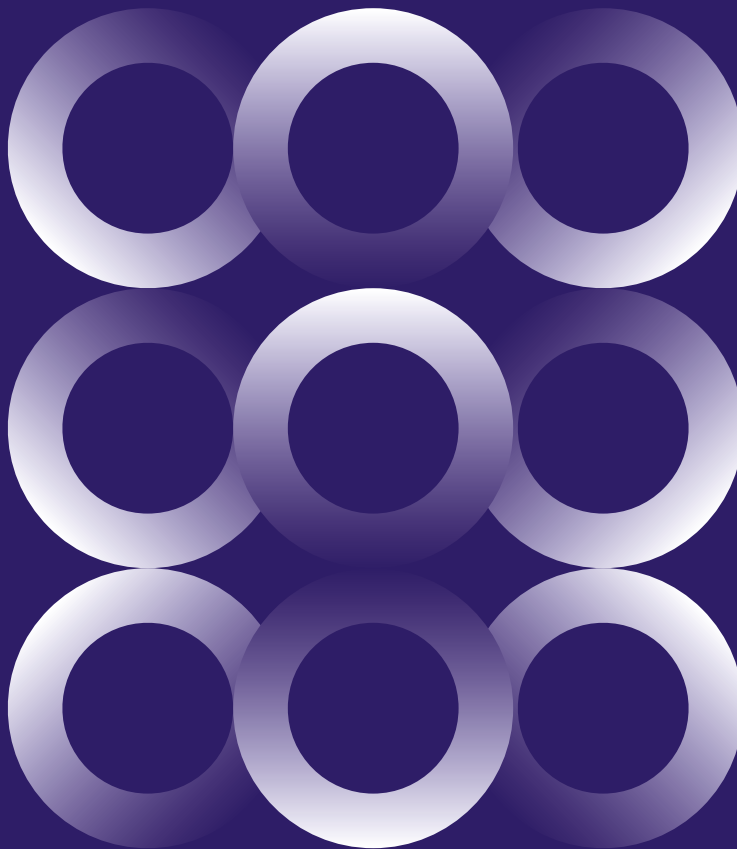


PANORAMA



2016 ACTIVITY REPORT



AFD 2016 Activity Report

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AFD Coordination

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“We can create a more reassuring world if we work together.”



EDITORIAL

Laurence Tubiana
Chair of the AFD Board of Governors

In 2016, AFD received a great deal of good news. The agency jump-started work in new sectors (such as governance), with new partners (such as municipalities), and launched new projects with new staff.

In addition, an alliance between AFD and the Caisse des Dépôts et Consignations (CDC) created exciting prospects. The most important one, in my opinion, sees a common set of objectives guiding public development efforts in the French mainland, overseas provinces, and foreign countries: the United Nations Sustainable Development Goals (SDGs). If we can bring this major innovation to fruition, it will completely transform the two institutions. Even more importantly, it will increase their positive impact on societies and the world.

These are serious times. The French have reaffirmed their desire to remain open to the world, to integrate further with Europe, and to give cooperation and solidarity the value they deserve. However, we must not ignore looming difficulties, neglect genuine worries and concerns, or fail to educate the public about our activities.

Not everyone understands the obvious: that retreat and withdrawal lead to isolation. We need to show the French — shaken by economic, technological, and societal changes — that we can create a more reassuring world if we work together toward a world in common, a shared world where cooperation avoids conflict and assistance replaces rejection. By enhancing new models of aid and supporting partners who share our convictions — civil society organizations,

municipalities, and entrepreneurs — AFD fulfills a crucial solidarity mission that ultimately bolsters French social cohesion.

With millions displaced by multiple crises in East Africa, the Middle East, and other regions, the international landscape inspires little optimism. I find it worrisome that global powers have cut funding for solidarity, backtracked on promises, and created fear among those seeking asylum, work, and the chance to lead a normal life.

Many battles remain in a world still marked by the 2008 financial crisis. We will not win the fight against climate change until all public policies address it. Sustainable development still needs to become the defining premise of true development; the 2030 Agenda for Sustainable Development has yet to guide the daily actions of government officials, businesspeople, and civil servants. These intellectual, action, and political (in the noblest sense of the term) struggles will continue for the near term. AFD has been working hard to win them and remains mobilized to do so. ●



EDITORIAL

Rémy Rioux

Chief Executive Officer

Something momentous has occurred in the world of development. In 2015, the international community committed itself fully to promoting and financing sustainable development and to fighting climate change.

AFD has heard this powerful message and will transform itself accordingly. In 2016, it committed a record €9.4 billion to development assistance, a 13% increase in one year. The French parliament increased grant and capital funding for AFD, giving it the capacity to reach €13 billion in commitments by 2020.

We need more partners to reach these very ambitious objectives. We need to work with anyone who wants to assist, invest, and take risks alongside our Southern partners. First of all, we have made systematic approaches to French organizations. On our 75th anniversary, December 6, 2016 AFD signed a strategic alliance with CDC that will bolster this strategy. Now in its operational phase, the alliance has launched

an infrastructure fund that prioritizes African countries. It has also created closer contact between each institution's French and foreign field offices.

In this new phase of AFD's life, we will conserve our signature priorities among donors: 50% for Africa, 50% for climate change, and 50% for gender equality. Africa remains our priority, with a new "Whole of Africa" vision. We will conduct half of our projects with local governments, firms, and civil society in the South — in other words, with all actors in the regions where we intervene, building unprecedented and innovative coalitions.

AFD has fanned out and grows ever stronger. Already a presence in more than 100 countries, we have recently opened offices in Cuba and Buenos Aires. Soon, no doubt, we will open an office in Belgrade to cover the Balkan Peninsula. We have begun to explore new sectors of activity: governance, cultural and creative industries, higher education, research, digital technologies, municipal foreign aid, and what we call the social and inclusive economy. And we must

not forget our new mission in France: educating the public about development and international solidarity. In order to make our internal transformation a success, we have also reorganized AFD, hiring people with the skills we need.

We serve the Sustainable Development Goals revolution and the 2030 Agenda; since 2015, the world has gradually taken action on these targets and objectives. Borders between developed and developing countries disappear in the face of our common challenges. Whatever happens "there" affects us "here": poverty alleviation, climate change, energy transition, inequality reduction, sustainable production and consumption, and sound public policy. On many headings, compared with the global North, Southern countries have made greater advances. We must assist them, but we must also listen to and understand them, the better to inform our own citizens. I would like our agency to work in both directions, serving our shared world — a world in common! ●

“AFD has fanned out and grows ever stronger.”





PART 1

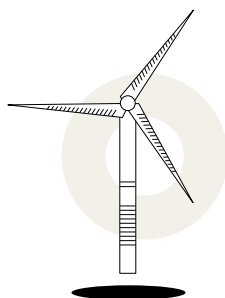


A NEW ERA

BORN IN 1941 IN LONDON AS THE BANK OF FREE FRANCE, AFD HELPED OVERCOME THE IMMENSE CHALLENGES BROUGHT ON BY WAR. TODAY THE AGENCY WORKS ON EQUALLY MAJOR ISSUES: CLIMATE CHANGE, MIGRANT FLOWS, FOOD SECURITY, RUNAWAY URBANIZATION, GENDER EQUALITY, AND DIGITAL OPPORTUNITIES. IN KEEPING WITH ITS FOUNDING SPIRIT, IN 2016 AFD EXPANDED BOTH ITS MEANS AND ITS FIELD OF ACTION — THUS HONORING NEW FRENCH PROMISES, INCREASING OPERATIONAL AGILITY, AND REACHING FOR A DURABLE INFLUENCE ON THE GREATEST INTERNATIONAL CHALLENGES.

A WORLD IN COMMON

THIS IS AFD'S NEW SIGNATURE BYLINE — A SLOGAN THAT MOTIVATES EMPLOYEES TO BUILD A SAFER, MORE EQUITABLE AND SUSTAINABLE WORLD, ONE THAT LEAVES NO ONE BEHIND. THIS GOAL WILL REQUIRE FIVE MAJOR TRANSITIONS: (1) DEMOGRAPHIC AND SOCIAL; (2) TERRITORIAL AND ECOLOGICAL; (3) DIGITAL AND TECHNOLOGICAL; (4) POLITICAL AND DEMOCRATIC; AND (5) ENERGY. SUCCESS DEPENDS ON RESPECTING THE SINGULARITY OF EACH COUNTRY AND PURSUING A VARIETY OF DEVELOPMENT PATHS. WE MUST ALSO ACCELERATE OUR COLLECTIVE ACTIONS ON A GLOBAL SCALE, CREATING JOINT SOLUTIONS THAT BENEFIT ALL.

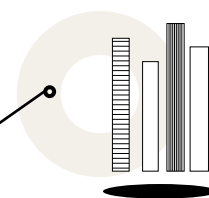


ENERGY TRANSITION

Finding a sustainable energy path

Universal, affordable access to sustainable energy comprises one of the 17 United Nations Sustainable Development Goals (concluded 2015). Worldwide, one person in five still lacks electricity. All countries have committed to sustainable production and consumption modes. In a resource-constrained world, energy production involves high social and economic stakes.

To build a world in common, we must reconcile the pursuit of development with the fight against climate disruption. At AFD, we assist transitions toward less carbon-emissive economic models that can furnish electricity to all.



DEMOGRAPHIC AND SOCIAL TRANSITION

Investing in human capital

In recent decades, development has helped hundreds of millions of people escape extreme poverty. At the same time, inequalities have widened and vulnerabilities have increased, particularly for women, children, and displaced persons. How can we address these problems? By improving access to basic services, such as education and healthcare. The key actions: alleviating poverty, social exclusion, and disparities, while fostering a broader middle class and wider democratic participation.

