donor, implements France's policy on development and international humanitarian aid. It finances, supports and accelerates transitions towards a more coherent and resilient world. With more than 4,000 projects in the field in the French Overseas Territories and in 115 countries, the Group contributes to Sustainable Development Objectives (SDGs) by developing shared solutions with its partners.

COMBINING DEVELOPMENT AND THE FIGHT AGAINST CLIMATE CHANGE

AFD was one of the first international donors to incorporate the fight against climate change in its practices. Initiated 15 years ago, this approach supports more sustainable development models. The new international situation, reflected in the SDGs and the Paris Climate Accord in 2015, has prompted AFD to strengthen public policy discussions, redouble its efforts on climate change, and provide even more ambitious support for a fundamental, rapid change in the development models of countries and economic stakeholders. The 2017-2022 climate strategy was adopted as part of France's active mobilization on climate change, calling on AFD to become "the first development bank to implement the Paris Accord".

AFD is pursuing several commitments:

i) Making 100% of its financing compatible with the Paris Climate Accord, thereby strengthening the analysis of climate change issues in the countries where it operates and supporting partners in raising their climate ambitions for 2050.

ii) Allocating 50% of its financial commitments to projects that have climate benefits both in terms of reducing greenhouse gas emissions and adapting to the impact of climate change.

iii) Contributing to redirecting financial and investment flows towards resilient, low-carbon trajectories.

iv) Strengthening partnerships to influence standards and create knowledge.

The scale of the environmental crisis can already be seen in various challenges such as the rise in global temperatures, rising sea levels, and the mass extinction of species.

The political, economic, and social decisions made by governments, local authorities, and economic stakeholders will determine the scale of this impact.

Many of those decisions pertain to development aid: a grant for a program to restore habitats and migration routes for wildlife in Kenya for example (page 14); a low-interest loan to finance the construction of a floating solar station in Ivory Coast (page 12); and technical support for banks to implement their strategy to combat climate change (page 20).

MID-TERM REVIEW OF THE STRATEGY CLIMATE CHANGE: COMMITMENTS AND RAISING THE BAR

Halfway through the strategy's implementation, the Group conducted a review to report on the progress made since 2017 and to contribute to raising the global objective on climate change by 2020. As a result, AFD is on track to achieve or has already achieved many of its objectives. It's worth mentioning AFD Group's significant results in terms of volume of climate finance (€6 billion of climate finance approved in 2019 including €2 billion for adaptation); influence in the discussions related to alignment with the Paris Accord, positioning the Group as a benchmark stakeholder on climate change action; and recognition of the role of development banks and the International Development Finance Club (IDFC) which AFD currently chairs.

The year 2020 was supposed to be decisive for climate change and biodiversity. While the issue of a sustainable recovery took on a new significance during the Covid-19 pandemic, the crisis also led to the postponement of key international events. Responses to the crisis must not only address health and economic needs, but also their root causes and strengthen the long-term resilience of societies to the multiple risks they face, especially climate change. The SDGs, Sendai's framework for action, the Paris Accord and future biodiversity protection objectives, as well as AFD Group's environmental and social due diligence standards, provide strong guidelines for a response that focuses on the resilience of societies and national trajectories that are more in line with development that is firmly grounded within the limits of the natural environment.

Given the social crisis caused by Covid-19, the just transition provides an opportunity to reconcile environmental and social SDGs so that the objectives of preserving the planet and social justice reinforce rather than oppose each other. To achieve this, AFD is launching a project in 2020 with the aim of developing a common vision of the just transition for the Group, breaking it down into sectors and geographical areas, and engaging in discussions with our partners and peers.

BIODIVERSITY-CLIMATE CHANGE CONVERGENCE

Including climate change mitigation in our projects goes hand in hand with the Group's desire to encourage the protection of biodiversity. These two areas are inseparable: the preservation of ecosystems is essential for meeting global climate change mitigation objectives and adapting to its effects – oceans, forests and soils absorb more than 44% of greenhouse gas emissions each year. At the same time, mitigating climate change will contribute to curbing the rapid decline in living species observed in recent decades.

Scientists attest to the fact that ecosystems and natural resources are the foundation on which the future of any society is built. Preserving their integrity, diversity, and capacity to provide essential services to people and regions is therefore essential, and is at the heart of the 2030 agenda for sustainable development. Yet this is what current development models are still struggling to achieve. Faced with this challenge, AFD Group is fully mobilized and promotes nature-based solutions in the countries where it operates, thanks to financing and technical support solutions that guarantee a gradual, fair transition to an economy that protects ecosystems and ensures that their resources are sustainably managed by all public and private stakeholders in all activities and sectors.

Several projects already reflect this dynamic: "the sponge city" of Mianyang, China (page 25) is one example, with the restoration of an ecological corridor that aims to naturally combat the risk of flooding exacerbated by global warming through absorption, drainage, and storage on land.

WHAT IS THE PURPOSE OF THIS BROCHURE?

This second edition of the World Tour of Climate Solutions presents a sample of projects financed by AFD Group. What is a climate project? How does it meet a need in a given region? What is its impact on the fight against climate change and in the field and for its recipients?

This brochure attempts to illustrate the multitude of sectors and geographical areas covered by AFD's initiatives through projects carefully selected by the project teams and offices of the AFD network. These projects all have benefits for the climate and contribute to mitigating climate change or to better adapting to its effects.

At the end of this pivotal year 2020, which will see the Joint Finance Summit held in Paris in November, it is important to recall the various means for financing the achievement of climate objectives and the role that public development banks can play to support governments in raising their objectives for 2050. AFD thus remains focused on its key objectives of protecting the planet, promoting sustainable development and reducing inequalities, and invites you to learn more about 40 of its climate change and biodiversity projects.

Enjoy reading!

AFD's climate team

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Country's average annual per capita income

Country's rank according to the Human Development Index. A low rank indicates higher human development

Country's population

Detailed project description

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How much of the funding was earmarked for climate change action?

Expected project impact

Project's financial partners

PROJECT SHEET AFD 2020

BENIN

AFD finances an agro-ecological intensification project for aspects of Benin's cotton production systems.

GDP per capita
$902

HDI
163/189

Population
11.5 M

→ Funding tool
Grant

→ Amounts committed
€10 M (Phase 2)

→ Climate accounting
100% climate – 50% mitigation; 50% adaptation

→ Recipients
Republic of Benin

→ Date granted
2019

→ Project status
Ongoing

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AGRICULTURE

ACCELERATING THE **AGRO-ECOLOGICAL TRANSITION** IN BENIN'S COTTON-GROWING AREAS – PHASE 2

COUNTRY BACKGROUND

In Benin, the cotton industry is a mainstay of agriculture and the country's economy. It contributes to the income of more than 2 million Beninese and more than 15% of GDP.

In a context of climate change and soil degradation (erosion and declining organic matter levels), which lead to declining soil fertility and stagnating yields, the sustainability of agricultural practices is a major challenge for agricultural production systems in cotton-growing areas. This challenge involves not only cotton growing, but also all other crops that enter into rotation and association with cotton.

Other constraints hinder the development of agricultural production systems, including inadequate supervision and training of producers, the low level of resources allocated to research and development, the low level of mechanization of production systems, and difficulties in obtaining loans and inputs.

THE PROJECT

Through a second grant of €10 million, AFD is financing an agro-ecological intensification project for cotton production systems in Benin, which is predominantly done by women. This transition will involve moving from "conventional" and unsustainable (environmentally, socially and economically) production systems to ones that are sustainable and more productive.

The project promotes a range of agro-ecological techniques in 22 municipalities in the cotton-growing areas of Benin, at the individual and collective levels (plots, farms and terroirs), by developing access to adequate mechanization equipment and providing support for seed supply.

The project also aims to develop solutions to make crops less sensitive to decreased rainfall and extreme events (droughts and floods). Indeed, the improvement of soil structure coupled with better moisture management increases the resilience of farms to climate-related shocks, while strengthening the producers' ability to adapt. It also aims to guide national public policies towards agricultural development methods that are more resilient to climate change.

IMPACT

- **-87,000 tCO_2eq/year avoided**
- **Reducing the vulnerability** and fragility of Benin's cotton-growing areas to the effects of global warming
- **Sustainable increase in cotton production** and associated crops by 20% on 40,000 ha (16,000 producers) over 3 years
- **Empowerment of women and reduction of inequalities between male and female farmers as a cross-cutting objective of the project:** training in agro-ecological practices, land-use, loans, farm management, with a target of 2,000 women as recipients
- **Sustainable management of biodiversity** and natural resources

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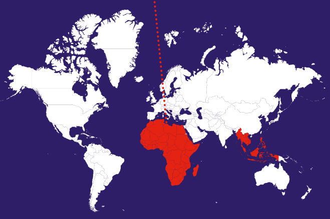
AFD AGENCE FRANÇAISE DE DÉVELOPPEMENT

PROJECT SHEET **AFD 2020**

AFRICA
SOUTHEAST ASIA

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ENERGY

NARROWING THE **ENERGY GAP** IN EMERGING COUNTRIES

In December 2019, STOA contributed 20 million dollars to JCM Power's third round of financing to help narrow the energy gap in emerging and developing countries.

COUNTRY BACKGROUND

The various countries where JCM Power is developing renewable energy production plants all share the dual challenge of satisfying the public's growing demand while maintaining GHG emissions at a level compatible with a warming limited to 2°C.

In this context, STOA's investment supports the electrification of communities in areas where the use of fossil fuels appears to be an easy solution.

THE PROJECT

In December 2019, STOA contributed 20 million dollars to JCM Power's third round of financing. Based in Canada, JCM Power is an independent company specializing in the development and operation of renewable energy projects in emerging and developing countries.

The capital raised from development finance institutions and financial investors, totaling 116 million dollars, is being used by JCM Power to carry out six high-impact projects in Africa, Latin America, and Asia.

This financing aims to narrow the energy gap in emerging and developing countries, as well as to decarbonize the energy industry in its areas of operation by developing the renewable energy market and increasing installed power capacity.

IMPACTS

- **435,000 tCO_2eq/year avoided** in Malawi and Pakistan
- **500 MW installed in the long run**

→ **Funding tool**
Equity in a project platform

→ **Amounts committed**
$20 M in the first round of funding for JCM Power

→ **Climate accounting**
100% climate – *100% mitigation*

→ **Recipients**
JCM Power

→ **Date granted**
2019

→ **Project status**
Ongoing

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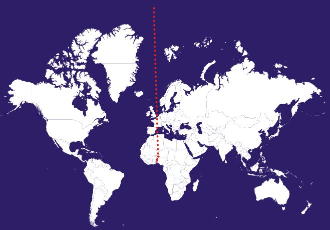
PROJECT SHEET **AFD 2020**

BENIN



AFD finances an agro-ecological intensification project for aspects of Benin's cotton production systems.

GDP per capita
$902

HDI
163/189

Population
11.5 M

→ **Funding tool**
Grant

→ **Amounts committed**
€10 M (Phase 2)

→ **Climate accounting**
100% climate –
50% mitigation;
50% adaptation

→ **Recipients**
Republic of Benin

→ **Date granted**
2019

→ **Project status**
Ongoing

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ACCELERATING THE **AGRO-ECOLOGICAL TRANSITION** IN BENIN'S COTTON-GROWING AREAS – PHASE 2

COUNTRY BACKGROUND

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Other constraints hinder the development of agricultural production systems, including inadequate supervision and training of producers, the low level of resources allocated to research and development, the low level of mechanization of production systems, and difficulties in obtaining loans and inputs.

THE PROJECT

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IMPACTS

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- **Sustainable management of biodiversity** and natural resources

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PROJECT SHEET **AFD 2020**

BURKINA FASO, MALI, MAURITANIA, NIGER, SENEGAL AND CHAD

Since 2018, AFD has been working with its partners in the Sahel Alliance to support the Sahel Adaptive Social Protection Program (PPSAS).

→ **Funding tool**
Grant

→ **Amounts committed**
€26 M

→ **Climate accounting**
100% climate –
100% adaptation

→ **Recipients**
World Bank, for the multi-donor fund dedicated to the Sahel Adaptive Social Protection Program/Republic of Mali/ Islamic Republic of Mauritania

→ **Date granted**
WB and DFID since 2014 and AFD since 2018

→ **Project status**
Ongoing

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IMPLEMENTING **ADAPTIVE SOCIAL PROTECTION** IN THE SAHEL

COUNTRY BACKGROUND

Sahelian countries are among the poorest and most vulnerable to the effects of climate change in the world. Faced with significant development lags, social assistance systems are poorly structured and largely dedicated to responding to the recurring shocks and crises that affect the region.

Since 2014, the World Bank and the other partners of the Sahel Alliance (British cooperation, AFD, UNDP, AfDB, AECID and German cooperation) have been supporting six Sahel countries (Burkina Faso, Chad, Mali, Mauritania, Niger and Senegal) in designing and implementing adaptive social protection systems and programs, which help communities adapt to the effects of climate change and disaster risk reduction.

These are mainly recurring and/or seasonal cash transfers combined with income-generating activities to combat poverty while supporting long-term human development and strengthening the resilience of local communities.

THE PROJECT

In 2018, AFD allocated a 6 million euro grant to support the Sahel Adaptive Social Protection Program (PPSAS), in 2019, a 10 million euro grant was allocated to Mali, and in 2020 a 10 million euro grant went to Mauritania.

The program's objective is to support the development of adaptive social assistance systems and implement the humanitarian-development nexus. Specifically, the aim is to include vulnerabilities to the effects of climate change in social registries (database of people eligible for social assistance) or improve early warning systems and develop links with climate agencies and alert systems.