A successful transition will require public policies that support large-scale investment in human capital. AFD helps its beneficiary partners design and implement such policies — training and employing youth, bolstering healthcare and social-protection systems, and promoting gender equality.

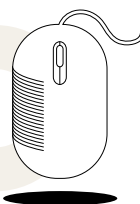


TERRITORIAL AND ECOLOGICAL TRANSITION

Building sustainable cities and rural communities

Half of the world's population already lives in cities. By 2050, two-thirds of humanity will live in urban areas. Rapid urbanization and rural loss of economic vitality and biodiversity therefore constitute two major twenty-first-century challenges.

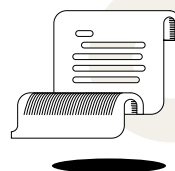
We must balance sustainable urban and rural development with genuine natural resource preservation. AFD assists its beneficiary partners through direct support to regional governments, mayors, institutions, and municipalities, fostering construction and administration of more equitable, environmentally friendly, accessible, safe, open cities. In conjunction with these urban projects, the agency simultaneously funds nature preservation and rural revitalization projects.



DIGITAL AND TECHNOLOGICAL TRANSITION

Broadening access to digital technologies while supporting companies and ecosystems

More than five billion people currently use mobile phones. Around the world, new technologies have transformed work, education, healthcare, news access, business, democracy, and social life. Digital technologies could greatly accelerate achievement of the SDGs. Transmitting data across long distances, they offer unique opportunities — for example, in improving healthcare, education, and agriculture. However, they also raise new issues. AFD assists its beneficiary partners in making digital and technological transitions that leave no one behind. The agency pursues two objectives: building more infrastructure across territories to democratize digital access, and supporting entrepreneurs, business incubators, and other agents of change. Technology should benefit everyone, and AFD actions work to this end.



POLITICAL AND DEMOCRATIC TRANSITION

Reducing vulnerabilities and strengthening governance

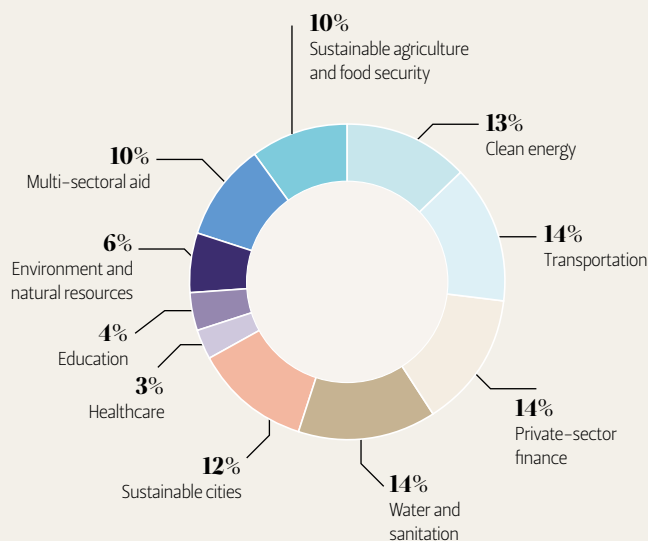
More than one and a half billion people live in conflict-torn countries. Development aid now prioritizes efforts to anticipate, prevent, and overcome crises. One section of the SDGs centers on ensuring peace, stability, justice, and effective governance based on the rule of law.

In crisis situations, AFD supports French diplomatic efforts by intervening immediately after humanitarian and security emergencies. The agency aims to help populations overcome shocks, empowering them to recover and rebuild. AFD also works in advance of crises, financing quality public policies that lessen vulnerabilities and strengthen governance and civil society.

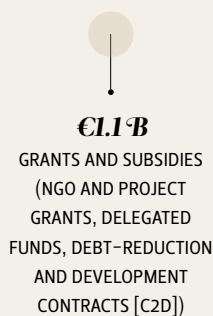
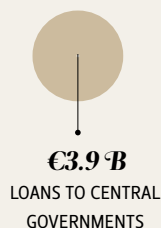
9.4 BILLION EUROS

IN 2016, AFD REACHED A NEW MILESTONE, COMMITTING MORE THAN 9 BILLION EUROS TO MORE THAN 600 DEVELOPMENT PROJECTS. THE AGENCY'S PRIME CONCERNS: REDUCING INEQUALITIES AND RECONCILING TWO URGENT PRIORITIES – DEVELOPMENT AND CLIMATE CHANGE.

MULTIPLE SECTORS OF ACTIVITY



TAILORED TOOLS



INCREASED FUNDING FOR NEW CHALLENGES



A 2016 public-finance law amendment authorized AFD to double its €2.4 billion capital base; this increase in commitments therefore conforms to prudential regulation.

Africa

50% of France's official development assistance goes to its top priority: Africa.

Climate change

50% of financing fights some aspect of climate disruption (in addition to funding an underlying project), as climate change remains a central concern for AFD.

Gender equality

50% of projects initiated in 2016 promoted gender equality, a powerful factor in poverty alleviation and development.

BENCHMARKS THAT GUIDE OUR ACTIONS

French-speaking countries

50% of commitments go to French-speaking territories or to countries that belong to the International Organisation of La Francophonie (OIF).

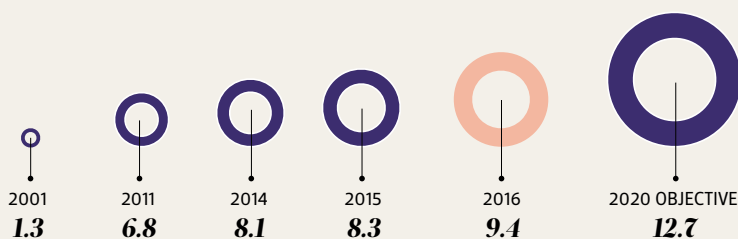
Cofinancing

50% of commitments combine with funding from financial partners, multiplying impacts and enabling pursuit of larger, more ambitious projects.

Local governments and private-sector companies

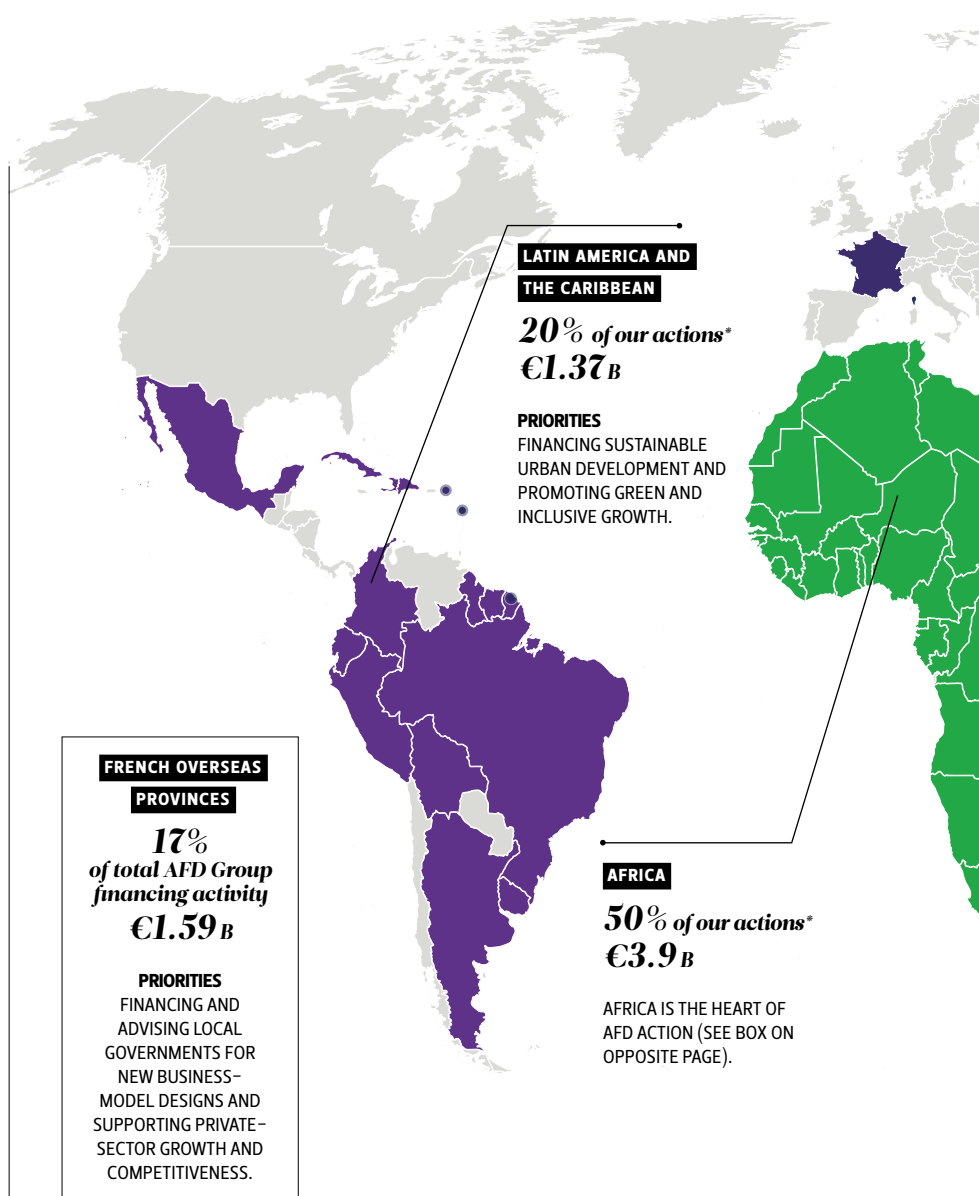
50% of 2016 commitments financed "non-sovereign" borrowers: regional and local governments, nongovernmental organizations, and firms.