The program seeks not only to improve the resilience of individuals by diversifying their sources of income, but also to prevent harmful coping strategies (selling livestock at low prices, taking children out of school, etc.) that impede the long-term development of human capital.

IMPACTS

- **Increasing the resilience** of communities to the effects of climate change
- **Increasing and diversifying** the sources of disposable household income
- **Developing the capacities** of national operators (social assistance, alert system, and emergency assistance)

PROJECT SHEET **AFD 2020**

CAMEROON

AFD Group and STOA are contributing to financing the construction of a major hydroelectric dam in Cameroon. The project is led by the Cameroonian Nachtigal Hydro Power Company and aims to develop the supply of electricity in the country.

GDP per capita
$1,533

HDI
150/189

Population
25.2 M

→ ***Funding tool***
Non-sovereign loan by AFD Group (AFD and Proparco); Equity investment for STOA;

→ ***Amounts committed***
€150 M by AFD Group, 10% of the shares (total undisclosed amount) by STOA;

→ ***Climate accounting***
100% climate –
100% mitigation

→ ***Recipients***
Nachtigal Hydro Power Company (NHPC)

→ ***Date granted***
2018

→ ***Project status***
Ongoing

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ENERGY

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FOSTERING THE TRANSITION TO **LOW-CARBON DEVELOPMENT** IN CAMEROON

COUNTRY BACKGROUND

In order to cope with a situation where electricity has been in short supply for several years, Cameroon has had to resort to very expensive emergency power generation contracts. Electricity demand has grown by an average of 7.5% over the last 5 years and is expected to continue to grow by 6.5% per year. The lack of power generation contrasts with the country's huge hydroelectric potential which is estimated at 12 GW of power that can technically be harnessed but only 5% has been up to this point in time.

Driven by sustained population and economic growth and increased use of fossil fuels, the country's GHG emissions have increased in recent years. In this context, hydropower appears to be a solution to keep the carbon intensity of the electricity mix at a sustainable level while meeting Cameroon's energy needs.

THE PROJECT

In December 2018, AFD Group set up a €150 million non-sovereign loan to the Cameroonian project company Nachtigal Hydro Power Company (NHPC). Meanwhile, STOA acquired a 10% stake in NHPC.

The project's goal is to help secure the supply of electricity to the Cameroonian economy to meet the increased demand (to the order of 5% per year) caused by the increase in household consumption and the development of economic activities. Therefore, the funding provided by various institutions is used to design, build, finance, operate, and maintain a 420 MW hydroelectric dam on the Sanaga River located at Nachtigal Falls, a village located 65 km northeast of the capital Yaounde.

When it is commissioned – which is expected to be in 2023 – the Nachtigal dam will be the largest dam built in Africa with a total project cost of €1.2 billion. This low-carbon solution will play a decisive role in the country's energy transition.

IMPACTS

- **485,000 tCO_2eq/year avoided**
- **420 MW** of hydropower by 2023
- **30% of the national power generation,** which will eventually supply electricity to nearly 10 million people connected to the grid in Cameroon

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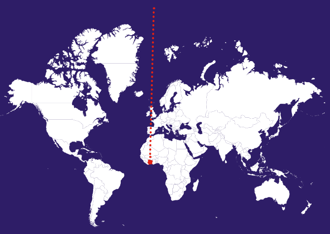
PROJECT SHEET **AFD 2020**

IVORY COAST



AFD is financing the BIOVEA project in Ivory Coast, which consists of building and operating a 2x23 MW power plant fueled by non-food biomass from palm oil residues.

GDP per capita
$1716

HDI
165/189

Population
25 M

→ **Funding tool**
Non-sovereign loan

→ **Amounts committed**
Loan co-financed by Proparco and AFD to the tune of €135 M + €5 M grant

→ **Climate accounting**
100% climate –
100% mitigation

→ **Recipients**
Biovea Energie

→ **Date granted**
2018

→ **Project status**
Ongoing

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SUPPORTING POWER GENERATION FROM **BIOMASS** IN IVORY COAST

COUNTRY BACKGROUND

In Ivory Coast, GHG emissions have risen sharply since the end of political tensions in 2011, mainly due to an increase in thermal power generation.

Ivory Coast's electricity mix is essentially based on fossil thermal sources (84% of production, 75% of which is gas) and renewable sources (25%, mostly hydropower).

Thermal energy is mainly produced by four gas-fired power plants.The production of hydroelectric power comes from 7 power stations in the south of the country.

Through its demonstration value, the Biovea project paves the way for other renewable projects that will meet the country's ambitious objectives of increasing the share of clean energy to 42% of the energy mix.

THE PROJECT

The BIOVEA project consists of financing the construction of a 2x23 MW power plant fueled by non-food biomass from palm oil harvesting.

This biomass will come from PALMCI's industrial plantations (max. 30%), a subsidiary of the oil mills of the Ivorian SIFCA Group, and from village plantations (about 70%) which supply PALMCI's oil mills with palm oil.

The plant will be located near Aboisso in southeast Ivory Coast, almost equidistant from PALMCI's two industrial plantations (Toumanguié and Ehania). It will diversify Ivory Coast's energy mix by increasing the share of renewable energy while ensuring more stable access to electricity for local communities.

IMPACTS

- **343,000 tCO2eq/year avoided**
- **Increase in installed capacity** by 46 MW
- **Creation of a new economic activity in rural areas** with a turnover of €3 M/year and an increase of 10 to 15% on average in the net income of 11,900 village plantations
- **Creation of more than 1,300 direct** and indirect long-term jobs (over 25 years**)**

PROPARCO GROUPE AGENCE FRANÇAISE DE DÉVELOPPEMENT
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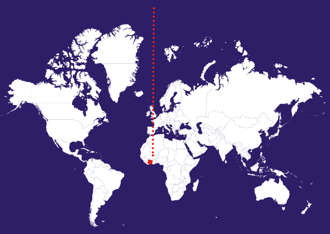
PROJECT SHEET **AFD 2020**

IVORY COAST



In Ivory Coast, AFD is financing a program to provide the people with access to sustainable electricity.

GDP per capita
$1,716

HDI
179/189

Population
25 M

→ **Funding tool**
Sovereign loan

→ **Amounts committed**
€98 M + €11.5 M grant

→ **Climate accounting**
100% climate –
100% mitigation

→ **Recipients**
Republic of Ivory Coast

→ **Date granted**
2019

→ **Project status**
Ongoing

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PROMOTING **ACCESS TO ELECTRICITY**, SMART GRIDS, AND SOLAR ENERGY IN IVORY COAST

COUNTRY BACKGROUND

The electricity industry in Ivory Coast is facing several challenges. On the power generation side, the share of fossil fuel-based electricity, mainly natural gas, has increased from 37% in 2000 to 70% in 2018, with the remainder of the electricity being generated by hydroelectric power plants.

In its Determined National Contribution (DNC) to the Paris Accord, Ivory Coast has set itself the goal of reaching 42% renewable electricity by 2030 while doubling electricity use.

On the electricity distribution side, only 40% of the people have actual access to electricity, giving rise to the need for expanding the grids, despite the high connection costs. Finally, technical losses on the networks represent 20% of the energy produced.

THE PROJECT

In Ivory Coast, AFD is financing a program to provide people with access to sustainable electricity. By increasing the production of renewable energy by building a 20 MW capacity pilot floating solar power plant, the use of natural gas will be reduced which is a variable that currently affects Ivory Coast's energy mix. The project serves as a model for this innovative, highly promising floating solar energy technology.

Moreover, in rural areas, low-energy electric lighting is replacing kerosene lamps. Finally, the new smart grid infrastructure will improve the grid's electrical efficiency and thus reduce the consumption of natural gas in power production plants.

These three components (solar, rural electrification and smart grids) contribute to limiting greenhouse gas emissions from the electrical power industry.

Some support financed by AFD at the same time will have a leveraging effect on the financing of other climate change benefit projects in the industry, including a study aimed at improving the management of hydroelectric dams by taking into account the impact of climate change.

IMPACTS

- **51,500 tCO_2eq/year avoided**
- **Electrification** of 185 rural communities
- **Pre-financing** of subsidized hook-ups for 13,000 households

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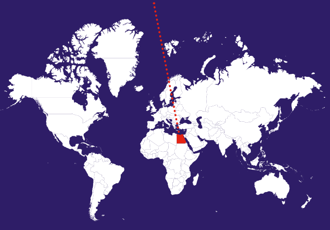
PROJECT SHEET **AFD 2020**

EGYPT



AFD is financing a €50 million project to renovate all Line 1 systems in order to restore safety conditions and improve their capacity, performance, and the quality of service offered.

GDP per capita
$2,549

HDI
116/189

Population
98 M

→ **Funding tool**
Sovereign loan + Grant

→ **Amounts committed**
€50 M + €300,000

→ **Climate accounting**
100% climate –
100% mitigation

→ **Recipients**
Arab Kingdom of Egypt

→ **Date granted**
2018

→ **Project status**
Ongoing

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MOBILITY

RENOVATING LINE 1 OF **CAIRO'S METRO**

COUNTRY BACKGROUND

With a population of more than 22 million, Cairo is faced with insufficient, formal public transportation and poor quality of service. Road traffic, traffic accidents, and air pollution also threaten the safety of residents, while severely constraining the performance and capacity of the city's transportation network.

The Egyptian government has made reinforcing and extending the urban transit network in Cairo a priority, in line with the strong, existing and future demand. The Cairo metro system, which carries about 3 million passengers per day (only 3 lines are in service) is insufficient. New metro lines are under construction (AFD is financing phase 3 of the construction of line 3) but at the same time, lines 1 and 2 are now aging and obsolete. Line 1, the busiest line in the network, which is critical to Cairo running smoothly, is in danger of being shut down if it is not upgraded quickly.

THE PROJECT

In partnership with the EIB and the EBRD, AFD is financing a €50 million project to renovate all Line 1 systems in order to restore safety conditions and improve their capacity, performance, and the quality of service offered.

Once the work is completed, it will be possible to reduce the interval between trains to 2.5 minutes and increase the line's comfort and capacity by 40%. Keeping this line in service is a key element for ensuring access for everyone (and the most vulnerable in particular) to jobs and services and, more broadly, promoting public transportation to reduce traffic-related pollution and greenhouse gas emissions.

IMPACTS

- **70,000 tCO_2eq/year avoided**
- **Increased capacity** to 62,000 passengers per hour per direction from the current 44,000
- **Facilitating people's access to essential services** (especially the most vulnerable groups)
- **Improving public transportation** safety and services.
- **Reducing air pollution**

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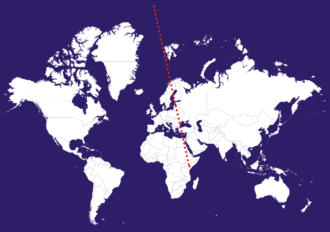
PROJECT SHEET **AFD 2020**

KENYA



AFD and FFEM are supporting a program to restore the habitats and migration routes of Kenya's wildlife.

GDP per capita
$1,711

HDI
147/189

Population
51.3 M

→ **Funding tool**
Grant

→ **Amounts committed**
€3.7M from AFD
+ €2 M from FFEM

→ **Climate accounting**
100% climat –
100% adaptation

→ **Recipients**
Northern Rangelands Trust

→ **Date granted**
2019

→ **Project status**
Ongoing

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RESTORING **ECOLOGICAL CONNECTIVITY** IN NORTHERN KENYA

COUNTRY BACKGROUND

Kenya's wildlife is one of the most diverse on the planet. With 11% of the territory included in a national system of protected areas, Kenya stands out from other countries in that most of its wildlife is found outside these parks, which makes it particularly vulnerable, especially during migration.

The fragmentation of habitats and the degradation of migratory routes, largely due to human activities, are indeed a threat to wildlife and tend to isolate protected areas from each other. The loss of natural habitats combined with the scarcity of resources in the desert and semi-desert regions of the north of the country exacerbates conflicts between wildlife, livestock and people, as well as between herding communities.

Support for innovative, replicable initiatives in restoring ecological connectivity, collaborative natural resource management, and human-wildlife coexistence is strategically important.

THE PROJECT

AFD is financing a program to restore wildlife habitats and migration routes between the Marsabit National Park in the north of the country and the national parks and reserves in the center, which aims to re-establish the coexistence of wildlife, people and livestock.

Implemented by the Kenyan NGO Northern Rangeland Trust, it is based on an original form of land-use planning: community protected areas managed by the herding communities themselves. This project also illustrates the possible convergence between biodiversity and climate objectives.

The protection and restoration of ecological connectivity in the region – and consequently wildlife migratory routes – ensure that the favorable conditions for migration and genetic mixing of the various animal populations are maintained. This will reduce the pressure on certain natural habitats that will be heavily impacted by climate change, by restoring favorable conditions for their seasonal regeneration and preserving the ecosystem benefits they provide.

IMPACTS

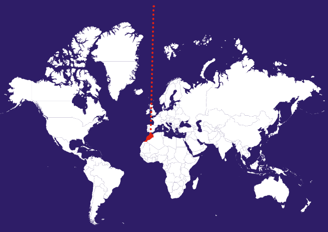
- **Reducing inter-community conflicts** by formalizing rules for accessing resources and setting up conflict prevention bodies
- **Wildlife protection**
- **Establishment** of community conservancies around and between certain national parks under local community management
- **Better** management of natural resources (water and pastures) and improving people's living conditions
- **Support** for resilient economic development through inclusive governance and land-use planning

FONDS FRANÇAIS POUR L'ENVIRONNEMENT MONDIAL

AFD AGENCE FRANÇAISE DE DÉVELOPPEMENT

PROJECT SHEET **AFD 2020**

MOROCCO



AFD granted a €50 million line of credit to Crédit Agricole du Maroc to reinforce its loan portfolio for financing sustainable agricultural projects in rural areas, accompanied by a €1.5 million grant.