SHARPLY RISING COMMITMENTS € Billion



AFD IS CLOSE BY WHEN NEEDED

Through its network of 85 field offices and presence in more than 100 countries, AFD can provide solutions tailored to the needs of its beneficiary partners: central and local governments, nongovernmental organizations, and firms. Year after year, with the help of these partners, AFD strengthens a collaborative approach based on listening, dialogue, skill-building, and joint efforts. In 2016, the agency increased financing activity everywhere that it operates. By entering new countries and regions, AFD demonstrates its desire to grow and innovate; following its recent opening of field offices in Cuba and Argentina, it now seeks opportunities in Ukraine and the Balkan Peninsula. In the least-developed countries, AFD focuses on grant funding. In middle-income countries, it makes subsidized loans and emphasizes cooperation on common challenges, such as climate change. In emerging countries, AFD most often offers unsubsidized loans, targeting pro-social and pro-environmental economic growth and climate-smart projects shunned by commercial lenders. In the French overseas provinces, the agency advises and lends to local public and private entities, supporting their administrations and programs. ●





MIDDLE EAST

10% of our actions*
€0.74B

PRIORITIES

FOSTERING DECENT JOBS AND SOCIAL COHESION,
PARTICULARLY BY ADDRESSING THE INFLUX OF
DISPLACED POPULATIONS.

ASIA AND THE PACIFIC

20% of our actions*
€1.36B

PRIORITIES

PROMOTING LOW-CARBON
ECONOMIES AND GREEN AND
INCLUSIVE GROWTH.



The whole of Africa

The African continent is inventing unprecedented solutions to the world's population, social, environmental, and economic challenges, making it a strategic region for many multinationals and institutions. Africa has been and remains the heart of AFD's action agenda.

The present juncture, however, calls for a change of scale. Ever-larger flows — of migrants, investments, infrastructure, and products — move between the North and South, East and West. These flows call for a changed perspective: one that no longer splits the continent into North and sub-Saharan Africa. AFD now views Africa as one complete region; it is the first non-African donor to translate this reality into its modes of operation.

In 2013, France promised to dedicate €20 billion over five years to develop the "Whole of Africa" (beginning in 2014 and running through 2018). This bold promise shows every prospect of success, given that France has already provided €11 billion over three years, including €3.9 billion in 2016 alone.

Africa receives the vast majority (85%) of the grant monies and interest-rate subsidies that AFD allocates to foreign countries.

In Africa, AFD prioritizes education, professional and vocational training, drinking water, renewable energy, and assistance with the digital and technological transition. In 2016, it launched the €600 million Africa and Emerging Countries Infrastructure Fund with the Caisse des Dépôts, primarily to promote investment in large-scale African projects.

*AFD aid to foreign countries



A NEW IMPETUS

SIXTY-FIVE YEARS AFTER ITS CREATION IN 1941, AFD HAS ENTERED A NEW PHASE, COMPLETELY RENEWING ITS GLOBAL PROJECT AND AMBITIONS. FRANCE'S INTERMINISTERIAL COMMITTEE FOR INTERNATIONAL COOPERATION AND DEVELOPMENT (OR CICIP) BROADENED THE AFD MANDATE TO REACH NEW SECTORS AND REGIONS. MEANWHILE, THE FRENCH PARLIAMENT INCREASED ITS CAPITAL BASE AND FUNDING, MAKING THE AGENCY MORE POWERFUL, OPEN, AGILE, AND BETTER ABLE TO ADDRESS SOUTHERN CHALLENGES.

In 2015, the international community committed to a universal vision of sustainable development by adopting three plans: the Addis Ababa Action Agenda for development financing, the United Nations Sustainable Development Goals (SDGs), and the Paris Agreement on climate action. Duly noting this paradigm shift, France gave AFD the means to match the vision and goals these actions require.

— **More equity capital to support more loans**

In 2016, France nearly doubled AFD's equity capital to €5.3 billion, enabling the agency to increase lending while remaining within the limits of prudential regulation.

— **More funding to make more grants**

France has promised to increase AFD funding resources; in 2016, the French government allocated €847 million in budgetary loans to the agency for grants and subsidized loans. AFD also mobilizes €466 million of delegated

funding, primarily from European institutions, to finance additional grants and subsidies.

— **A funding facility to aid crisis-afflicted countries**

In 2016, AFD set up the Peace and Resilience Facility to mitigate vulnerabilities and respond to political, security and migration crises. At least €100 million per year will go to address these major challenges.

The facility, dedicated to crisis prevention, funds upstream actions that address conflict-fueling weaknesses: underemployed and jobless youth, failing schools, tensions between refugee and host populations, and pressure on natural resources.



International solidarity policies do have a positive effect on a country's situation.



*CICIP decision note,
November 2016.*



— **Cultural and creative industries**

France argues that cultural events may play a cross-cutting role in achieving the SDGs and therefore situates that role at the heart of development policy. Culture encourages social cohesion and builds law-abiding nations. For these reasons, AFD has developed financing vehicles to support cultural and creative industries in developing countries.



— **Governance**

“Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels”: the 16th SDG has a cross-cutting reach essential for achieving all other SDGs. Governance is one of the pillars of development. Only efficient, transparent, and inclusive institutions can offer sound public policies and high-quality basic services to citizens. The AFD mission now integrates support for good governance.

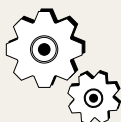


— **Migration**

AFD implements an action plan to bolster the positive effects of international migration on development. The plan also acts on structural factors driving forced migration and coordinates emergency responses as well as long-term actions.

ADDITIONAL RESPONSIBILITIES

THE YEAR 2016 SAW A REAFFIRMATION OF AFD OBJECTIVES, INCLUDING THE FIGHT AGAINST CLIMATE CHANGE AND SUPPORT FOR AFRICA AND THE LEAST-DEVELOPED COUNTRIES. IN ADDITION, THE CICID UNDERScoreD THE IMPORTANCE OF AFD'S INCLUSIVE, PARTNERSHIP-BASED APPROACH TO DEVELOPMENT: THE AGENCY WORKS ALONGSIDE PRIVATE-SECTOR COMPANIES, LOCAL GOVERNMENTS, AND OTHER DONORS, INCLUDING THE EUROPEAN UNION. AFD HAS ALSO RECEIVED NEW RESPONSIBILITIES.



— **Education about development and international solidarity**

Whatever happens “over there” affects life “over here.” Regulated globalization and more inclusive development models can bring about a safer, more equitable, and more sustainable world for all. AFD has taken on a new mission to raise public awareness about development. Targeting the general public, it will deploy educational and cultural projects to inform the French — from an early age — about a world in transition.



— **New countries**

AFD expanded its financing activity to Cuba and Argentina and has begun to study working opportunities and conditions in Ukraine and the Balkan Peninsula. Its remit includes an undertaking to operate in all developing and emerging countries.



— **Digital technology**

In developing countries, and especially in Africa, digital technologies play increasingly vital roles as vectors and accelerators towards attaining the SDGs. AFD will therefore increase support for innovative digital firms and ecosystems in the global South.



THE ALLIANCE

AFD AND CDC, FRANCE'S TWO PUBLIC DEVELOPMENT BANKS, HAVE JOINED FORCES. THEIR GOALS? OFFERING CONSISTENT FINANCING VEHICLES IN FRANCE AND ABROAD AND INCREASING FRENCH INFLUENCE OVER MAJOR DEVELOPMENT CONCERNS.

In the history of AFD, December 6, 2016, will remain an important date. On that day, as AFD and its partners celebrated its 75th anniversary at the Musée du Quai Branly, the agency signed an alliance charter with the Caisse des Dépôts et Consignations (CDC). Its eloquent preamble states: “The alignment of international and national agendas attests to the universality of the United Nations Sustainable Development Goals (SDGs) concluded in September 2015. These two public institutions embody both sides of the 2030 Agenda; logically, they have decided to work together.” Thus was born the AFD-CDC alliance, initiated in early 2016 by then-President François Hollande.

— Evident overlap

The 200-year-old CDC has 16 regional offices in France and 120,000 employees worldwide. The bank also has 14 subsidiaries in as many sectors, including

BPI France for enterprise finance and Transdev for public transport.

CDC and AFD already share many similarities. Both make long-term investments and loans that benefit the general interest. Both finance infrastructure, urban development, energy (especially renewables), housing, and private-sector companies. Both assist in transitions now underway. And both work with others as partners. Their alliance makes historical sense and bolsters French development and solidarity policies.

Before sealing their alliance, the new partners identified 11 priority areas for collaboration. These include the energy transition, the territorial and ecological transition, urban development, digital technologies, innovation, knowledge creation, and the social and inclusive economy. CDC and AFD experts now work together, making solid proposals for projects in all these domains, gradually combining their networks and expertise.



We both work in the same profession: project finance and public-policy assistance. Development is in our DNA. CDC is a development bank for France, and AFD a development bank for France's international partners. In this era of SDGs, we are wagering that a strategic alignment of domestic and foreign development efforts will prove a winning proposition.



Rémy Rioux,
AFD Chief Executive

€460 B

THE CUMULATIVE ASSETS OF AFD AND CDC REACHED €460 BILLION IN 2016. WITH 90% OF THEIR FINANCING ACTIVITY ALLOCATED TO FRANCE AND 10% TO FOREIGN COUNTRIES, THEIR COMBINED FUNDING VOLUMES AND GEOGRAPHICAL DISTRIBUTION EQUAL THOSE OF OTHER LARGE PUBLIC DEVELOPMENT BANKS, SUCH AS GERMANY'S KfW, BRAZIL'S BNDES, ITALY'S CASSA DI RISPARMIO E CREDITO, AND THE EUROPEAN INVESTMENT BANK.



We share a common ambition: to amplify the influence of our two public finance institutions, and thereby amplify French influence in Europe and internationally. We intend to weigh in on major development issues, participate in transitions, and mobilize savings and long-term investments. We want to push more strongly for implementation of the Paris Agreement on climate action.



Pierre-René Lemas,
CDC Chief Executive

— AFD becomes more open to France

Within a diplomatic and foreign action framework defined by the national government, AFD has long had close relationships with French local governments. Proximity and the trust established between AFD and CDC regional managers have allowed the agency to accentuate their partnerships and engage other actors: public and quasi-public institutions, civil society organizations, and firms. Now the alliance will strengthen the impetus to internationalize French companies.

— CDC becomes more international

The CDC Group maintains relationships with many public institutions and banks, especially in Brazil, China, sub-Saharan Africa and the Maghreb region. CDC subsidiaries and equity stakes also give it a presence in many countries. Nevertheless, AFD's network of 85 in-country offices and its geographically organized headquarters will allow CDC to increase its influence and effectiveness. While respecting confidentiality agreements, AFD will provide information and analysis to CDC Group; it will also share its knowledge about local non-sovereign borrowers and their financing needs.

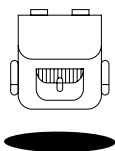
— Joint projects

By the end of 2016, the two public banks had conducted their first joint projects: sharing personnel and expertise; creating a startup competition, Digital Africa, produced by AFD and BPI France (see p. 80); and setting up the I4CE think tank with the Institute for Climate Economics. They also created their first joint financing tool, the €600 million Africa and Emerging Countries Infrastructure Fund, targeting dozens of energy, mass transit, telecommunications, and digital network projects in Africa, Asia, and Latin America. The fund will also support low-carbon projects. By making investments averaging €15 million to €50 million, AFD and CDC expect to attract and leverage more than €6 billion worth of investments. These will produce strong impacts as well, a key outcome for an alliance seeking a durable influence on major development issues. ●

REAL IMPACTS ON OUR WORLD IN COMMON

FOR BETTER ACCOUNTABILITY AND EFFECTIVENESS, THE AGENCY
MEASURES THE IMPACTS AND EFFECTS OF AFD-FUNDED DEVELOPMENT
PROJECTS. THESE INDICATORS GIVE MEANING TO ITS ACTIONS.

*EACH YEAR, AFD-FUNDED PROJECTS
ACHIEVE THESE OUTCOMES:*



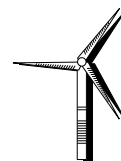
832,000

CHILDREN ATTENDING PRIMARY
AND ELEMENTARY SCHOOL



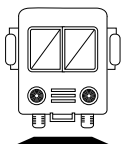
730,000

FAMILY FARMS BENEFITING FROM IRRIGATION
SYSTEMS, PLANTING ASSISTANCE, AND TRAIN-
ING PROGRAMS



665 MW

IN RENEWABLES INSTALLATION,
ENOUGH FOR ABOUT
750,000 RESIDENTS



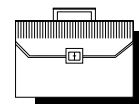
315,000

PASSENGERS
PER DAY RIDING NEW OR MODERNIZED
PUBLIC TRANSPORT



104,000

PEOPLE ACCESSING
ELECTRICITY FOR THE FIRST TIME



54,000

SMALL AND MEDIUM-SIZED ENTERPRISES
RECEIVING ASSISTANCE



20
million

HECTARES OF NATURAL
AREAS PRESERVED
OR RESTORED



1.2
million

USERS BENEFITING
FROM DRINKING-WATER
OR SANITATION-SYSTEM UPGRADES



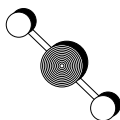
117,000

YOUTHS ENROLLING
IN VOCATIONAL
TRAINING PROGRAMS



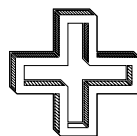
636,000

INHABITANTS BENEFITING
FROM UPGRADED
AND SAFER HOMES



3.6
million

METRIC
TONS EQUIVALENT
OF CO2 ABATED



13
million

PATIENTS RECEIVING
IMPROVED
HEALTHCARE



PART 2



FIGHTING ON ALL FRONTS

WITH PRAGMATISM AND DETERMINATION, AFD TEAMS ARE CURRENTLY WORKING ON MORE THAN 2,500 DEVELOPMENT PROJECTS ACROSS THE WORLD — SUPPLYING WATER TO PARCHED LAND AND PEOPLE IN JORDAN AND ELECTRICITY TO THE MOST REMOTE VILLAGES IN GUATEMALA; HELPING FARMERS PRESERVE THEIR LAND IN PERU; FUNDING RESEARCH TO COUNTER EPIDEMICS IN SOUTHEAST ASIA; FIGHTING ILLEGAL FISHING IN INDONESIA; PROMOTING THE DIGNITY OF THE ELDERLY IN MARTINIQUE. THE 12 STORIES PRESENTED HERE SHOWCASE THESE PROJECTS AND OTHERS.



A magistrate in the hallway
of the Yopougon District
Court



REPORT

SEEKING A SYSTEM THAT SERVES JUSTICE

IN 2012, THE CÔTE D'IVOIRE GOVERNMENT COMMITTED TO AN AMBITIOUS REFORM OF THE JUDICIAL SYSTEM. IT AIMS TO STRENGTHEN THE COUNTRY'S RULE OF LAW AND MEET CITIZEN EXPECTATIONS THROUGH IMPROVED INFRASTRUCTURE, TRAINING, COURT ACCESS, AND PRISON CONDITIONS.



It is a spring morning in Abobo, a low-income district in Abidjan, or “slumtown” as they say here. It has 1.5 million inhabitants and all the problems of a big city: poverty, sub-standard housing, violence, and crime-based livelihoods. On the third floor of a white building near the market, a small “Legal Clinic” sign hangs, discreetly welcoming patrons of a very new type of service. The slogan on the entry door is clear: “Know your rights to live more peacefully.” The Côte d’Ivoire Women Jurists Association (or AFJCI) created the space in 2014.

On this particular morning in 2016, about two dozen people sit in a circle around the group leader, Christine Kok. They discuss security deposits, missed payments, rent increases, and other subjects. A special workshop covers all housing-related issues. Christine Kok reminds the attendees of their rights and duties, explaining, “*The law curbs how much landlords can demand from renters, but at the same time, renters have to pay the rent every month. Too often, the renter flees, skipping out on the landlord.*” Some representatives of the latter class, present in the room, enliven the discussion. Several attendees learn about a law that strictly limits the size of annual rent increases. Christine Kok encourages them by declaring, “*If your landlord does not follow the*



You can ask the court to enforce your rights.



Christine Kok,
Abobo Legal Clinic group leader

law, you can ask the court to enforce your rights.” Shrugging his shoulders, a young man says, “*Maybe, but everyone knows how it really works... No one listens to us... Poor people can go to court? I don’t believe it!*”

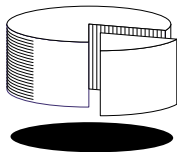
— A volunteer army of 300 defense attorneys, magistrates and lawyers

A little while later, in her office Christine Kok confides, “*People here are afraid of the justice system. Because they don’t know their rights and don’t know what to expect, and going to court costs a lot. The police don’t listen to them; people perceive the justice system as something imported from Europe... There are a lot of reasons for this. People do not understand that justice is for everyone, that it is here to protect them. It’s our role here to reiterate all that and help people prepare complaints and go before a magistrate if they need assistance. Such work takes a long time, but it eventually yields*



results.” Workshops, personalized legal advice, radio programs: AFJCI fights on all fronts, drawing upon 300 volunteer defense attorneys, magistrates, and lawyers. The association has already set up offices in 15 of Côte d’Ivoire’s 31 counties and continues to expand.

AFJCI receives funding via a “C2D Justice” contract, part of the first debt-reduction and development contract (C2D) drawn up between France and Côte d’Ivoire in 2012. The C2D contract is a mechanism that converts Ivoirian loan repayments to France into grants that go directly to Côte d’Ivoire, on the condition that the funds address nationally identified priorities. The justice system is one such sector. Its weaknesses — lack



0.91%

FOR THE JUSTICE SYSTEM
OUT OF THE ENTIRE CÔTE D’IVOIRE
NATIONAL BUDGET

of transparency, slowness, citizen mistrust — had been identified in the 2000s, but the 2011 post-electoral crisis delayed reforms. “The government promised to restore state authority across the country,” explains Bruno Assemien, C2D Justice coordinator. “The judicial apparatus is a key element of that effort.” Gaëlle Angot, a project-monitoring manager from the AFD Abidjan office, adds, “One of the fundamental goals of this project is to support access to justice for the most vulnerable: women, children and prisoners. We want to fix the cornerstones of a justice system that benefits everyone.”



Christine Kok (center) and colleagues host a workshop to increase awareness about housing laws.



€85 MM



BUDGET FOR THE C2D JUSTICE CONTRACT, THE LARGEST HUMAN RIGHTS AND JUSTICE-RELATED PROJECT THAT AFD HAS MANAGED SINCE RECEIVING ITS 2015 GOVERNANCE MANDATE FROM THE FRENCH FOREIGN AFFAIRS MINISTRY

— Helping minors avoid prison

The Yopougon District Court, about a dozen kilometers away from Abobo, has a private garden with a small house that sits away from the busy hallways of one of the country's largest courts. The house serves as an office for the Children and Youth Judicial Protection Service (or SPJEJ), a pilot project begun in 2016. On this particular day, four teenagers sit with their mothers in front of two case managers: a man and a woman. The adolescents have just been placed under supervised release after serving their terms at the Minors Observation Center (or COM), a juvenile detention facility within Abidjan's main prison. *"The objective of this interview is to explain how we are going to work together,"* a case manager says. *"We will visit you at school and at home. And you, my dear ladies, must also make yourselves*

available." The mothers nod in silence. The case manager looks each of them in the eye, declaring, *"We are here to help you."*

At SPJEJ, 16 case managers have taken up their new tasks with great dedication: checking on school or workplace relations, monitoring and supporting children and youth. SPJEJ is both a civil protection agency for endangered minors and a supervisory agency for delinquents sentenced to alternative, non-residential correctional facilities. SPJEJ operates in liaison with judges and magistrates, particularly the juvenile judges who exert jurisdiction over affairs involving minors in Côte d'Ivoire. *"SPJEJ has improved the situation,"* explains Judge Cissé, one of the Court's juvenile judges. *"Now we have a service agency to work with. Before, arrested minors were sometimes placed in the detention center because we couldn't find their families. SPJEJ does work that helps us understand the minors' situations. It is very helpful."*

— Humanizing the justice system

Since the SPJEJ project began, it has worked on more than 2,500 cases, too many for its current small office space. Fortunately, planning is underway for a new building 30 meters away, one built for SPJEJ's exclusive use. Work will begin in late 2017, as part of the C2D Justice contract.