GDP per capita
$3,238

HDI
121/189

Population
36 M

→ **Funding tool**
Non-sovereign loan + Grant

→ **Amounts committed**
€50 M + €1.5 M

→ **Climate accounting**
80% climate –
30% mitigation;
50% adaptation

→ **Recipients**
Crédit Agricole du Maroc

→ **Date granted**
2019

→ **Project status**
Ongoing

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ASSISTING THE CRÉDIT AGRICOLE GROUP OF MOROCCO (GCAM) WITH FINANCING **SUSTAINABLE AGRICULTURAL PROJECTS**

COUNTRY BACKGROUND

Morocco remains a predominantly rural country where the weight of the agricultural industry remains strong in the local economy (about 14% of GDP). However, inequalities persist between rural and urban areas. In 2014, the poverty rate in Morocco was 4.8%, 1.6% in urban areas and 9.5% in rural areas.

The development of rural areas is thus the subject of increased government attention, which has especially resulted in launching the Green Morocco Plan (GMP). The GMP aims to make the agricultural industry a priority lever for socio-economic development through the establishment of modern agriculture that is resistant to climate change and meets international standards. Support for small-scale agriculture, aimed at fighting poverty and diversifying sources of income for the most vulnerable rural populations, is also one of its main focuses.

As part of its activities as an agricultural bank, the Crédit Agricole du Maroc Group (GCAM) plays a key role in providing financial support to the GMP.

THE PROJECT

It is in this context that the GCAM has requested new support from AFD to assist it in its strategy for financing sustainable agricultural projects.

A €50 million line of credit will aim to support 4 industries: The water industry through financing sustainable irrigation projects; the green rural investment sector via projects for new tree plantations,the development of oasis areas and the production and promotion of local products and aromatic and medicinal plants; the energy industry through the promotion of energy efficiency, renewable energy and solar pumping projects; and finally the organic agriculture industry and the recycling of agricultural waste.

This line of credit is supplemented by a €1.5 million grant dedicated to the GCAM's technical support and to the bank's implementation of a bonus system to encourage project leaders to invest in underdeveloped sectors.

IMPACTS

- **79,593 tCO_2eq/year avoided**
- **Contributing to creating sustainable** bank financing solutions by GCAM for climate change mitigation and assisting them in developing their climate strategy
- **Growing the green** investment market in Morocco
- **Reducing project owners'** environmental and climate footprint

AFD
AGENCE FRANÇAISE DE DÉVELOPPEMENT

PROJECT SHEET **AFD 2020**

MAURITANIA

In Mauritania, AFD allocated a €5 million grant to preserve the country's marine and coastal biodiversity and preserve the benefits provided by these ecosystems.

GDP per capita
$1,189

HDI
161/189

Population
4.4 M

→ **Funding tool**
Grant

→ **Amounts committed**
€5 M

→ **Climate accounting**
100% climat –
100% mitigation

→ **Recipients**
Banc d'Arguin, and Coastal and Marine Biodiversity Trust Fund limited (BACoMaB)

→ **Date granted**
2019

→ **Project status**
Ongoing

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BIODIVERSITY

PRESERVING MAURITANIA'S **COASTAL AND MARINE BIODIVERSITY** (BACOMAB)

COUNTRY BACKGROUND

The Mauritanian coastline, the country's main source of income, is faced with multiple challenges related to the exploitation of fishing resources, mining, and urbanization with the expansion of cities.

The Banc d'Arguin and other coastal and marine areas of the country form an area of unique ecological value that is essential for biodiversity on a regional (fisheries resources) and global scale (migratory birds).

The sustainable protection of this site and all the sensitive sites in the country's Exclusive Economic Zone (EEZ) against the risks of pollution and excessive exploitation is therefore imperative for the country's socio-economic development.

The "Banc d'Arguin, and Coastal and Marine Biodiversity Trust Fund limited" or BACoMaB, finances biodiversity conservation activities in marine and coastal protected areas in Mauritania in the fields of monitoring, shared governance, community development, ecological monitoring, environmental education and capacity building.

Other marine and coastal areas are being studied by the Mauritanian government. Once created, they will also be eligible for BACoMaB grants.

BACoMaB funding contributes to the preservation of Mauritania's marine and coastal biodiversity and thus to maintaining the benefits these ecosystems provide, particularly those that contribute to renewing fisheries resources.

The 2018 scientific study funded by the FFEM on the ecosystem and economic benefits provided by the Banc d'Arguin underscores the essential role of carbon sequestration played by seagrass beds.

These economic services were estimated at €198.8 million/year and the share of CO_2 sequestered annually by the ecosystems within the Park represented 11% of the country's GHG emissions.

If it were taken into account, the percentage of CO_2 sequestered between 2020 and 2030 by the marine ecosystems of the PNBA would represent 22% of the cumulative avoided GHG emissions target set in the country's Determined National Contribution.

THE PROJECT

AFD made a second contribution of €5 million in 2019, including €4.8 million to the BACoMaB endowment fund and €200,000 to finance studies to support the creation of new marine and coastal areas.

The marine and coastal areas, Banc d'Arguin (PNBA) and Diawling (PND) National Parks, as well as the Cap Blanc and Chot Boul reserves now benefit from BACoMaB funding.

IMPACTS

- **37,000 tCO_2eq/year avoided**
- **Contributing to establishing sustainable financing tools** for biodiversity and environmental preservation
- **Sustainability and development** of BACoMaB's financial capacities and coverage of a greater number of priority activities in marine and coastal areas
- **Supporting the process of designating** new marine protected areas eligible for BACoMaB funding

FONDS FRANÇAIS POUR L'ENVIRONNEMENT MONDIAL

AFD AGENCE FRANÇAISE DE DÉVELOPPEMENT

PROJECT SHEET **AFD 2020**

MOZAMBIQUE

AFD is financing biodiversity conservation and sustainable community development in the Chimanimani Conservation Area in Mozambique.

GDP per capita
$499

HDI
180/189

Population
29.5 M

→ **Funding tool**
Grant

→ **Amounts committed**
€3 M AFD + €1.2 M FFEM

→ **Climate accounting**
100% climate –
100% mitigation

→ **Recipients**
Republic of Mozambique

→ **Date granted**
2019

→ **Project status**
Ongoing

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BIODIVERSITY

FINANCING THE **CONSERVATION OF THE CHIMANIMANI** AREA IN MOZAMBIQUE

COUNTRY BACKGROUND

Located in eastern Mozambique in the mountainous area bordering Zimbabwe, the Chimanimani National Park is made up of a mountain range in the heart of its reserve (634 km²) plus a buffer zone (1,723 km²).

The reserve thus covers a mountainous area with high plant endemism, while the buffer zone extends over the mountain's foothills, and an alluvial plain made up of forests, farmland and forested wastelands. The Park is subject to various pressures in its reserve (gold panning, poaching) and in the buffer zone (illegal logging).

The Micaia Foundation has been working for several years to support the Park's administration (e.g. biodiversity inventory) and the 12 local communities for promoting biodiversity and local economic development. This support enabled an eco-lodge to be set up and honey to be sold throughout the country. However, this development is fragile and subject to many climatic hazards (cyclones and floods).

THE PROJECT

AFD and FFEM are jointly funding a rural development project aimed at preserving biodiversity within the Chimanimani Conservation Area (CCA). Greater knowledge and enhancement of the natural and cultural heritage of the region, conducting a biodiversity inventory, and reducing human-wildlife conflicts with elephant populations contribute to this objective.

In the buffer zone, the project will promote sustainable management of natural resources benefiting the 12 local communities. Securing land rights for local communities will thus be an important strategic focus, with the demarcation of community lands and the development of sustainable land management plans. Two community conservation areas will be created and the 12 local communities will participate in the CCA's governance bodies.

The existing honey industry in the CCA (source of income for local communities) will also be strengthened. Therefore, the project's aim is to achieve a balance within the CCA between improving the socio-economic conditions of local people and preserving forest cover, natural resources, and biodiversity.

IMPACTS

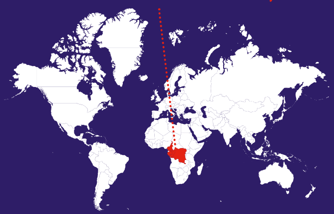
- **-68,677 tCO_2eq/year avoided**
- **Sustainability** of CCA's natural and cultural heritage
- **Better use of natural resources** by and for the benefit of local communities
- **Sustainable funding** for CCA through biodiversity offsets mechanisms

FONDS FRANÇAIS POUR L'ENVIRONNEMENT MONDIAL

AFD AGENCE FRANÇAISE DE DÉVELOPPEMENT

PROJECT SHEET **AFD 2020**

CENTRAL AFRICA (CAMEROON, GABON, CONGO AND DRC)



In partnership with the forestry sector's professional circles, AFD is supporting the development of a continuing education program for the timber-wood industry in the Central African countries.

→ **Funding tool**
Grant

→ **Amounts committed**
€5 M

→ **Climate accounting**
100% climate –
100% mitigation

→ **Recipients**
Réseau des institutions de formation forestière et environnementale d'Afrique centrale (RIFFEAC)

→ **Date granted**
2019

→ **Project status**
Ongoing

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TRAINING THE TIMBER-WOOD INDUSTRY IN CENTRAL AFRICA (ADEFAC)

COUNTRY BACKGROUND

The Congo Basin is home to the world's second largest contiguous tract of tropical forest after the Amazon Basin. The timber-wood industry as a whole represents an important economic sector for the countries of the Congo Basin, both in terms of employment (around 25% of formal employment) and its contribution to the economy (7% of GDP on average).

The development of a continuing education program in these fields is currently insufficient to meet the needs of the timber-wood industry: from the qualifications of skilled workers and supervisors, to the training and professional skills necessary to obtain those qualifications.

Since 2005, the Réseau des institutions de formation forestière et environnementale d'Afrique centrale (RIFFEAC) has been recognized by the Central African Forest Commission (COMIFAC) as the regional platform in charge of implementing the "training and skills building" strategic focus in the sector.

THE PROJECT

In order to support the development of a continuing education program for the timber-wood industry in Central African countries, in partnership with the private forestry sector, AFD has awarded RIFFEAC a 5 million euro grant for the ADEFAC project, which is scheduled to last five years (2020-2024).

In order to make the education program sustainable and relevant, the project aims to identify the training needs for the various professions involved in the timber-wood industry, while at the same time providing a certified training program. In addition, the training program will be expanded nationally and regionally, working to ensure that it is sustainable and financed over the long term at the institutional level.

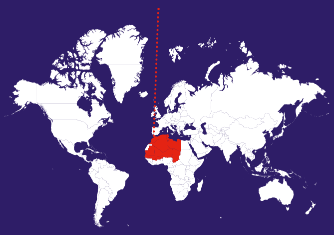
AFD aims to contribute to the sustainable management of the Congo Basin forests by improving the employability and qualifications of those involved in the industry, while enhancing the value of the sector. The project will be carried out in collaboration with the Association Technique Internationale des Bois Tropicaux (ATIBT – meaning International Tropical Timber Technical Association), an association governed by French law, which is the project's Delegated Project Manager (DPM).

IMPACTS

- **16,000 tCO_2eq/year avoided**
- **Improvement of the skills** and individual abilities of those involved in the timber-wood industry
- **Increase in social and professional integration** (especially for young people) through developing local markets for quality processed products
- **Raising awareness** of sustainable forest resource harvesting and management practices
- **Increased carbon storage** in forests and finished wood products

PROJECT SHEET **AFD 2020**

MULTIPLE COUNTRIES IN WEST AND NORTH-WEST AFRICA (MOROCCO, ALGERIA, TUNISIA, LIBYA, MAURITANIA, SENEGAL, MALI, BURKINA FASO, NIGER, AND CHAD)



Support for operational research in West and North-West Africa to improve locust prevention and management in the context of climate change adaptation.

→ **Funding tool**
Grant

→ **Amounts committed**
€2 M

→ **Climate accounting**
100% climate –
100% adaptation

→ **Recipients**
Desert Locust Control Commission (CLCPRO)

→ **Date granted**
2019

→ **Project status**
Ongoing

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AGRICULTURE

SUPPORTING OPERATIONAL RESEARCH ON **DESERT LOCUSTS** IN WEST AFRICA

COUNTRY BACKGROUND

The desert locust is the most formidable locust pest of agro-silvo-pastoral resources. Its ability to migrate thousands of kilometers makes it an international problem with major economic, social, and environmental repercussions.

In West and North-West Africa, there are areas of survival, breeding grounds, and gregarization areas for the desert locust that cause the invasions. Food security and livelihoods in the region are thus threatened.

A model of locust swarm movements based on winds observed in the region over the last 5 years was developed by the Center for International Cooperation in Agricultural Research for Development (CIRAD), supporting efforts to define a regional preventive control strategy.

THE PROJECT

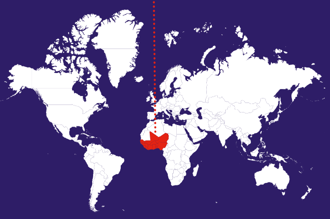
Subsidized to the tune of €2 million by AFD, the West African Regional Desert Locust Control Program will take into account the security context of the region, the impact of climate change on locust dynamics, and international health and environmental requirements when setting up operational research activities. The most inaccessible areas of the region can be tracked using UAVs (drones).

Predictive models of the probability of locust occurrence will also be fine-tuned by taking into account the impact of climate change on locust populations, and by adapting intervention methods to make them more effective. Research will also focus on better preservation of the environment with methods that are more respectful of nature.