SPJEJ has already launched three other offices in Abidjan's Plateau district and in Man and Bouaké. A genuine juvenile justice system has begun to blossom. *"I have worked here since 2011,"* confides Marguerite Koffi Goun, director of the Children and Youth Judicial Protection Department in the Ministry of Justice and Human Rights. *"We started from almost nothing. Our work demands a lot of outreach and raising awareness among families, the police, and magistrates. They are beginning to understand that we can help them work properly. The population now*



SPJEJ case managers with minors on supervised release.



Côte d'Ivoire has a prison population of 12,000, half of whom are kept in preventative detention.

WORKING ALONGSIDE PRISONERS

The country's 12,000 prisoners experience substantial problems: overcrowding, promiscuity, and poor hygiene, food, healthcare and sanitation. "Here, just like anywhere, show me your prisons and I'll tell you about the state of human rights in your country!" claims Youssef Touré, head of Prisoners without Borders (or PRSF) in Côte d'Ivoire.

PRSF is a civil society organization convinced that depriving prisoners of their freedom should not deprive them of their human dignity. It has worked alongside Ivorian inmates since 1995, with 130 volunteers in 23 of the country's 34 prisons; they facilitate access to legal services, healthcare, and social mainstreaming through work. PRSF maintains a neutral stance, since its effectiveness depends on keeping the trust of both prison authorities and prisoners. Outside the immense Abidjan penitentiary, as well as the one in Dimbokro, PRSF has created vegetable gardens that prisoners cultivate. As part of the C2D Justice contract, PRSF plans to create water storage and drainage systems in eight prisons. "A recurrent lack of water creates many other problems," explains Youssef Touré. "Currently, only one of the 34 prisons has its own water reservoir."

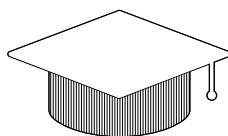
knows that the justice system doesn't simply condemn people and put them in jail. People know there is a service that in some sense humanizes the justice system."

In Abidjan, humanization of the juvenile justice system also takes the form of a new observation center for minors, separate from the central prison. On a country-wide scale, one of the major goals of the C2D Justice contract is to improve living conditions for both juvenile and adult offenders (see box on page 27).

— Detecting domestic violence

A few days later, 25 magistrates meet in a hotel conference room in Dabou, 60 kilometers from Abidjan. Suits and portable computers have replaced case files and judicial robes, but juvenile justice remains the subject. Attendees have come for training about domestic violence, one of the 109 continuing education sessions planned for magistrates, administrative courts, case managers, prison authorities, defense attorneys, and lawyers. French national schools for judges, administrative courts, prison authorities, and juvenile judicial protective services have partnered with this training program, in association with the Côte d'Ivoire National Judicial Training Institute.

"Domestic violence is an important topic," explains Achille de N'Doumou, one of the two trainers and a magistrate and counsel for the Ministry of Justice. *"Magistrates need ongoing training and access to national and international judicial instruments to keep up with social changes."* The other trainer, Aude Duret, deputy attorney general for the Paris District Court and domestic violence specialist, explains: *"Ivoirian and French civil laws are generally very similar. This allows constructive discussion of legal matters and daily realities."* Harassment, psychological or sexual abuse, and children's rights — the



109

SESSIONS

OF CONTINUING EDUCATION
PROVIDED BY THE NATIONAL JUDICIAL
TRAINING INSTITUTE, IN PARTNERSHIP
WITH FRENCH NATIONAL SCHOOLS
FOR MAGISTRATES, ADMINISTRATIVE
COURT JUDGES AND CLERKS, PRISON
ADMINISTRATORS, AND YOUTH
JUSTICE AND CHILD PROTECTION
SERVICES WORKERS.

trainers cover all these subjects, and the class ponders the problem of proving domestic violence. *"The challenge lies in showing that which is not always visible,"* the magistrate explains. *"Domestic violence does not have a clear presence in our laws,"* Nadège Bella, a young juvenile judge, confides during a break between two sample questions. *"One comes to a different conclusion when looking at domestic violence from a human rights perspective. You don't look only at the*





type of infraction; rather, you try to assess and understand the aggressor and the victim. This allows us to come up with other kinds of solutions.”

— Coming next: bailiffs take over

A few days after the domestic violence class, French bailiffs will take over the reins and present a course on commercial justice. The series of training courses will continue until 2018. They will coincide with the construction

of two new training centers: one in Abidjan, and another in Yamoussoukro, dedicated to the first judicial and law classes for Ivoirian citizens. The new buildings will underpin the government’s renewed ambition to reform the judicial system, serving as tangible, visible symbols of nationwide progress in the rule of law. ●



The future National Judicial Training Institute in Yamoussoukro. Other infrastructure has begun construction as part of the project, including Courts of Appeal in Daloa and Korhogo and a new Minors Observation Center in Abidjan.





Banana grower in the
Amazon rainforest.





THE CLIMATE: FARMERS ON THE FRONT LINE

AGROBANCO, THE PERUVIAN AGRICULTURAL DEVELOPMENT BANK, UNDERWRITES AN AMBITIOUS LENDING PROGRAM, HELPING FARMERS IN PERU'S MOST REMOTE AREAS COPE WITH CLIMATE CHANGE AND REMAIN ON THEIR LANDS.

Atroublesome paradox afflicts Peru: the country's farms and farmers both contribute substantially to climate change and suffer from its effects, as seen in the damage wreaked by the infamous El Niño and La Niña weather patterns. Farmers clear forests to create more room for crops or livestock: this land-use pattern causes more than 60% of greenhouse gas emissions. As in many countries, intensive agriculture in Peru degrades and depletes soil, water, air, and pollinators. The question therefore arises: how can the country stem this destruction while providing solutions, prioritizing smallholder farmers? One strategy would provide financing and assistance that support smart, "climate-compatible" agricultural practices.

"As the 2014 United Nations Climate Conference (COP20) was being organized in Lima, Peruvian interest in climate change greatly increased, as did their efforts to fight it," explains Eleonore Pocry, a project manager from the AFD office in the Peruvian capital. *"There was a reality check, and many realized that agricultural practices had to be improved."*

— Agrobanco to the rescue of the Andes and the Amazon

One of the main agents of change is Agrobanco, Peru's state-owned agricultural development bank. In monetary terms, the bank's share of the agricultural loan market is small but vital, since the bank focuses on borrowers in the Sierra (High Andes) and Selva (Amazon rainforest). These farmers have enormous needs.

"To help them, the bank offers competitive financial solutions, and more," notes Céline Bernadat, the financial institutions project manager at AFD, *"because growers also need assistance in changing their production models. In such cases, Agrobanco relies on agents trained as agricultural*



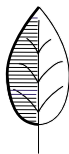
Agrobanco relies on agents trained as agricultural engineers, who assist in two ways: completing the loan application and helping the producer get a project off the ground.



Céline Bernadat,

AFD Project Manager for Financial Institutions

**more than
80%**



**OF THE AFD CREDIT LINE
WILL BE USED FOR "GREEN"
CAPITAL INVESTMENTS IN THE
HIGH ANDES (LA SIERRA) AND
THE AMAZON RAINFOREST
(LA SELVA)**

engineers. They assist in two ways: completing the loan application and helping the producer get a project off the ground. This is a constructive and very innovative approach to agricultural lending in Peru."

— The Banco Verde Plan

Agrobanco has seen very strong growth in the past three years. It sees its vocation in becoming an innovative and "climate-compatible" rural development bank. In 2015, its management approved the so-called Banco Verde ("Green Bank") Plan. However, to reach its goals, Agrobanco needed external financial support. As a natural consequence of working on the COP20 climate conference and participating in Franco-Peruvian climate change talks, Agrobanco and AFD managers met one another. *"We believe that the environmental aspect of our work is critical,"* notes Carlos Ginocchio, Agrobanco's chief executive. *"Our objective —to*



In the central Amazon rainforest, Agrobanco supports ethnic Yanesha coffee growers. Ninety families live on 1,100 hectares, 500 of which constitute a nature preserve.

fight climate change— aligns with that of AFD.” Eleanore Pocy adds, “This is the heart of AFD’s mandate. We make pro-climate loans that also aim for positive impacts on rural employment and economic development.”

In concrete terms, AFD will provide Agrobanco with a €50 million line of credit. Its purpose is to increase “green” projects from 10% to 25% of the bank’s total loan portfolio by 2019. The first loans went to small growers of coffee, cocoa, ginger, and organic bananas, to be used for capital investments.

“Many of these growers farm shade-grown plantations,” explains Claude Torre, an expert agronomist at AFD. “This technique maintains the forest canopy, thus requiring fewer chemical fertilizers, pesticides, and herbicides; it therefore conserves biodiversity and is perceived by consumers as a sign of quality.” Credit extended to these growers usually takes the form of long-term, three-to-eight-year loans.