IMPACTS

- **Sustainable reduction** of desert locust invasion risks
- **The fight** against poverty
- **Improvement** in food security
- **Preservation of human**, animal, and ecosystem health

MULTIPLE COUNTRIES
(WEST AFRICA)



AFD is financing the BOAD to the tune of €75.6 million to support it in developing resilient, low-carbon economic models in the WAEMU zone by intensifying investment flows to climate projects.

→ **Funding tool**
Non-sovereign loan and grant

→ **Amounts committed**
€75 M + €600,000

→ **Climate accounting**
100% climate –
25% mitigation;
75% adaptation

→ **Recipients**
West African Development Bank (BOAD)

→ **Date granted**
2019

→ **Project status**
Ongoing

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SUPPORTING THE **WEST AFRICAN DEVELOPMENT BANK (BOAD)** IN FINANCING A LOW CARBON, RESILIENT ECONOMY IN THE WEST AFRICAN REGION

COUNTRY BACKGROUND

While the 8 WAEMU member states (Benin, Burkina Faso, Ivory Coast, Guinea-Bissau, Mali, Niger, Senegal, and Togo) have lent their unequivocal support to the Paris Climate Accord, there is still too limited a supply of financing dedicated to supporting climate change benefit investments in West Africa. This observation is particularly worrisome in the least developed countries of the subregion, for which the problems of adaptation to the effects of climate change are acute.

Indeed, the subregional financial architecture is struggling to address these issues and few financial institutions have developed proactive climate strategies. One notable exception is the West African Development Bank (BOAD), which in its Strategic Plan provides support to member states to build greater resilience to climate shocks and commit to sustainable and inclusive growth.

THE PROJECT

Through a €75 million line of credit and €600,000 in technical assistance, AFD is contributing to the development of resilient, low-carbon economic models in the WAEMU zone via a program with conditions that are adapted to funding mitigation and adaptation projects for WAEMU zone Member States and the subregion's private sector.

AFD is also supporting the BOAD in implementing its Environment and Climate strategy in order to intensify financing flows to promote a low carbon, resilient economy in the region.

In the longer term, this support could evolve towards a more targeted partnership approach (strengthening the climate partnership, support for the issuance of green bonds, co-financing, etc.).

IMPACTS

- **Redirecting financial flows** within the West African region towards investments that generate significant climate change benefits, particularly in terms of adaptation
- **Support for diversifying** the productive models of the recipient countries
- **Deployment of infrastructure** and equipment taking into account future climate changes

PROJECT SHEET **AFD 2020**

MULTIPLE COUNTRIES
AFRICA

Through this €5 million grant, AFD is financing the consolidation of the International Network for Agricultural and Rural Training (FAR) to support it in its gradual institutional and financial empowerment.

→ **Funding tool**
Grant

→ **Amounts committed**
€5 M

→ **Climate accounting**
58% climate –
58% adaptation

→ **Recipients**
International Network for Agricultural and Rural Training Association – FAR

→ **Date granted**
2019

→ **Project status**
Ongoing

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EDUCATION

SUPPORTING THE CONSOLIDATION AND EMPOWERMENT OF THE INTERNATIONAL **NETWORK FOR AGRICULTURAL AND RURAL TRAINING** (FAR)

COUNTRY BACKGROUND

Difficulties in the socio-economic development of rural areas strongly affect young people, women, and the most vulnerable groups that are heavily represented there. The agricultural and food industries account for more than 60% of assets in sub-Saharan Africa, mostly family-owned farms or sole proprietorships in the informal sector.

Agricultural and Rural Training (FAR), which concerns both agricultural and non-agricultural jobs in rural areas, is at the heart of the governments' development strategies and is a cross-cutting issue for agricultural, education, and training policy priorities.

It is a pivotal instrument for economic development, poverty reduction, land use planning, and limiting rural exodus and internal migration. The reforms underway around these priorities and the organization of the stakeholders who implement them mobilize many technical and financial partners and bring to light significant FAR needs that must be addressed.

THE PROJECT

The International Network for Agricultural and Rural Training (FAR), created in 2006, supports countries engaged in a process of upgrading their FAR systems, in particular by promoting capacity building, experience sharing and capitalization. Its actions also aim at providing decision-making support tools for public policies or technical and financial partners supporting FAR projects and programs.

Through this €5 million grant, AFD is supporting FAR's consolidation in order to assist it in its progressive institutional and financial empowerment to serve members, stakeholders, and partners involved in the development and implementation of policies, strategies, programs, and initiatives related to FAR.

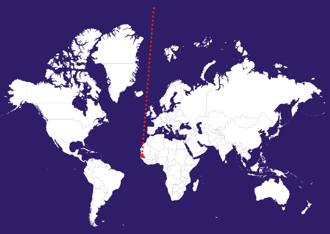
IMPACTS

- **Significant enrichment** of the pool of FAR experts in the countries concerned
- Improving FAR mechanisms in recipient countries
- **Leveraging effects on the improvement** of professional integration in the agricultural world and the creation of decent jobs in rural areas
- **Integration of sustainable management** of natural resources and the fight against climate change within FAR mechanisms

AFD
AGENCE FRANÇAISE DE DÉVELOPPEMENT

PROJECT SHEET **AFD 2020**

SENEGAL



AFD has obtained €15 million in funding from the Green Climate Fund (GCF) to support integrated flood risk management in Senegal.

GDP per capita
$1,522

HDI
166/189

Population
15.9 M

→ **Funding tool**
Grant (FVC)

→ **Amounts committed**
15.9 M

→ **Climate accounting**
100% climate –
100% adaptation

→ **Recipients**
Republic of Senegal

→ **Date granted**
2017

→ **Project status**
Ongoing

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INTEGRATED FLOOD MANAGEMENT IN SENEGAL (PGIIS)

COUNTRY BACKGROUND

In recent decades, population growth and rural exodus have resulted in an increase in Senegal's urban population. In Africa, fast-growing cities are also experiencing damage from heavy rains and coastal erosion. Projections on the effects of climate change suggest that, despite an overall decrease in rainfall, intense rainfall events will become more frequent and could cause heavy damage to the most vulnerable areas and populations.

Faced with these challenges, the Senegalese government has made flood management one of its priorities. The country is already at the forefront of flood management policy in West Africa in terms of emergency response and now wishes to ensure effective, integrated flood management in the medium and long term.

THE PROJECT

In addition to the flood control project in 5 districts of the city of Pikine (sovereign loan of €50 million approved in 2015), a €15 million component relating to integrated flood risk management in Senegal has benefited from a contribution from the Green Climate Fund (GCF). The objective is to move away from the current logic of flood management focused on drainage infrastructure towards a cross-cutting approach of disaster risk reduction that includes risk knowledge, reduction, and prevention.

To take into account the multi-sectoral nature of integrated flood management, the project also aims to facilitate discussions among all of the institutions involved, across different sectors.

By implementing a new flood risk management policy, the project will improve the country's resilience trajectory, enabling about 2.2 million people to be less vulnerable to floods. It will also reduce risks to human lives and health as well as economic activities and assets, ultimately leading to increased social well-being.

IMPACTS

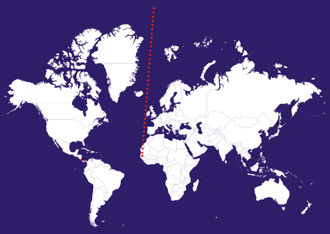
- **Developing a flood-resistant** urban planning system
- **Developing a culture of risk management** in public institutions and among the most vulnerable people groups
- **Reducing the number of victims** and recovery time related to floods

GREEN CLIMATE FUND

AFD AGENCE FRANÇAISE DE DÉVELOPPEMENT

PROJECT SHEET **AFD 2020**

SENEGAL



Alongside other donors, AFD is co-financing a project to support the waste management industry in several Senegalese cities.

GDP per capita
$1,522

HDI
166/189

Population
15.9 M

→ **Funding tool**
Sovereign loan

→ **Amounts committed**
€40 M

→ **Climate accounting**
100% climate –
100% mitigation

→ **Recipients**
Republic of Senegal

→ **Date granted**
2019

→ **Project status**
Ongoing

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PROMOTING **INTEGRATED WASTE MANAGEMENT AND ECONOMY** IN SENEGAL

COUNTRY BACKGROUND

Poor waste management in Senegal is causing the quality of life to deteriorate in the country's cities, resulting in the clogging of rainwater drains, flooding, the degradation of surface and groundwater quality, and the spread of pathogens.

The impact of, and untapped opportunities related to poor waste management are estimated at 1.06% of the country's GDP according to the World Bank. More efficient waste management in Senegal would contribute to strengthening sustainable, shared development by taking the environment and access to quality, basic services into account, and would also help to build more resilient societies by improving living conditions.

In addition, Senegal ratified the Paris Accord in 2016 and is committed to significantly reducing its GHG emissions and increasing methane capture and waste management infrastructure in its Determined National Contribution by 2030.

THE PROJECT

AFD, alongside the World Bank (WB), the Spanish Agency for International Development Cooperation (AECID), and the European Investment Bank (EIB), is financing a project to support the waste management industry in the Greater Dakar urban area, as well as several "secondary" regions in the north of the country and in Casamance.

This funding aims to gradually close illegal landfills or those that cause health problems and create new facilities capable of improving waste collection, sorting, and recovery while capturing methane emissions.

In addition, the project includes a study on the resilience of infrastructures to climate change. A vulnerability analysis was conducted in this sense, identifying the main risks related to climate change to be integrated into the research, design, and implementation phases of the project.

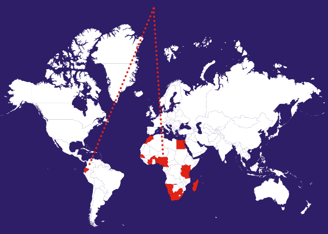
IMPACTS

- **-500,000 tCO_2eq/year avoided**
- **Improving governance** and systems for integrated, sustainable management of the waste industry
- **Improving** people's quality of life

AFD
AGENCE FRANÇAISE DE DÉVELOPPEMENT

PROJECT SHEET **AFD 2020**

MULTIPLE COUNTRIES
(AFRICA AND LATIN AMERICA)



Funded by AFD and the FVC, the TFSC program supports financial system stakeholders in developing climate finance in potentially 17 countries engaged in a low carbon, resilient transition

- → **Funding tool**
  Non-sovereign loans + grants
- → **Amounts committed**
  €406 M + €7 M (AFD) and €209 M + €31 M (FVC)
- → **Climate accounting**
  100% climate –
  max. 60% mitigation; min. 40% adaptation
- → **Recipients**
  Public and private financial institutions in the following countries: Benin, Burkina Faso, Cameroon, Egypt, Ecuador, Ivory Coast, Kenya, Madagascar, Mauritius, Morocco, Namibia, Nigeria, Senegal, South Africa, Tanzania, Togo, and Uganda.
- → **Date granted**
  2018
- → **Project status**
  Ongoing

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TRANSFORMING **FINANCIAL SYSTEMS FOR CLIMATE (TFSC)**

COUNTRY BACKGROUND

Despite the growing willingness of governments to implement national low-carbon, climate-resilient transition strategies, financial systems are still struggling to support the financing of investments that can make this transition operational. Few financial institutions in the South have already developed proactive climate strategies or have a portfolio of assets financing actions against climate change.

In response to this challenge, AFD Group has launched a large-scale program called Transforming Financial Systems for Climate (TFSC) in 17 countries on the African continent and in Latin America.

THE PROJECT

To launch this program to mobilize local financial systems in support of the climate, AFD Group has requested financial resources from the Green Climate Fund (GCF).

AFD and the FVC are thus financing a €653 million program to transform the financial practices of local financial institutions and redirect financing flows to climate change mitigation and adaptation projects.

The TFSC program supports stakeholders in the financial system for developing climate finance in up to 17 countries engaged in a low-carbon, resilient transition, by financing assets aimed at reducing GHG emissions and building resilience to climate change. At the same time, technical assistance is being mobilized for local financial institutions on cross-cutting climate capacity building activities, including identifying eligible, cost-effective projects and developing and implementing climate strategies.

IMPACTS

- **1,800,000 tCO_2eq/year avoided**
- **Developing climate finance** through the local financial systems
- **Redirecting financial flows** to finance climate-friendly projects
- **Job creation** in green sectors
- **Support for implementing public policies** and national climate strategies

PROJECT SHEET **AFD 2020**

CHINA

As part of the national "Sponge City" policy, AFD has been asked to fund a Sponge City pilot project in Mianyang, China.

GDP per capita
$9,771

HDI
85/189

Population
1.4 BN

→ **Funding tool**
Sovereign loan

→ **Amounts committed**
€35 M

→ **Climate accounting**
66% climate –
66% adaptation

→ **Recipients**
People's Republic of China

→ **Date granted**
2018

→ **Project status**
Ongoing

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CONVERTING THE CITY OF MIANYANG, CHINA INTO A **SPONGE CITY**

COUNTRY BACKGROUND

The urbanization rate of China's population has increased from 19.4% in 1980 to over 51% in 2010. This unprecedented phenomenon has led to significant land degradation. At the same time, heavy rainfall events are becoming more regular and significantly increase runoff which, combined with climate change, increases the risk of flooding in many areas.

In response to numerous episodes of urban flooding and drought, the Chinese government began promoting the construction of cities capable of better managing flood risks and water resource management in 2013. Dubbed "Sponge city", this concept of resilient cities aims to absorb, store, and drain rainwater and runoff water to avoid the effects of saturation and eventually urban flooding. It also aims to reuse water under certain conditions and/or return it to the natural environment.

THE PROJECT

Water is a local problem that requires a local response. It is in the context of China's national "Sponge City" policy that AFD was asked to support the urban development of the new Hedong neighborhood in the Hanzhou district of the city of Mianyang (Sichuan Province) for its growing population.

The project will finance the implementation of ecological and innovative infrastructure such as a water purification plant, draining pavement, the restoration of an ecological corridor, or an intelligent information system for water resource management. It will also support the city in implementing urban and ecological regulations limiting the impact of flooding. This funding aims to make Mianyang a "Sponge City" pilot in the Sichuan Province by mitigating the negative effects of urbanization and improving the sustainable use and integrated management of water resources. AFD is also helping the project through a flood risk vulnerability study of the Hedong district.

IMPACTS

- **Increasing the neighborhood's capacity** to absorb, drain, store, and reuse storm water
- **Limiting the use of groundwater** to supply the new neighborhood and surrounding area
- **Reducing** water pollution
- **Capacity building** in flood management for local and central authorities
- **Urban resilience** to flooding

AFD
AGENCE FRANÇAISE DE DÉVELOPPEMENT

PROJECT SHEET **AFD 2020**

PALESTINIAN AUTONOMOUS TERRITORIES (PAT)

AFD granted a €50 million line of credit to Crédit Agricole du Maroc to reinforce its loan portfolio for financing sustainable agricultural projects in rural areas, accompanied by a €1.5 million grant.

GDP per capita
$3,199

HDI
119/189

Population
5 M

→ **Funding tool**
Grant

→ **Amounts committed**
€13.2 M + €23.8 M (FVC)

→ **Climate accounting**
95% climat – 95% adaptation

→ **Recipients**
The Palestinian Authority

→ **Date granted**
2019

→ **Project status**
Ongoing

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SECURING **WATER RESOURCES** AND FOOD IN GAZA

COUNTRY BACKGROUND

Water scarcity in the Palestinian Autonomous Territories (PAT) is a fundamental aspect of the vulnerability of its people, especially in rural areas. By 2050, a 15% decrease in rainfall is predicted along with a considerable reduction in the country's available water resources as a result of climate change. This is compounded by the projected population growth and complex geopolitical context in the region, which will inevitably aggravate the current situation of water stress and shortage.

This situation will lead to increasing pressure on groundwater resources, which are already being overexploited.

THE PROJECT

In partnership with the Green Climate Fund (GCF), AFD is financing a project to reuse wastewater that will be treated to replenish and decontaminate the coastal water table, while improving the resilience of agriculture in the north of the Gaza Strip. This water table is the only source of drinking and irrigation water for the area' s 2 million inhabitants.

The treated water will then be recovered from the water table by several wells to supply crops via an irrigation system, which will be renovated as part of the project. An 8.5 hectare solar power plant will be set up to supply the facilities with electricity.

IMPACTS

- **Improved irrigation** service provided to 1,500 farmers
- **Introducing water resources** from unconventional sources
- **Providing drinking water** for nearly 200,000 people
- **Maintaining** more resilient irrigated agriculture

GREEN CLIMATE FUND

AFD AGENCE FRANÇAISE DE DÉVELOPPEMENT

PROJECT SHEET **AFD 2020**

INDIA

In India, STOA finances the construction of a platform for wind energy projects.

GDP per capita
$2,009

HDI
129/189

Population
1.3 BN

→ **Funding tool**
Joint-venture 50/50

→ **Amounts committed**
50% of the project (total undisclosed amount)

→ **Climate accounting**
100% climate –
100% mitigation

→ **Recipients**
Republic of India

→ **Date granted**
2018

→ **Project status**
Ongoing

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CALABRIA PROJECT: CREATING A PLATFORM FOR **WIND ENERGY PROJECTS** IN INDIA

COUNTRY BACKGROUND

India's renewable energy industry is experiencing strong growth and demand for electricity will continue to increase. Wind energy today offers a competitive solution for reducing the cost of electricity.

While India relies heavily on coal to meet its energy needs, STOA's work in conjunction with Engie is helping to decarbonize the electricity mix and contribute to meeting the country's commitments under the Paris Accord.

THE PROJECT

In India, STOA is working alongside ENGIE to build a platform for wind energy projects. Developed as part of a joint venture co-owned by the two organizations, this platform hosts onshore projects carried out as part of regional and national tenders.

The project avoids 2 million tons of CO_2 emissions each year. It thus contributes to STOA's objective of allocating 30% of its funds for projects that help people cope with the effects of climate change and which promote the sustainable development of emerging Asian countries.

Through this project, STOA is helping to reduce the average price of electricity in India and strengthen the country's energy independence. This is an essential initiative at a time when the demand for energy is booming. Ultimately, the Calabria project will meet the needs of nearly 2.3 million people each year.

IMPACTS

- **700 MW** of additional wind power
- **An output equivalent** to the energy needs of 2,284,000 inhabitants
- **2 $MtCO_2eq$/year avoided**

stoa
INFRA & ENERGY

PROJECT SHEET **AFD 2020**

INDONESIA

AFD is supporting the development of an integrated information system for marine meteorology in Indonesia.

GDP per capita
$3,894

HDI
111/189

Population
268 M

→ **Funding tool**
Sovereign loan

→ **Amounts committed**
$71.1M

→ **Climate accounting**
100% climate –
100% adaptation

→ **Recipients**
Republic of Indonesia

→ **Date granted**
2018

→ **Project status**
Ongoing

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STRENGTHENING **INDONESIA'S MARINE METEOROLOGY** SYSTEM

COUNTRY BACKGROUND

Maritime spaces are a determining component of the identity, security, and development of Indonesia, the world's largest archipelago of about 17,000 islands. The existence of efficient systems for collecting, analyzing, and disseminating reliable marine meteorological data to coastal communities and maritime sectors is thus a major challenge for the country. Indonesia is also highly exposed to the effects of climate change, the economic cost of which is estimated to reach 11% of GDP by the end of the 21st century. Knowledge, monitoring ocean changes, and prediction of climate events are necessary to reduce their effects on the people.

THE PROJECT

Through a $71.1 million loan, AFD is supporting the development of an integrated information system for marine meteorology in Indonesia.

As a result, a maritime observation network covering all Indonesian waters will be set up along with reliable, integrated modeling, forecasting, and warning services that are accessible to users of maritime and coastal areas, as well as to the general public.

The creation of tools and knowledge on meteorology and climate studies, as well as the development of the operational capacities of the BMKG, the National Agency for Meteorology, Climatology and Geophysics, will also be pursued.

IMPACTS

- **Better monitoring** and knowledge of the ocean and climate change
- **Improved planning and adaptation capacities** of communities, risk management services, and maritime economic stakeholders to the effects of climate change
- **Decrease in economic losses** related to natural disasters and recurring weather events
- **Improving the quality of life** of coastal populations and sectors of the blue economy

PROJECT SHEET **AFD 2020**

INDONESIA

In Indonesia, AFD is supporting the financing solutions offered by PT Sarana Multi Infrastruktur, a public financial institution that contributes directly to SDGs and the fight against climate change in order to promote sustainable and low-carbon growth.

GDP per capita
$3,894

HDI
111/189

Population
268 M

→ **Funding tool**
Non-sovereign loan + Grant

→ **Amounts committed**
$150M + €5 M

→ **Climate accounting**
70% climate

→ **Recipients**
PT Sarana Multi Infrastruktur (Persero) (PT SMI)

→ **Date granted**
2019

→ **Project status**
Ongoing

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SUPPORTING THE FINANCING OF SDGS AND CLIMATE CHANGE PROJECTS **IN INDONESIA**

COUNTRY BACKGROUND

Due to its location in an area that is particularly vulnerable and prone to natural disasters (earthquakes, tsunamis, and volcanic eruptions), the development of sustainable, resilient infrastructure is a necessity for Indonesia, which is facing major challenges related to climate change.

The lack of investment in infrastructure by the public and private sectors over the last decade has hampered the country's competitiveness. Much of the infrastructure is now inadequate, particularly in terms of transportation and connectivity, affecting businesses as well as urban and rural populations.

To address this issue, PT Sarana Multi Infrastruktur (PT SMI), a public financial institution created in 2009 and specializing in infrastructure financing, launched the SDG Indonesia One initiative with the Indonesian government in October 2018. This initiative aims to put the necessary tools in place to significantly increase funding for projects that contribute to the achievement of SDGs.

THE PROJECT

In Indonesia, AFD is funding the reinforcement of PT SMI's financing solutions, contributing directly to SDGs and the fight against climate change in order to promote sustainable and low-carbon growth. Thanks to a $150 million line of credit from AFD and a €5 million delegation of funds from the EU, PT SMI will be able to fund climate finance infrastructure projects in accordance with the common principles of the International Development Finance Club (IDFC) and multilateral development banks.

Technical assistance is also planned to complement the financing, to support the sourcing and analysis of the institution's project pipeline, and to gradually transform the institution into a multi-sector development bank and strengthen its role in implementing SDGs.

IMPACTS

- **280,000 tCO_2eq/year avoided**
- **Improving the quality of projects** and the resilience of the country's infrastructure to the effects of climate change
- **Job creation**
- **New renewable energy** production capacities, electrification of the most remote rural areas

PROJECT SHEET **AFD 2020**

INDONESIA

Since 2016, AFD has chosen to support the Indonesian government's fiscal and budgetary reform and to encourage budgetary efforts in favor of ecological transition.

GDP per capita
$3,894

HDI
111/189

Population
268 M

→ **Funding tool**
Sovereign loan

→ **Amounts committed**
€350 M divided into 3 tranches, including €100 M for climate change

→ **Climate accounting**
31% climate –
31% adaptation

→ **Recipients**
Republic of Indonesia

→ **Date granted**
2019

→ **Project status**
Ongoing

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GOVERNANCE

STRENGTHENING INDONESIA'S **PUBLIC FINANCES**

COUNTRY BACKGROUND

The main objectives of the National Medium-Term Development Plan (NMTDP 2015-2019) drawn up by the Indonesian government are to sustainably reduce social inequalities and improve the people's quality of life, primarily by prioritizing spending on infrastructure (transportation, fishing ports, water and sanitation, etc.) and spending in the healthcare and social protection sectors.

However, financing this plan requires significant financial resources amounting to $460 million for infrastructure alone. The level of taxation remains abnormally low (10.3% of GDP in 2018) and public spending is still too slow. As a result, the Indonesian government has embarked on a program of fiscal and budgetary reforms aimed at ensuring an adequate level of domestic revenue for implementing the NMTDP.

THE PROJECT

Since 2016, AFD has been supporting the fiscal and budgetary reform initiated by the Indonesian government in 2015 in order to finance the NMTDP 2015-2019. This support has taken the form of successive public policy loans in partnership with the World Bank. This project aims to improve the quality of public spending, strengthen the tax administration's efficiency, and consolidate fiscal policy.

Ultimately, these measures will help improve the execution of public spending and increase government resources for combating climate change and preventing natural disasters, especially floods. The increase in infrastructure spending will lead to local investments (water and sanitation hook ups; sanitation infrastructure; rural electrification, etc.), public transportation, and subsidized housing, all of which contribute to the low-carbon transition. There are also plans to set up an insurance mechanism to deal with natural disasters.

IMPACTS

- **Sustainable growth** and a resilient economy: the tax-to-GDP ratio is projected to increase to 3% of GDP by 2022
- **Reducing social inequalities:** increasing the share of the state budget allocated to infrastructure, healthcare, and social welfare sectors
- **Climate resilience:** improving monitoring, planning, and budgeting of public expenditures for climate change adaptation and mitigation

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PROJECT SHEET **AFD 2020**

JORDAN

AFD is financing the restructuring and expansion of the sanitation system in the Balqa area in Jordan.

GDP per capita
$4,242

HDI
102/189

Population
10 M

→ **Funding tool**
Sovereign loan + subvention

→ **Amounts committed**
€60 M+ €15 M from funds delegated by the EU

→ **Climate accounting**
100% climate -
50% mitigation;
50% adaptation

→ **Recipients**
Hashemite Kingdom of Jordan

→ **Date granted**
2018

→ **Project status**
Ongoing

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REBUILDING AND EXPANDING THE **SANITATION SYSTEM** IN THE NORTHEAST OF BALQA GOVERNORATE, JORDAN

COUNTRY BACKGROUND

Jordan is currently experiencing a water stress situation that has been exacerbated by the massive influx of refugees from regional crises, which was already aggravated by climate change and demographic pressure. The annual availability of useable fresh water does not exceed 135 m^3/inhabitant/year, one of the lowest on the planet.

In addition, the country's topography is such that the drinking water consumption centers are remote and located at much higher altitudes than the drinking water production centers. This has a major impact on the water industry's electricity bill, which is the country's largest consumer of electricity, accounting for 20% of the national total. In addition, energy (all sectors combined) contributes to more than 70% of Jordan's GHG emissions.

Faced with this twofold observation, the mobilization of new, low-energy water resources is essential for addressing the persistent water deficit, a real obstacle to the country's economic and social development that this project financed by AFD and the EU is helping to alleviate.

THE PROJECT

The project involves restructuring and extending the sanitation system in the Balqa area, a sector whose population will reach 470,000 by 2030. This project will be carried out in 2 phases and aims at expanding the wastewater collection system and building a new wastewater treatment plant in order to treat the entire area and reuse the wastewater after treatment.

The project responds to the challenges of Jordan's climate vulnerabilities in line with national adaptation policies by creating a new perennial water resource for irrigation, which can be substituted for other natural resources, and whose use will be primarily based on drinking water.