Such financing allows the time needed to plant and grow slow-growing perennial crops; a grace period allows repayment to begin after the plants begin producing.

— More help for the most innovative

The Banco Verde Plan aims even higher. In a second phase, at least 40% of the AFD credit line will go to innovative new projects: silvopastoral systems, composting, biomass energy production, irrigation upgrades, among others. To define and refine the criteria for such projects, Agrobanco draws on technical expertise made possible by a €5 million grant from the European Union’s Latin America Investment Facility (LAIF), a complement to AFD financing. The technical assistance will add genuine leverage to the line of credit.

“It’s a big challenge,” notes Claude Torre. “Some solutions may seem to be ‘green’, but turn out not to be

sustainable for the soil or climate. We need to establish suitable indicators and a risk-management system in order to make genuinely sustainable capital investments. It is a promising and systematic approach that could be replicated in other countries.”

The LAIF grant will also allow Agrobanco to offer subsidized loans to growers who choose to pursue sustainable projects. The funding will also allow the bank to set up monitoring and management tools to gauge loan impacts. *“AFD has given us judicious help in our transformation,” notes Carlos Ginocchio. “The agency’s support is very valuable, because we have great expectations. We intend to revolutionize our agricultural sector!”* In the central Amazon rainforest, Agrobanco supports ethnic Yanesha coffee growers. Ninety families live on 1,100 hectares, 500 of which constitute a nature preserve. ●



Extending the Disi-Amman water-conveyance pipeline. It has supplied water to the Jordanian capital since 2013 and will soon connect to nearby Zarqa, which shelters many Syrian refugees.





A RACE TO SUPPLY WATER TO JORDAN

JORDAN, ONE OF THE WORLD'S DRIEST COUNTRIES, FACES CHRONIC SHORTAGES IN FRESHWATER SUPPLY. THE COUNTRY MUST ADDRESS IMMENSE CHALLENGES AS IT BUILDS ADDITIONAL INFRASTRUCTURE.

We consider a country under “hydric stress” when each inhabitant has access to less than 500 cubic meters of water annually. Jordan currently has fewer than 135 cubic meters on tap. “That makes Jordan one of the five driest countries on the planet,” notes Frédéric Maurel, AFD water and sanitation department project manager for the Middle East and North Africa. In light of Jordan’s economic and population growth, the country needs much more water. A 2009 infrastructure diagnostic analysis (conducted by McKinsey with the 2030 Water Resources Group) foresaw a scenario in which Jordan could face an annual 660-million cubic meter water-supply deficit by 2030.

— *The Jordan River’s spectacular water decline*

The regional context underpins the extreme situation in Jordan. For a long time, the Jordan River, fed by the Yarmouk River, generously watered Jordan as it flowed to the Dead Sea. Now, however, regional economic development has nearly dried up the tributary. “Syria draws a lot of water from the Yarmouk, lessening its flows to the Jordan River,” explains François Molle, research director for the Development Research Institute (or IRD). Thus weakened, the Jordan River has declined spectacularly as the Israeli National Water Carrier has drawn freshwater from its side of Lake Tiberias (Sea of Galilee), while pumping stations supply drinking and irrigation water to the valley on the Jordanian side. Since the 1950s, the volume of Jordan River

Hydric stress

LESS THAN

500 M³/YEAR

PER INHABITANT



Jordan

LESS THAN

135 M³/YEAR

PER INHABITANT



France

3,000 M³/YEAR

PER INHABITANT

water flowing into the Dead Sea has decreased six-fold, from 1.3 billion cubic meters per year to only 200 million currently. Every year, the mining of caustic potash from Dead Sea brine causes a decline in water levels of approximately 1 meter and evaporates about 250 million cubic meters of water. Global warming worsens this situation.

In addition, half of Jordan's water supply comes from overexploited and non-renewable aquifers, whose precipitously falling levels also raise sustainability concerns.

— Refugees accentuate the crisis

An influx of refugees many arriving from Syria since the war began in 2011 has worsened the situation. Estimates of their numbers vary; according to the United Nations High Commissioner for Refugees, their population totals 630,000, while Jordanian authorities have counted 1.2 million. In northern Jordan, the refugees weigh on the pre-existing imbalance between vital needs and drinking-water supply. *"Eighty-five percent of the refugees, often women and children, live or simply survive outside of the camps. They have moved to cities, where they are taken into Jordanian homes or live in makeshift housing,"* explains Serge Snrech, director of the AFD Amman office. AFD, the European Union, and KfW, Germany's development bank, have together provided €144 million to improve water supply in Irbid and Ar Ramtha, the two largest northern cities. The donors have partnered with Action Against Hunger (or ACF) *"to reach 10,000 households over the next three years, improving their water access by installing water storage tanks and bathrooms,"* adds Serge Snrech.

— Optimizing supply and demand

"Jordan is a laboratory for population-growth and climate-change challenges. Figuring out sustainable



Jordan is a laboratory for population-growth and climate-change challenges.



Frédéric Maurel,
AFD project manager

water-supply management is especially difficult," explains Frédéric Maurel. The only possible solution demands optimizing every link in the chain. On the demand side, water use, particularly for agriculture, must move toward more sustainable practices. The supply side in turn requires the construction of new infrastructure.

AFD contributes to these solutions with a ten-year, €438 million commitment that prioritizes Jordanian water projects. The agency currently funds 12 projects, including the Disi-Amman water-conveyance pipeline. Every year, it carries 100 million cubic meters of drinking water to the capital city. AFD funding now supports a Disi pipeline extension to Zarqa, near the Syrian border. The agency has financed a drinking-water treatment and supply project that draws on the King Abdullah Canal; it also funds public policies with budget aid and technical assistance.

"Our collaboration with AFD has been exemplary. It is a reliable partner, one of the country's three main donors alongside USAID and KfW," declares Iyad Dahiyat, chief administrative officer of the Jordanian water ministry and authority. *"AFD-funded projects have improved water access for 80% of the population,"* Frédéric Maurel estimates—an encouraging result, even if much remains to be done.

— Saving the Dead Sea

"Extreme tension over water has led Jordan to engage in very proactive policies. For example, it sought ways to re-use wastewater before anyone else did," claims François Molle, the IRD research director. Since 2008, the As-Samara station, northeast of the capital, has purified Amman's wastewater. Major modifications have increased its water-purification capacity to 365,000 cubic meters per day. The recycled water flows into the King Abdullah Canal and irrigates farms in the Jordan Valley. The Jordanian authorities also look to the southern regions



A CHALLENGE FOR AGRICULTURE

Jordanian authorities have chosen to prioritize drinking water supply for the population over agricultural production. *“Farmers have lost some of their political clout in the past 10 or 15 years. As everywhere else in the world, agriculture has become a modifiable factor in Jordan,”* explains François Molle, IRD research director. Hence authorities have limited the irrigation—water allocation to 500 million cubic meters per year. An expansion of drip irrigation considered preferable to surface watering did not, in fact, save as much water as planned. *“We have to find more effective ways to increase yields. That said, at the end of the day, only farms growing high-value produce will survive,”* predicts François Molle.

for solutions. A project linking the Red and Dead Seas, known in Jordan as the “Red-Dead,” plans to pump 2 billion cubic meters of water out of the Red Sea each year, desalinating 850 million cubic meters of it for consumption; it would then flush 1.15 billion cubic meters of leftover salt water into the Dead Sea to save it from catastrophic depletion. AFD provided lead funding for the preliminary studies that confirmed the feasibility of this pharaonic project, estimated

at a cost of USD 10 billion. Construction has begun on the first phase, representing 10% of the total objective. *“Until now, Jordan drew on aquifers to obtain drinking water,”* notes François Molle. *“In the future, water will come from the Red-Dead. It’s a bit of an uphill battle. It consumes more energy and more money. But the country doesn’t have many options.”* ●



By 2019, Greater Nouméa will deploy 22 Neobuses in city-wide reserved lanes — a major shift for New Caledonia's capital city.





REPORT

MAKING NOUMÉA MORE INTEGRATED AND LESS CONGESTED

AUTOMOBILE TRAFFIC HAS LONG CONGESTED THE STREETS OF NOUMÉA AND NEIGHBORING TOWNS. THE MUNICIPALITY HAS LAUNCHED A BUS RAPID TRANSIT SERVICE — THE NEOBUS — AS AN ALTERNATIVE TO AUTOMOBILES. THIS AMBITIOUS NEW PROJECT ADDRESSES MANY CONCERNS — ENVIRONMENTAL PROBLEMS, DIVERSITY ISSUES, AND REGIONAL IMBALANCES — EMBODYING THE CORE OF AFD'S MANDATE IN NEW CALEDONIA.



4 p.m. in downtown Nouméa. The streets are emptying out. Only a few regular visitors sit around Coconut Square, where workers go to eat and relax. The cruise-ship tourists have left to see other sights. The shops are restocking their merchandise. As happens every evening, residents from three nearby towns – Dumbéa, Païta and Le Mont-Doré – patiently wait in inexorable traffic jams on their way home. Most commuters get out of the capital by taking the express road that runs between the lagoon and the green Mount Koghi ridge. Traffic has worsened since November 2016, when the new Koutio Médipole Hospital opened in Dumbéa. Tiphaine Cherbonnel, a surgical nurse who works the night shift, explains, “*When I leave in the evening, I get stuck in traffic jams for about 45 minutes, and the same thing happens when I go home in the morning. That’s a lot of time! I get caught up in the press of people leaving Nouméa.*” Her colleague, Suzy Leneveu, has taken the bus that stops in front of Magenta Beach for several months. When no bus runs in the early morning, she has to call a taxi to get to work on time. “*Nouméa’s population growth and the city’s layout on the peninsula lead to major bottlenecks when you drive in or out of town,*” says Marc Zeisel, deputy director of the municipal transportation authority and president of the urban transport union, Syndicat Mixte des Transports Urbains (SMTU). Georges Naturel, the mayor of Dumbéa, claims, “*If New Caledonians don’t use public transportation more, cars will choke the city! We have 180,000 residents today and forecast 200,000 by 2020.*” The Intercity Union of Greater Nouméa has designed a metropolitan urban mobility plan to solve these recurring problems. The plan includes the creation of a reserved-lane mass-transit service called “Neobus.” The service, consisting of 22 modern buses running throughout Greater Nouméa, will begin operating in 2019.