The project also includes a mitigation component related to the energy recovery of sludge from wastewater treatment. For this purpose, the sewage plant's sludge process includes bio-digesters and an energy production unit.

IMPACTS

- **-15,000 tCO_2eq/year avoided**
- **Avoiding pollution** of soil and water resources
- **Preserving conventional resources** (surface and ground water) and agricultural use of treated wastewater
- **Developing renewable energies** (bio-digesters and hydroelectric turbines)
- **Maintaining agricultural activity** in the Jordan river basin

PROJECT SHEET **AFD 2020**

TURKEY

AFD supports Turkish forestry policy via a public policy loan to the Turkish Treasury and technical cooperation between OGM and ONF.

GDP per capita
$9,370

HDI
59/189

Population
82 M

→ **Funding tool**
Public policy loan + FEXTE

→ **Amounts committed**
€150 M + €800,000

→ **Climate accounting**
100% climate –
50% adaptation, 50% mitigation

→ **Recipients**
Republic of Turkey

→ **Date granted**
2018

→ **Project status**
Ongoing

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SUPPORTING THE **TURKISH FORESTRY POLICY** TO COMBAT CLIMATE CHANGE AND PRESERVE BIODIVERSITY

COUNTRY BACKGROUND

Turkey is one of the main forested countries in Europe, with 22.3 million hectares of forest (28.6% of the territory) and a particularly rich biodiversity. The forest plays an important role in the economic activity of rural areas (production of wood and secondary forest products), providing income for forest communities. t also plays a key role in protecting public goods such as water resources, flood control, biodiversity conservation, local climate regulation, and combating climate change.

For several years now, the Turkish government has been committed to an ambitious policy aimed at reforesting 30% of the country's land area by 2023, while at the same time improving the quality of its forestry policy. More than 99% of the forest is public and is managed by the General Directorate of Forestry of the Ministry of Agriculture and Forestry.

THE PROJECT

AFD has been supporting Turkish forest policy since 2011 via public policy loans to the Turkish Treasury and technical cooperation between the General Directorate of Forestry of the Turkish Ministry of Agriculture and Forestry (OGM) and its French counterpart, the National Forestry Office (ONF). This project aims to support Turkey in financing and improving an efficient, ambitious forestry policy to combat climate change and preserve biodiversity.

To do this, AFD has defined the budgetary guidelines to be followed to meet the challenges of climate change in close cooperation with the Turkish government. Technical and institutional objectives are also planned through setting up pilot projects and joint studies stemming from the OGM-ONF partnership, as well as two working groups, dedicated respectively to climate change and biodiversity in order to integrate these issues into Turkish forestry policy.

IMPACTS

- **-760,000 tCO_2eq/year avoided**
- **Strategically integrating** the fight against climate change into the heart of Turkish forestry policy
- **Integrating biodiversity** and ecosystem services into forest policy
- **Consolidating** and sustaining the partnership between the OGM and the ONF

PROJECT SHEET **AFD 2020**

VIETNAM

To strengthen energy security and increase low-carbon supply in Vietnam, AFD is financing new sources of power generation for the public utility company, Vietnam Electricity (EVN), based on renewable energies.

GDP per capita
$2,729

HDI
118/189

Population
97.4 M

→ **Funding tool**
Non-sovereign loan; Grant

→ **Amounts committed**
€100 M+ €2 M from funds delegated by the EU

→ **Climate accounting**
100% climate –
100% mitigation

→ **Recipients**
Vietnam Electricity (EVN)

→ **Date granted**
2017

→ **Project status**
Ongoing

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SUPPORTING THE PUBLIC ELECTRICITY COMPANY, ELECTRICITÉ DU VIETNAM (EVN), TO **DEVELOP RENEWABLE ENERGIES**

COUNTRY BACKGROUND

Vietnam is a country with strong economic growth and the government anticipates an increase in electricity demand of around 10.6% per year between 2016-2020, 8.5% between 2021-2025, and 7.5% between 2026-2030. Increasing installed capacity is therefore a prerequisite for the country's continued development.

Faced with this need, the use of coal is expected to grow from 34% to 43% of the country's energy mix, contributing to a threefold increase in GHG emissions by 2030. However, this observation should not obscure the government's efforts and ambitions on renewable energies, whose share should reach 21% in 2030, compared to 0.3% in 2016. In concrete terms, this involves the commissioning of nearly 21 GW of renewable energy capacity: by 2019, 10 GW of solar capacity will have been commissioned, representing 44% of the solar capacity of the entire Southeast Asian region. Vietnam has thus reached its target of installed solar capacity by 2025.

THE PROJECT

In this context of strong growth in demand and where renewable energies have gained renewed momentum, it is necessary to support the Vietnamese government in promoting, developing, and optimizing renewable energy projects in order to limit the use of new coal-fired power plants.

The project thus aims to strengthen energy security and increase Vietnam's low-carbon supply by increasing the production of renewable energy by Electricité du Vietnam (EVN).

On the one hand, AFD is financing the capacity expansion (+360 MW) of the Laly hydropower plant to reach an installed capacity of 1080 MW. This part will benefit from €2 million in technical assistance in the areas of Health, Safety and Environment funded by the European Union. The goal is to improve EVN's standards and practices in building hydroelectric power plants.

In addition, AFD is financing the development of solar energy with the commissioning of a 49 MWp capacity photovoltaic power plant in Se San.

IMPACTS

- **New solar and hydroelectric capacity** and emission reduction of 97,600 tCO_2eq/year
- **Securing electrical systems** and increasing production capacity
- **Reinforcing EVN's capacities** on Health, Safety, and Environment at hydroelectric power plant construction sites

PROJECT SHEET **AFD 2020**

BRAZIL

In the city of Curitiba, Brazil, AFD is helping reinforce the resilience of local communities and urban development in the precarious Caximba district.

GDP per capita
$8,921

HDI
79/189

Population
209.5 M

→ **Funding tool**
Sovereign loan

→ **Amounts committed**
€38.14 M

→ **Climate accounting**
60% climate –
60% adaptation

→ **Recipients**
Municipality of Curitiba

→ **Date granted**
2019

→ **Project status**
Ongoing

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RENOVATING THE **PRECARIOUS NOVO DO CAXIMBA DISTRICT** IN CURITIBA

COUNTRY BACKGROUND

In Brazil, the challenge of adapting cities to climate change is a major one with 80% of its population living in urban areas, where uncontrolled, spontaneous growth has led to a concentration of people in high-risk areas (floods and landslides).

The city of Curitiba, the country's fifth largest source of GDP and a pioneer in sustainable urban development since the 1960s, is no exception to the rule. The vulnerability study conducted on the project's scope highlighted the high degree of vulnerability of precarious housing in the Caximba district to socio-economic, environmental, and climate risks.

As an area of strategic, political interest for the city, the Caximba district receives political attention. The project will be a real laboratory for urban and social experimentation in order to test innovative approaches to replicate its successes on a metropolitan scale.

THE PROJECT

In the city of Curitiba, Brazil, AFD is financing an integrated, multi-sectoral project to re-house families living in a precarious situation in a flood-prone area and build flood control embankments.

In a participatory way, nature-based solutions have been defined for the district's adaptation to climate change in order to make this territory a model of urban resilience: preserving and enhancing urban biodiversity by developing areas that are vulnerable to flooding and restoring local ecosystems; minimizing natural and climatic disasters in the district by reducing the risk of flooding in particular; promoting the inclusion of socio-economic, environmental and climatic factors among households that are vulnerable to extreme weather events; proposing new housing conditions, quality public services, and local social and sports infrastructure for the well-being of its inhabitants.

This project is in line with previous AFD initiatives for urban greening and park development projects in Curitiba.

IMPACTS

- **2,713 people** living in flood-risk areas relocated, including 1,548 women
- **Fostering social and economic inclusion** for re-housed families
- **Improving vegetation cover** and restoring local ecosystems

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PROJECT SHEET **AFD 2020**

BRAZIL

AFD is financing a €50 million green line of credit to the Regional Development Bank of South Brazil (BRDE).

GDP per capita
$8,921

HDI
79/189

Population
209.5 M

→ **Funding tool**
Non-sovereign loan

→ **Amounts committed**
€50 M

→ **Climate accounting**
70% climate –
60% mitigation;
10% adaptation

→ **Recipients**
Regional Development Bank of South Brazil (BRDE)

→ **Date granted**
2017

→ **Project status**
Ongoing

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FINANCIAL SYSTEMS

SUPPORTING THE **REGIONAL DEVELOPMENT BANK** OF SOUTH BRAZIL (BRDE) IN FINANCING GREEN AND SDG PROJECTS

COUNTRY BACKGROUND

The southern region of Brazil represents the second most important economic contribution to the country, especially through its agricultural and livestock activities. These industries have significant environmental and climatic impact. The region's greenhouse gas emissions thus represent 11% of the country's emissions and the region is responsible for 20% of national emissions related to the agriculture and livestock industry.

In addition to these climatic challenges, environmental challenges need to be addressed in the region, particularly to improve the quality of surface water, the sanitation network, and agricultural waste management.

Federal, regional, and state public banks aim to finance sectoral transitions provided for in public policies. One of these banks, the BRDE, is dedicated to developing and integrating Brazil's southern region.

THE PROJECT

In line with the southern region's environmental challenges and Brazil's environmental and climate policies, AFD is financing a €50 million green line of credit to the BRDE. Programmatic in nature, it aims to finance high-impact projects for the environment and climate and contribute to diversifying the BRDE's resources with this first loan from a bilateral donor.

An €800,000 technical cooperation program financed by AFD's Technical Expertise and Experience Exchange Fund (FEXTE) to strengthen the BRDE's capacities has also been set up, more specifically to monitor project impact and strengthen its internal environmental and social responsibility policy. The aim of this project is to support the bank in its strategic evolution so that it can best fulfill its mandate as a public development institution and its ambition to assert itself as a pioneer in promoting Agenda 2030.

To date, 29 projects have been funded under this line of credit.

As a continuation of this project, a second €70 million line of credit was granted in August 2020 to support the bank in the transformation of its financing strategy for Sustainable Development Objectives.

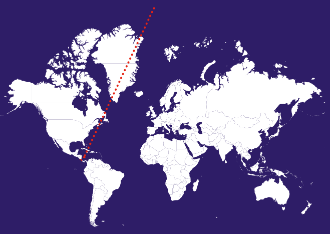
IMPACTS

- **12,970 tCO_2eq/year avoided**
- **Improving the environmental impact** of the BRDE's project portfolio and E&S policy
- **Reducing the negative environmental impact** of the agricultural industry in the region
- **Increasing the region's resilience** to climate change

AFD AGENCE FRANÇAISE DE DÉVELOPPEMENT

PROJECT SHEET **AFD 2020**

COSTA RICA



By financing this \$120 million public policy loan, AFD is contributing to the Costa Rican economy's decarbonization policy, which aims to make the country carbon neutral by 2050.

GDP per capita
\$12,027

HDI
68/189

Population
5 M

→ **Funding tool**
Public policy loan

→ **Amounts committed**
\$120 M

→ **Climate accounting**
***100% climate** – 100% mitigation*

→ **Recipients**
Republic of Costa Rica

→ **Date granted**
2019

→ **Project status**
Ongoing

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SUPPORTING THE IMPLEMENTATION OF COSTA RICA'S 2018-2050 **NATIONAL DECARBONIZATION PLAN**

COUNTRY BACKGROUND

Costa Rica is a pioneer in the fight against climate change, preserving the environment, and decarbonizing its economy. It stands out in the subregion not only for its political stability, high-quality social protection and education systems and dynamic economic growth, but also for its ongoing political commitment to environmental and biodiversity conservation.

Nevertheless, the country's economic development and preservation of its natural resources are currently threatened by the effects of climate change. Costa Rica, a world reservoir of biodiversity, is one of the most vulnerable countries to the impact of climate change.

This situation has led President Alvarado's government to rethink its development model (agriculture, transportation, and sanitation) and approve an ambitious 2018-2050 National Decarbonization Plan (NDP) in early 2019, which aims to make the country carbon neutral by 2050.

THE PROJECT

This is AFD's first project in Costa Rica. This public policy loan aims to contribute to the Costa Rican economy's decarbonization process by focusing on strengthening the management, steering and transparency of climate change actions, restoring and protecting ecosystems with high carbon capture potential (e.g. mangroves), and increasing the use of clean electricity, especially in the transportation industry through electric mobility. The program is co-financed by the Inter-American Development Bank (IDB).

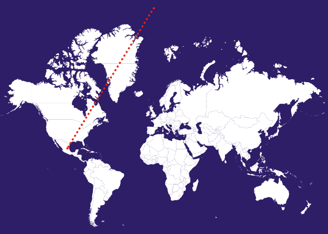
IMPACTS

- **Implementing** the decarbonization plan
- **Developing zero-emissions** private and public transportation that is accessible to the most disadvantaged people
- **Developing agricultural commodity sectors** (coffee, sugar cane, and rice) that better respect biodiversity
- **Strengthening climate governance** at the interministerial level

AFD AGENCE FRANÇAISE DE DÉVELOPPEMENT

PROJECT SHEET **AFD 2020**

MEXICO



AFD is funding the development and strengthening of legislative, regulatory, and institutional measures in Mexico to encourage the alignment of public and private financial flows with the Paris Accord's mitigation and adaptation objectives.

GDP per capita
$9,673

HDI
76/189

Population
126 M

→ **Funding tool**
Sovereign loan

→ **Amounts committed**
252 M€

→ **Climate accounting**
100% climate –
67% mitigation;
33% adaptation

→ **Recipients**
Republic of Mexico

→ **Date granted**
2019

→ **Project status**
Ongoing

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SUPPORTING PUBLIC POLICIES IN FAVOR OF **GREEN AND SOLIDARITY-BASED FINANCE**

COUNTRY BACKGROUND

Mexico is the 13th largest emitter of greenhouse gases (GHGs) in the world, contributing 1.6% of global emissions. It is also vulnerable to the impact of climate change. Aware of these challenges, it adopted a legislative framework on climate change in 2012 and was one of the first countries to submit its nationally determined contribution for COP21 in 2015.

The second part of the current government's mandate should be marked by implementing a tax reform that provides an opportunity to advance both taxation and environmental taxation. In this context, the Ministry of Finance asked AFD for support on green finance issues at the public and private levels.

THE PROJECT

This project to support the development and strengthening of legislative, regulatory, and institutional measures to encourage the alignment of public and private financial flows with the Paris Accord's mitigation and adaptation objectives will have three components: a budget loan, a technical cooperation program, and a multi-year public policy discussion.

This integrated approach includes implementing a green budget, aligning the financial system with the recommendations of the Network for Greening Financial Systems, preparing a set of fiscal measures to support the low-carbon, inclusive transition, and macroeconomic modeling of low-carbon policies.

The loan also aims to increase the resilience of public and private finances by creating a new natural risk management agency.

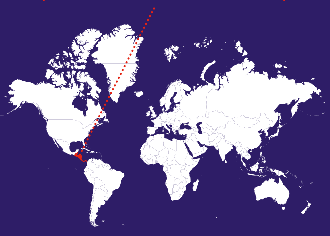
IMPACTS

- **Setting up an environmental** tax system that provides sufficient incentives and redistribution
- **Enhanced contribution** of public and private financial flows to Mexico's national mitigation and adaptation goals

AFD AGENCE FRANÇAISE DE DÉVELOPPEMENT

PROJECT SHEET **AFD 2020**

MULTIPLE COUNTRIES (CENTRAL AMERICA)



AFD is supporting the Central American Bank for Economic Integration (BCIE) to the tune of €181.5 million in transforming its practices to promote the development of its financing solutions with significant climate and gender impact.

→ **Funding tool**
Non-sovereign loan et subvention (FAPS)

→ **Amounts committed**
€180 M + €1.5 M

→ **Climate accounting**
75% climate –
40% mitigation;
35% adaptation

→ **Recipients**
Central American Bank for Economic Integration (BCIE)

→ **Date granted**
2019

→ **Project status**
Ongoing

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FINANCIAL SYSTEMS

SUPPORTING THE CENTRAL AMERICAN BANK FOR ECONOMIC INTEGRATION (BCIE) IN FINANCING **PROJECTS THAT PROMOTE CLIMATE CHANGE AND GENDER EQUALITY**

COUNTRY BACKGROUND

Central America is particularly affected by the effects of climate change, which is likely to reinforce inequalities, especially between women and men. In addition, there is a lack of dialog among the countries in the region and little integration of climate and environmental issues in national development plans (with the exception of Costa Rica).

Real progress has been made towards a more equal situation between women and men in terms of access to education and healthcare. However, strong inequalities persist in the labor market and political representation. The level of violence against women also remains very high.

Central American regional and national banks play a central role in financing development in the region. AFD supports them in redirecting their financial flows to projects that combat climate change and gender inequality.

THE PROJECT

AFD is supporting the BCIE by granting a new €180 million line of credit to finance projects with strong climate and/or gender impact.

Over the years, the BCIE has established itself as the main multilateral development bank in Central America and has become the leading donor to public and private sector stakeholders in the region.

This line of credit will finance 75% to 80% of the volume of funds allocated to climate-friendly projects (including at least two adaptation projects), as well as 20% to 25% of projects aimed at promoting gender equality. A technical cooperation program has been set up to support the transformation of the bank's practices and to develop its financing solutions in these areas.

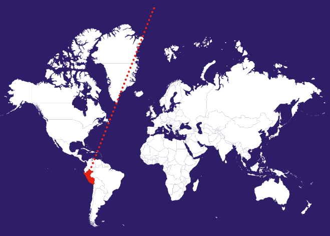
IMPACTS

- **280,000 tCO_2eq/year avoided**
- **Reducing inequalities** between women and men in BCIE-financed projects and implementing an internal policy of professional equality.
- **Reducing vulnerabilities** to the effects of climate change
- **Supporting the low-carbon trajectories** of countries belonging to the Central American Integration System, SICA (Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador)
- **Improving the performance** of BCIE's business model and its ability to adapt to future challenges

AFD AGENCE FRANÇAISE DE DÉVELOPPEMENT

PROJECT SHEET **AFD 2020**

PERU



AFD is supporting the Peruvian public bank specializing in access to housing, Fondo Mivivienda, in strengthening the sustainability criteria of its sustainable subsidized housing program, while ensuring its sustainability over time.

GDP per capita
$6,941

HDI
82/189

Population
32 M

→ **Funding tool**
Non-sovereign loan

→ **Amounts committed**
€105 M

→ **Climate accounting**
70% climate –
40% mitigation,
30% adaptation

→ **Recipients**
Fondo Mivivienda

→ **Date granted**
2019

→ **Project status**
Ongoing

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FINANCING GREEN **LOW-INCOME HOUSING** IN PERU

COUNTRY BACKGROUND

Peru is one of the countries most vulnerable to climate change and, like many emerging countries, faces a large housing deficit nationwide. At the same time, the formal real estate market has concentrated on the wealthy socio-economic strata while demand is more concentrated in the poor and middle classes. Fondo Mivienda (FMV), a second-tier Peruvian public bank specializing in access to housing via the mortgage market, is helping develop a formal real estate portfolio in this market segment.

In this context, the Peruvian government has developed a range of certified sustainable public housing, including water and electricity saving equipment ("Mivienda Verde Program"), accessible to Peruvian households at no additional cost and at preferential rates, through GMF and with the support of an AFD line of credit (2015-2018).

THE PROJECT

This second project, worth a total of €160 million, including €105 million from AFD, €45 million from KfW and €10 million from the EU, aims to consolidate the Mivienda verde program. This project accelerates the transition of all stakeholders in the Peruvian construction industry towards greater sustainability. It also facilitates the adoption of more demanding standards, which take into account Peru's variable climatic conditions and the need for Peruvian households to have access to better quality housing.

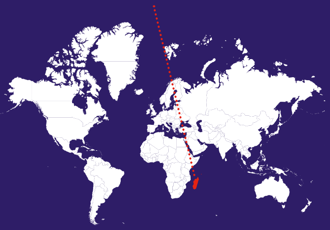
The project will reduce the climatic and environmental impact of the buildings and help the country move towards more sustainable growth. It will also initiate discussions on issues rarely addressed by Peruvian public policy (urban planning, gender, climate risks, etc.).

IMPACTS

- **Consolidation** of the Mivienda Verde program
- **Transition of the Peruvian construction market** by applying more sustainable and binding environmental standards
- **Access to safe, dignified, sustainable housing** for more than 10,000 vulnerable Peruvian families thanks to a low interest loan rate

PROJECT SHEET **AFD 2020**

COMOROS, MADAGASCAR, MAURITIUS AND SEYCHELLES



In the Indian Ocean, AFD and the Green Climate Fund empower civil society organizations to implement initiatives that protect, restore, and promote the sustainable use of critical ecosystems that provide ecosystem benefits to the people who depend on them the most.

→ **Funding tool**
Grant

→ **Amounts committed**
€35 M

→ **Climate accounting**
100% climate –
100% adaptation

→ **Recipients**
Multiple Countries

→ **Date granted**
2019

→ **Project status**
Ongoing

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BIODIVERSITY

STRENGTHENING **SUSTAINABLE ENVIRONMENTAL MANAGEMENT** WITHIN THE BIODIVERSITY HOTSPOT IN MADAGASCAR AND THE INDIAN OCEAN ISLANDS

COUNTRY BACKGROUND

The people and economies of the 4 countries targeted by the project depend on natural resources and ecosystem benefits such as the provision of materials, food and plants, climate regulation, and pollination – essential components for adapting to climate change.

Threatened by human activities, the resilience and capacity of ecosystems to provide their essential benefits are diminishing, which increases people's vulnerability to climate change.

Biodiversity conservation and sound natural resource management measures can thus become powerful tools for adaptation and support for the most vulnerable populations. The role of NGOs is essential to best contextualize these measures and address specific issues on the ground.

THE PROJECT

To this end, AFD obtained funding from the Green Climate Fund (GCF) for the Critical Ecosystem Partnership Fund (CEPF), which is hosted by the NGO Conversation International and which AFD has been contributing to for more than 10 years.

This €35 million grant aims to define and then launch (via local NGOs) ecosystem-based adaptation action plans aligned with the national climate change strategies of the designated countries. The objective is to protect, restore, or promote the sustainable use of critical ecosystems that provide benefits to the most vulnerable people, while contributing to the achievement of the region's climate objectives. In addition, through this support, the CEPF will be able to benefit from capacity building on adaptation issues.

IMPACTS

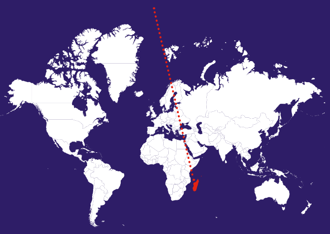
- **Reduced vulnerability** of at least 698,000 people through access to more resilient ecosystem services and income
- **Restoring or improving the management** of at least 1.89 million hectares of coastal and land-based ecosystems that play a critical role in providing ecosystem services
- **Enhanced capacity** of at least 25 civil society organizations to implement nature-based solutions in providing ecosystem services

GREEN CLIMATE FUND

AFD AGENCE FRANÇAISE DE DÉVELOPPEMENT

PROJECT SHEET **AFD 2020**

MADAGASCAR



AFD is financing and supporting the implementation of a contingency loan that includes a program to strengthen the technical, institutional, and financial capacities of the Malagasy government in its disaster risk management.

GDP per capita
$527.5

HDI
162/189

Population
26.3 M

→ **Funding tool**
Public policy loan (de contingence)

→ **Amounts committed**
€10 M + €1.5 M of technical assistance – in June 2020, €15 M in additional non-climate accounted financing in the context of the Covid-19 crisis

→ **Climate accounting**
89% climate – *89% adaptation*

→ **Recipients**
Republic of Madagascar

→ **Date granted**
2019

→ **Project status**
Ongoing

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DISASTER RISK MANAGEMENT IN MADAGASCAR

COUNTRY BACKGROUND

Madagascar is affected by many extreme climatic events. The economic cost of the losses caused by these natural disasters amounts to more than 1% of GDP, further hampering the country's already severely degraded social and economic development.

The Malagasy government has thus made resilience to natural disasters one of the key focuses of the National Development Plan. A series of reforms have been undertaken to ensure more proactive disaster risk management and greater resilience to climate change. However, most of them suffer from a lack of implementation, partly due to the absence of implementing decrees and related support.

Currently, the Malagasy economy is strongly affected by the international Covid-19 health crisis: the slowdown in growth is expected to lead to a 2% increase in the poverty rate to 76.5% of the population (IMF). In addition, the floods that hit the country in 2020 and the dependence on imports raise fears of food shortages.

THE PROJECT

In Madagascar, AFD has granted a contingency loan, a public policy loan whose disbursement is contingent upon the occurrence of a natural disaster or health crisis. Funds are made available to the government in a very short period of time for implementing reforms identified beforehand and overseen through monitoring result indicators.

Prior actions will be taken for each of these reforms before funding can be made available, such as the adoption of a regulatory framework to mobilize the social welfare system in the event of disasters, the creation of a national contingency fund, the adoption of standards to improve the resistance of buildings, and guidelines for territorial and urban planning that take climate change issues into account.

In June 2020, AFD allocated additional financing to respond to the health crisis, particularly for programs supporting vulnerable communities. The financing will strengthen the capacities of several Pasteur Institutes, including the one in Antananarivo, which is on the front line for Covid-19 screening.

IMPACTS

- **Reinforcing the national** risk and disaster management system
- **Financial resilience** for disasters
- **Integrating climate change adaptation** and disaster resilience into territorial and urban planning

AFD AGENCE FRANÇAISE DE DÉVELOPPEMENT

PROJECT SHEET **AFD 2020**

MARTINIQUE, FRENCH GUYANA, GUADELOUPE

Financing the construction and operation of a program for installing solar panels on rooftops in Martinique, French Guiana, and Guadeloupe.

Population
381,000

→ **Funding tool**
Loan at market conditions

→ **Amounts committed**
€15 M

→ **Climate accounting**
100% climate –
100% mitigation

→ **Recipients**
Eneko SARL (Systeko Group)

→ **Date granted**
2019

→ **Project status**
Ongoing

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DEVELOPING A REGIONAL PROGRAM FOR **SOLAR PANELS** ON ROOFTOPS (WEST INDIES-GUYANA)

COUNTRY BACKGROUND

In Martinique, Guadeloupe, and French Guyana, non-interconnected areas, population growth, and the increase in household consumption rates are leading to a significant increase in energy needs in contexts where there is not enough space to reconcile all developments (land, energy, industrial, and social).

These areas get a lot of sunshine, which is harnessed by the solar technology used in the project to produce renewable energy and inject it into the electricity grids of each territory.

THE PROJECT

Led by Eneko, a subsidiary of the Systeko Group, the program includes building and operating nearly 200 rooftop photovoltaic installations located in Martinique, French Guyana, and Guadeloupe with a capacity of 16 MWp. The green energy produced by each of the photovoltaic installations will be injected into the public grid and bought back for a period of 20 years by EDF as part of the May 2017 rate order in non-interconnected zones.