“

By its very nature, public transportation promotes social integration.

●

Christophe Lefèvre,
director of
the Intercity Union of Greater Nouméa

— 20 minutes saved during rush hour

The SMTU is the public contracting authority for Neobus. The proposed bus service resembles one that has operated since 2015 in the French city of Metz, as well as one in Curitiba, Brazil, where the bus rapid transit (BRT) concept first emerged in the late 1980s. (AFD recently financed the latter’s renovation.) In Nouméa, the first phase of the Neobus project will cover 13.3 kilometers out of a planned 24.6 km; the first bus line will run from Moselle Bay, near the Nouméa Market downtown, to Koutio Médipole Hospital, the largest bus station. Twenty-three stations will dot the bus line, and two commuter parking lots will be built. Neobus riders will shave about 20 minutes off their rush-hour commute, since the bus will use a reserved lane and have priority at intersections and traffic lights.

“*Neobus will transform the New Caledonian mass-transit landscape,*” notes Karine Martin de Frémont, director of the local AFD office, “*because it addresses major challenges that AFD has identified in its overall strategy: managing urbanization, protecting the environment, and fighting climate change while supporting economic development.*” Christophe Lefèvre, director of the Intercity Union of Greater Nouméa adds, “*By its very nature, public transportation promotes social integration and meets the needs of those who can’t afford a car.*”

— More than a bus

At Neobus stations, riders will find wider sidewalks, planted trees, outdoor lighting, and benches. In addition, urban improvements and embellishments comprise an integral part of the project, including electrical, water, and sewer-system upgrades and fiber-optic cable installation.

A 6-kilometer bicycle path and pedestrian walkway will run alongside the Neobus lane to encourage commuters to walk or to use bicycles, roller skates, and



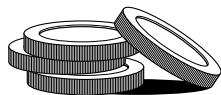
Before & After: Bus lanes, bicycle paths, larger sidewalks, and green space – Neobus will transform Nouméa's roadways.





Every day, Sandrine Fleurent (at left), a trouble shooter for the Neobus construction project, answers questions from merchants and others located along the bus lines about work progress.

€167
M



THE TOTAL NEOBUS PROJECT COST IS XPF 20 BILLION, OR €167 MILLION. AFD, ALONGSIDE THE CAISSE DES DÉPÔTS ET CONSIGNATIONS (CDC), IS THE PRINCIPAL FINANCIER OF THE PROJECT, PROVIDING A SUBSIDIZED, 25-YEAR XPF 8.7 BILLION LOAN (€73 MILLION).

scooters. Given the time saved in comparison with driving, the broad service hours (from 5 a.m. to 9 p.m.), the reliability of reserved lanes, and convenience of a single ticket, forecasts estimate that 5% of commuters will give up their cars in favor of this new transportation mode. In addition, Neobus riders will enjoy better-quality transit information, greater comfort, and easier access for those with limited mobility. Impacts should include greater road safety and lower air-pollution levels.

— **North and South districts finally united**

Until now, the metropolitan area's North and South districts have suffered from isolation, "especially due to a lack of transportation options," explains Christophe Lefèvre of the Intercity Union of Greater Nouméa. "These districts will finally be linked together. Social-housing funders, now enabled to overcome geographic and administrative barriers, will be able to build more easily all along the bus line."

Entrepreneurs and city officials have readied other innovative projects. An MK2-branded cinema will open in Dumbéa in 2019, when Neobus goes into service. By 2020, the Société Immobilière de Nouvelle-Calédonie (SIC), a social-housing company and AFD subsidiary, will have completed a student-housing complex, situated across from a Neobus stop near the Greater Nouméa High School (which offers post-secondary vocational training). "The Neobus service is an essential element of the housing project's attractiveness. It is a bonus for a population that typically does not own cars*," explains Marie Banzagloul, SIC partnerships director. Karine Martin de Frémont adds, "The goal is to truly improve mobility in the metropolitan area, making it easier for people to go to work, school, health clinics, parks, and entertainment. AFD plays a part in facilitating all that, too! Neobus mainly affects those who have no choice other than to use public transportation."

— **Moving toward complete transformation of the city**

Neobus is a pilot project and the backbone of a more ambitious one: Taneo, a metropolitan area-wide unified public transportation system that will allow riders to use a single ticket for easy transfer between transit modes and lines. The AFD loan also supports the Taneo project by financing (for example) investments in ticketing and customer-information systems. The estimated total capital investment cost is XPF 33 billion, or €251 million, from the present through 2025. "We are going to rebuild the urban transportation system. It will entirely transform the city!" concludes Marc Zeisel, SMTU president. This ambitious project should sustainably reshape Greater Nouméa and ultimately benefit all residents. ●

* In New Caledonia, 15% of households cannot afford a car.

“

Neobus meets many challenges: managing urbanization, protecting the environment, and fighting climate change.

●

Karine Martin de Frémont,
Director of AFD's New Caledonia office



By Georges Naturel,
Mayor of Dumbéa

"I HAVE A DREAM..."

For a long time, people have considered the small towns around Nouméa, such as Dumbéa, as bedroom communities; they have no shops or places to go for entertainment. Neobus will have a structuring effect. We are in the process of creating a lively downtown, developing a commercial and entertainment area, planning a marina, adding leisure facilities along the Dumbéa River. The city has 36,000 residents today; in five years, it will have 40,000 and in ten, 50,000! Social housing has increased from 5% of housing stock in 2004 to 28.9% in 2014; Neobus is essential for people of modest means. I have a dream that one day, people living in Nouméa will come to Dumbéa to enjoy leisure activities and to relax."



The Koutia Medipole Hospital in Dumbéa will have a direct Neobus line to downtown Nouméa.



A mother takes her child to the doctor at the Cross Messenger Ministries clinic in Nairobi, Kenya.

TREATING HEALTHCARE WITH THE PRIVATE SECTOR

MANY SUB-SAHARAN AFRICANS FACE CHALLENGES IN ACCESSING AFFORDABLE AND HIGH-QUALITY HEALTHCARE. SMALL PRIVATE FACILITIES CARE FOR THE POOREST AND RURAL POPULATIONS. THE MEDICAL CREDIT FUND FOUNDATION SUPPORTS SUCH FACILITIES, PROVING THAT WHEN IT COMES TO HEALTHCARE, ENTREPRENEURSHIP CAN EFFECTIVELY MEET SOCIAL GOALS.



Sub-Saharan Africa accounts for 16% of the world's population, but only 2% of global healthcare spending. Over time, population and chronic disease growth, as well as social and economic progress, have generated ever-more urgent demand for healthcare services. However, the African sub-continent suffers from obvious under-investment in healthcare infrastructure.

In this tenuous situation, the private sector already provides nearly 50% of all healthcare services, playing an important role at every level, from providing clinical care and equipment to retailing medicine and personal-care products. The private sector even holds a majority of the healthcare market – more than 60% – in some countries, such as Uganda and Ghana. *“Contrary to a common preconception, the private sector sometimes serves as the sole provider of healthcare in rural and disadvantaged urban areas,”* explains Aurore Lambert, an AFD healthcare project manager, *“The private sector doesn't only take care of the rich!”*

Often operating small or medium-sized private clinics and medical centers, entrepreneurs must overcome two major and intrinsically related problems: low-quality care and facilities and difficulty accessing the financing needed to improve them. Commercial lenders generally consider such entrepreneurs and healthcare facilities poor credit risks.

— Nearly 600 healthcare facilities financed

The Medical Credit Fund (MCF) is a charitable foundation that aims to provide financing to healthcare clinics and medical centers while helping them improve their quality standards. Based in Holland, the foundation is presently the only one of its kind. Since MCF began operating five years ago, it has financed 586 healthcare facilities, primarily in Kenya and Ghana, but also in Nigeria and Tanzania. Its loans average €20,000 each

and serve to finance building renovations or equipment purchases. For example, in late 2016, the South B Hospital, a small, 45-bed facility in a working-class district of Nairobi, Kenya, received a loan to finance the construction of dedicated intensive care, nephrology, and kidney dialysis units. In addition, during the entire loan term, hospital personnel receive training on how to improve the quality of care.

While MCF is a nonprofit, it is also a private-sector enterprise: it does not give out grants, and it seeks revenue growth in order to break even, the better to ensure its autonomy and increase its reach. *“It is a ‘social business’,”* explains Selvan Pajaniradja, who develops social enterprises for AFD. *“We aim to create high-quality, affordable, universal healthcare services. Thus MCF contributes to development while simultaneously generating income vital for its own continuity.”* (Read an interview with Selvan Pajaniradja about AFD's commitment to social business on page 46.)

— French-speaking Africa next?