This project, which is granular in its multi-site implementation and regional in its scope, is part of the structuring of the industrial sector of renewable energy in the West Indies-Guyana zone. Led by a Caribbean operator on a human scale, it contributes to the dynamics of the local economic fabric.

Modular and replicable in various contexts, the chosen technical solution supports the energy transition of the 3 overseas departments while taking into account the land constraints of these territories due to their remoteness and, for some of them, their insularity.

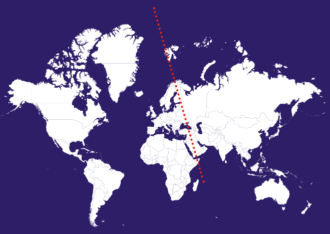
IMPACTS

- **1,160 tCO_2eq/year avoided**
- **Annual production of clean energy** equivalent to the consumption of 4,500 overseas households
- **Contributing to the energy transition of the 3 territories involved**, while taking into account their land constraints

AFD
AGENCE FRANÇAISE DE DÉVELOPPEMENT

PROJECT SHEET **AFD 2020**

MAURITIUS



In Mauritius, AFD is financing the SUNREF III program for developing projects to combat climate change and gender inclusion.

GDP per capita
$11,239

HDI
66/189

Population
1.3 M

→ **Funding tool**
Non-sovereign loan + Grant

→ **Amounts committed**
€85 M + €7 M

→ **Climate accounting**
***100% climate** – avec un objectif indicatif de 40% d'adaptation*

→ **Recipients**
Mauritius Commercial Bank (MCB); State Bank of Mauritius (SBM); AfrAsia Bank Limited

→ **Date granted**
2017 and 2019

→ **Project status**
Ongoing

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SUNREF PROGRAM IN MAURITIUS: PROMOTING GENDER INCLUSION AND COMBATING CLIMATE CHANGE

COUNTRY BACKGROUND

As a small, densely populated island state, Mauritius is particularly vulnerable to the effects of climate change and environmental degradation. Faced with these challenges, the private sector is called upon to play a particularly important role given the Mauritian economic structure and the scale of the investments required.

Furthermore, gender equality in the economic sphere is one of the major challenges in Mauritius. The involvement of several of the country's leading banks in the Sustainable Use of Natural Resources and Energy Finance (SUNREF) III program is an innovative approach and a powerful lever for nationwide action.

The SUNREF mechanism, set up in 2009 to support financing for renewable energy, energy efficiency, and pollution abatement has succeeded in mobilizing significant technical and financial resources.

THE PROJECT

This new credit line of €85 million is granted as part of the SUNREF III Program. It aims to facilitate the transition of the Mauritian economy towards a greener economy by continuing to promote mitigation efforts among businesses, while promoting investments in renewable energy and energy efficiency to ensure that the country meets its mitigation targets.

Eligible financing under the Program includes government climate change adaptation initiatives, for which private sector involvement would be useful.

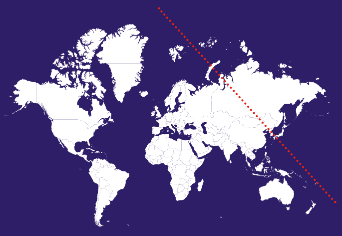
Through this program, AFD also supports the government's policy on professional gender equality in the private sector.

IMPACTS

- **30,000 tCO_2eq/year avoided**
- **Promoting** more economical and virtuous energy consumption behaviors at companies
- **Providing** more sustainable energy solutions
- **Reducing local pollution** and improving the quality of life for the most vulnerable people
- **Establishing gender action plans** for partner banks and for the line of credit's corporate clients

PROJECT SHEET **AFD 2020**

PACIFIC



AFD provides support to the Oceanian Public Health Surveillance Network (OPHSN) led by the Pacific Community (SPC) to help Pacific States and Territories improve epidemiological surveillance and structure their response plan to the Covid-19 pandemic.

→ **Funding tool**
Grant

→ **Amounts committed**
€3 M + €2 M in additional climate accounted financing in the context of the Covid-19 crisis

→ **Climate accounting**
100% climat – *100% adaptation*

→ **Recipients**
Pacific Community

→ **Date granted**
2020

→ **Project status**
Ongoing

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SUPPORTING THE OCEANIAN **PUBLIC HEALTH SURVEILLANCE NETWORK** (OPHSN)

COUNTRY BACKGROUND

The island nature of the Pacific region makes it particularly vulnerable to the negative effects of climate change. From a health-care standpoint, the region is witnessing an increase in the number of infectious pathologies circulating (dengue fever and Zika), requiring a regional response to risks whose implications go beyond the national framework alone.

To address this situation, the Pacific States and territories are pooling part of their resources through the South Pacific Community (SPC), an international organization founded in 1947 bringing together 26 countries and territories, including three French overseas provinces (New Caledonia, French Polynesia and Wallis and Futuna). The SPC provides assistance to the States and Territories by relying on technical partners (such as Institut Pasteur of New Caledonia and Institut Louis-Malardé of French Polynesia), financial partners (such as Australia, New Zealand and New Caledonia) and by working with the World Health Organization.

THE PROJECT

AFD has been supporting the SPC through the Public Health Surveillance Network (ROSSP) since 2018. It is funding a €3 million project aimed at developing the capacities of the Network and its partners to cope with and adapt to the effects of climate change on health. The objective is also to increase surveillance and epidemic response and vector (mainly mosquito) control methods.

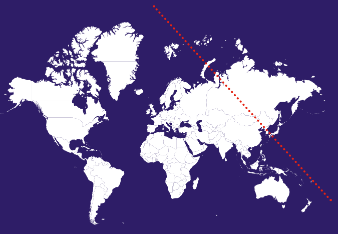
To support the Pacific States and Territories in developing their response to the Covid-19 pandemic, AFD has allocated an additional grant of €2 million to the SPC to purchase protective material and equipment and to carry out communication and awareness-raising initiatives on the virus for the general public.

IMPACTS

- **Containment** of Covid-19
- **Strengthening the technical** and organizational capacities of the Pacific States and Territories' healthcare systems
- **Reducing the vulnerability** of Pacific peoples' health in a climate change context

PROJECT SHEET **AFD 2020**

PACIFIC



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BIODIVERSITY

In the Pacific, AFD, alongside other donors, is financing projects to develop nature-based solutions for climate change adaptation and biodiversity conservation.

→ **Funding tool**
Grant

→ **Amounts committed**
€13 M

→ **Climate accounting**
100% climate –
100% adaptation

→ **Recipients**
The Pacific Community (SPC), the Pacific Regional Environment Programme (SPREP), IUCN, as well as eligible Pacific Governments and Territories and international NGOs

→ **Date granted**
2019

→ **Project status**
Ongoing

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CONTRIBUTING TO THE PACIFIC **INITIATIVE FOR BIODIVERSITY**, CLIMATE CHANGE, AND RESILIENCE

COUNTRY BACKGROUND

The Pacific Ocean is a world heritage site that must be preserved, with exceptional land and marine biodiversity that is subject to multiple pressures from mankind. In this region of the world, one of the most vulnerable to climate change, the well-being and traditional lifestyles of the people of the Pacific depend on the invaluable benefits provided by biodiversity. This rich, natural heritage is also an important cultural heritage for the Pacific States and Territories.

Thus, the almost systematic integration of climate change and biodiversity issues at the heart of public policies and projects implemented in the Pacific region is a relevant and innovative response to promote sustainable and resilient economic development benefiting the people of the Pacific.

THE PROJECT

Announced at the "One Planet" summit on December 12, 2017 by President Macron, the Kiwa Initiative's objective is to strengthen the resilience of Pacific Island ecosystems, economies, and communities to the effects of climate change by establishing a one-stop shop for financing projects promoting Nature-Based Solutions at all scales.

This €30.9 million multi-donor fund, managed by AFD, brings Australia, New Zealand, Canada, and the European Union together for the first time.

The Initiative participates in local and national capacity building, promotes approaches that are sensitive to social vulnerabilities and gender inequalities in project financing, and fosters coordination among donors, regional organizations, and states/territories.

IMPACTS

- **Improving access to funding** for Nature-Based Solutions
- **Increasing the surface area** of sustainably managed natural land and marine areas
- **Reducing people groups' and ecosystems'** vulnerability to climate change
- **Strengthening the dialog among donors,** regional organizations, and Pacific States/Territories for coordinating development aid

NEW ZEALAND FOREIGN AFFAIRS & TRADE MANATŪ AORERE

KIWA

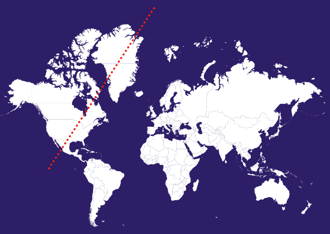
Canada

Australian Aid

AFD AGENCE FRANÇAISE DE DÉVELOPPEMENT

PROJECT SHEET **AFD 2020**

FRENCH POLYNESIA



Financing the Papetoai bioclimatic school construction project in Moorea-Maiao, French Polynesia.

GDP per capita
$14,324

HDI
75/189

Population
277,679

→ **Funding tool**
Green "Mitigation" Public Sector Loan; PS2E (Pre-financing of a third-party grant from the government through the Office of the High Commissioner)

→ **Amounts committed**
€1M + €2.2M

→ **Recipients**
Municipality of Moorea-Maiao (made up of the two neighboring islands of Tahiti, the 4th most populated municipality in French Polynesia)

→ **Date granted**
2017

→ **Project status**
Ongoing

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BUILDING A **BIOCLIMATIC SCHOOL** IN PAPETOAI (MOOREA)

COUNTRY BACKGROUND

Moorea-Maiao, a municipality of the Windward Islands in French Polynesia, is characterized both by its unspoiled environment and by its strong appeal to tourists and Tahiti's growing number of inhabitants.

The municipality wanted to favor eco-construction, which puts the assets and climatic constraints at the center of its architectural approach. Particularly adapted to the tropical climate, this bioclimatic approach will give the students of this elementary school the best possible comfort level to promote learning, while reducing the energy bill for the municipality and complying with high environmental standards.

THE PROJECT

For this project, the municipality has thus paid particular attention to bioclimatic principles. Sun protection first, with proper orientation to reduce the areas exposed to the sun, particularly careful insulation of the roof, and large overhangs above the classrooms. The natural ventilation then passes through, with an orientation allowing the trade winds to be captured, as well as systems of blinds on either side of the rooms and roof vents, which are essential for regulating heat and humidity. Finally, greening of the surroundings to lower the temperatures around the buildings.

As the first bioclimatic school in Polynesia, this project has received substantial subsidies from the country, the State and ADEME, and AFD is supplementing the financing.

It should be noted that this project was supported by project management assistance in the building's environmental quality throughout the process, from design to completion. This environmental support will continue for another 2 years after the buildings are commissioned in order to assess the environmental impact and assist the municipality and the school in making optimal use of the building.

IMPACTS

- **Improving the temperature levels** in classrooms which is conducive to learning for the school's 315 children
- **Reducing the energy bill** for the municipality in the long term, thanks to this energy-saving approach

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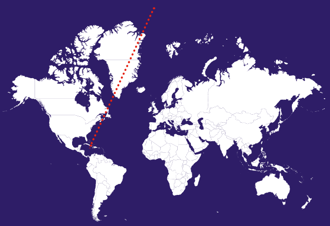
DOMINICAN REPUBLIC



This public policy loan (co-financed with the IDB) is aimed at implementing a sustainable urban mobility policy in the Dominican Republic.

GDP per capita
$8,051

HDI
89/189

Population
10.6 M

→ **Funding tool**
Public policy loan

→ **Amounts committed**
Euro equivalent of $150 M

→ **Climate accounting**
80% climate –
40% adaptation;
40% mitigation

→ **Recipients**
Dominican Republic

→ **Date granted**
2019

→ **Project status**
Ongoing

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MOBILITY

FINANCING A SECTOR REFORM PROGRAM DEDICATED TO **LAND TRANSPORTATION**

COUNTRY BACKGROUND

Prior to 2017, the Dominican Republic had a low level of regulation and institutional coordination in the land transportation sector. The country faces significant traffic congestion problems and the authorities are unable to meet the population's mobility needs with sufficient, adequate infrastructure.

Road insecurity is very high, with the highest rate of traffic-related fatalities in the Caribbean region. Economically, the inefficiency of the transportation and logistics sector (9.3 percent of GDP) is a major impediment to the country's economic development.

Finally, the transportation sector accounted for 22% of the country's greenhouse gas (GHG) emissions in 2010. The obsolescence of the motor vehicle fleet, a limited, unreliable, and polluting public transit system, and a rapidly growing demand for travel, contribute to very high GHG emissions per kilometer, but also to high levels of local air pollution (fine particles) in large cities.

THE PROJECT

This public policy loan from AFD (co-financed with the Inter-American Development Bank) is intended to support a reform program that stems from the government's strategic priorities for the sector, planned for 2018-2020.

The program thus aims to improve road safety and reduce the mortality rate on the roads through regulations, monitoring of vehicles on the road, user awareness, and driver training. Implementing a sustainable urban mobility policy by improving the quality of the public transit service and renovating the vehicle fleet is also essential, accelerating the transition to a more efficient, low-carbon model. AFD is also supporting implementation of the program with technical assistance to set up a sustainable mobility observatory and provide expertise on energy efficiency and environmental and social risk management.

IMPACTS

- **Regulating and structuring** the land transportation sector in a sustainable manner
- **Reducing the country's GHG emissions** related to the transportation sector
- **Improving public transportation's** quality of service
- **Increasing transparency** and efficiency in freight transportation
- **Increased road safety**

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Octobre 2020 - advitam | advitam.org | 01 53 17 30 40