MCF's defining strategy is its focus on inclusive partnerships. The foundation taps local financial institutions for loan monies while providing them with healthcare-sector expertise. In addition, MCF assists lenders by examining and monitoring loan applications. *“Our goal is to work with local financial partners,”* Aurore Lambert explains, *“to show that lending to healthcare facilities can be profitable and to help them create loan products for the healthcare industry.”*

MCF's work coincides with AFD's healthcare and social business goals; therefore, in December 2016, the agency decided to participate in MCF's funding round alongside the International Finance Corporation (IFC) and the Calvert Foundation. AFD provided a €3 million subsidized loan and issued a €1 million grant through its Social Business Facility. Ultimately, AFD intends to

help MCF set up operations in French-speaking African countries, particularly Cameroon, Côte d'Ivoire, and Senegal, all of which have equally great needs in this sector. *“Given AFD's expertise in both healthcare and banking in many countries, we view the agency as a key partner who will help us increase the credit capacity of healthcare facilities and, more generally, improve healthcare quality in Africa,”* explains Arjan Poels, MCF chief executive. ●

€20,000



AVERAGE

LOAN VALUE



586



HEALTHCARE FACILITIES

FINANCED AND ASSISTED
IN FIVE YEARS



10

LOCAL BANKS

ALREADY PARTNERS



INTERVIEW



“Working on all three levels of social business”

AS ONE OF ITS MANY AMBITIONS, AFD FOSTERS INNOVATIVE SOCIAL ENTERPRISES. **SELVAN PAJANIRADJA** WORKS ON DEVELOPING AND EXPANDING SUCH COMPANIES.

— **Why has AFD increased its support for social-business projects?**

A social business, sometimes called a social enterprise, seeks innovative solutions to problems that public policy cannot always remedy in full — above all, through projects that pay for themselves, an approach with clear promise. However, such businesses only take shape with the encouragement of public policy and available funding. AFD has supported social-business entrepreneurs and related companies since 2015, via loans, credit guarantees, investments in third-party social-impact funds, and a dedicated social-business funding facility.

— **Which projects best showcase AFD support?**

We have already financed more than 30 projects. The Medical Credit Foundation project is a particularly interesting and representative example, since it helps

vulnerable populations with a basic need: access to healthcare. We have invested in the Oasis Fund; it invests in turn in small social-impact firms. We also support a French nonprofit, the Grameen Crédit Agricole Microcredit Foundation, which actively promotes financial inclusion.

In addition, we have an ambitious social-enterprise “incubator” in development; we hope it will enable us to finance nearly 100 firms in three African countries over three years.

— **What are the criteria for these projects?**

We take care to ensure that a firm will create goods and/or services for vulnerable populations, or that they will have a stake in the company as producers, distributors, suppliers, or employees. Equally important: the projects must be financially viable in and of themselves. Generally, we would not consider a nonprofit to be a social enterprise,

because it cannot fund itself. We also push firms to improve their own governance by asking them to measure their social impacts, reinvest their profits toward expansion, and demonstrate satisfactory social and environmental responsibility.

— **Do you also work on regulatory frameworks?**

Yes. Working with entrepreneurs and enterprises is important, but we must also develop ecosystems. In France, we have a special approach to social business: we created what we call a “social and inclusive economy” (or économie sociale et solidaire, ESS) comprising a legal framework, dedicated financing sources, and many highly involved participants. This model is very successful and has greater impact than social business per se, because it operates on three levels: micro, intermediate, and macro. AFD actions certainly align with this multidimensional framework and philosophy. ●



WORKING WITH ALL AGENTS OF CHANGE

THE TRANSFORMATION OF DEVELOPMENT MODELS REQUIRES INNOVATIVE THOUGHT AND BROAD CHANGES. SUPPORTING BUSINESS INCUBATORS, HELPING WOMEN ENTER THE WORK FORCE, EDUCATING TOMORROW'S LEADERS: THESE ARE A FEW OF THE WAYS THAT, IN 2016, AFD WORKED TO CHANGE HABITS, TECHNIQUES, AND EVEN PRECONCEPTIONS IN THE DEVELOPMENT WORLD.



Africa **Educating future leaders**

AFD's business university CEFEB offers a certificate program, "Leaders for Tomorrow's Africa" (also known as "LeAD Campus") in collaboration with Sciences Po (Paris, France), the Graduate School of Development Policy and

Practice of the University of Cape Town (South Africa), and the Africa Institute of Management (or IAM) (Dakar, Senegal). Graduate-level courses prepare executives to lead sustainable economic development efforts in Africa.

African startups

Business incubators get connected

AFD joined Bond'innov, a French business incubator oriented toward the global South, to launch "Afric'innov." This project aims to be the biggest and best online aggregator of African innovation news and resources for startup incubators. It also aims to support African entrepreneurs by providing early-stage financing for startups.

Opal: Big Data serving the public interest

Public policymakers in developing countries lack the reliable population and demographic data they require to design suitable policies. The Opal Project will amass customer information from private companies to remedy this deficit, processing the data for general-interest purposes.

Turkey

Women and safety first!

Structural weaknesses have undermined Turkey's economic dynamism. Among OECD countries, it has the lowest female labor-force participation rate, at only 30% in 2015 (the OECD average was 62%). Workplace health and safety conditions have deteriorated, resulting in many job-related accidents – 600 times the rate in the European Union. In 2016, AFD and the Industrial Development Bank of Turkey (or TSKB) initiated an investment program to address this, providing credit to small and medium-sized Turkish firms that hire women and/or ameliorate working conditions.



A BRIDGE ACROSS THE MEDITERRANEAN

SINCE 2007, THE JOUSSOUR PROGRAM HAS BROUGHT TOGETHER MORE THAN 130 ALGERIAN CIVIL SOCIETY ORGANIZATIONS, LOCAL GOVERNMENTS, AND INSTITUTIONS TO ACHIEVE REAL COLLABORATION ON BEHALF OF CHILDREN AND YOUTH. ON BOTH SIDES OF THE MEDITERRANEAN SEA, THIS CONCERTED APPROACH ALIGNS PERFORMANCE FOR SUCCESS.



Organizers call it a “united multi-actor program” or UMAP. This odd acronym hides a highly ambitious cooperation project that aims to strengthen civil-society efforts to help the most vulnerable, and to enhance dialogue and reciprocity among citizens of two countries connected by history. *“In the mid-2000s, Algerian civil society organizations (CSOs) were insufficiently interconnected and structured,”* explains Agnès Belaïd of the French Committee for International Solidarity (or CFSI), a nongovernmental development organization based in France. *“The dark decade of the 1990s weakened the fabric of CSOs, much as it tore apart Algeria.”* Nonetheless, Algerian CSOs remained convinced that they had an essential role to play on behalf of children and youth, in a country where nearly two out of three residents are under age 30. They discovered that their French counterparts wanted to work with them and create synergies.

—An investment in people

Not long after, CFSI and the French Foreign Affairs Ministry proposed setting up a UMAP for Algerian CSOs to strengthen them all simultaneously. They aimed for a concerted approach, uniting CSOs and public authorities and mobilizing local governments in each country. AFD joined the effort in 2009. Participants on both sides agreed to share resources and experiences in order to further practical projects, giving birth to the Jousmour Program: in Arabic, “jousmour” means “bridge.”

Posing for a selfie during a hike in Kabylie, an outing organized by the Algerian Nomads, a nonprofit based in Oran that promotes Algeria's cultural heritage and tourism for young people.



“A UMAP is an investment in people,” explains Martin Péricard, an AFD project manager in the NGO partnerships department. “The dynamic matters very much. The program definitely has an intangible aspect, but one rule is clear: create a community that spans both shores of the Mediterranean Sea, one that fosters the emergence of actors and encourages intercultural dialogue and civic-mindedness. We are completely aligned with the Sustainable Development Goals!”

— From Oran to Béjaïa

Less than 10 years after the Joussour Program was created, it has morphed into an essential coordinator of Algerian civil society: *“It is a key actor and model,”* according to Abderrahmane Arar, president of the Algerian Network for the Defense of Children’s Rights (or NADA). Agnès Belaïd adds, *“It is a cross-cutting organization that empowers young people, rather than turning them into beneficiaries of the system.”*

The Joussour Program has already financed 147 projects, reaching tens of thousands of children and young people across Algeria. It operates in a wide variety of domains, from setting up youth advisory boards to tutoring students, assisting autistic youth, and teaching animal husbandry and beekeeping to those who cannot attend school. Projects include walks to introduce young people to their cultural heritage and renovation projects through which they can help preserve it. From Oran to Béjaïa and from Constantine to El Oued, more than 80 Algerian CSOs work on such projects every day.

“Joussour is a capital investment for all of us,” notes Abderrahmane Arar. *“The nonprofits and CSOs have become more professional in every way; they can now provide solid solutions... They have come a long way.”* Martin Péricard adds, *“The CSOs have proven themselves apt representatives in every domain: providing better public policy design and enforcement,*

promoting civic-mindedness, and creating general-interest services that benefit several populations.”

— A clever governance structure

The Joussour Program currently counts 133 members. In Algeria, the membership includes nonprofits and provincial citizen assemblies (*wilayas*); in France, members include CSOs and municipal governments, such as Aubervilliers, Bordeaux, and Nanterre. Members conduct some programs and projects through direct partnerships, such as one between two nonprofits in Oran and Bordeaux (Sidi El Hoari Health and Bordeaux’s Neighborhood Community Centers Association), and another between the University of Oran and Bordeaux Montaigne University. *“The Algerian and French organizations really think through ways to work together in caring for children and youth,”* explains Abderrahmane Arar. *“It is a genuine network.”* Agnès Belaïd adds, *“Our members have learned to discuss and build things together. Local and international partnerships have sprung up and initiated genuine dialogue with government authorities.”*

Joussour has adopted a clever governance structure to encourage discussion and program participation. Its 133 members constitute a plenary assembly acknowledging shared values, such as joint consultation and equal opportunity, which are set out in the program’s charter. Members attend an annual meeting, and an elected Franco-Algerian steering committee oversees program implementation.

An Algerian team contracted by NADA, the Algerian pro-youth network, ensures everyday management functions. CFSI provides support to NADA from France, leading the overall project. The Joussour Program has an annual budget of about €1 million; AFD funds 75% of it via a grant. Other donors include the RATP Foundation and the European Union Delegation to Algeria.



Joussour serves as a laboratory for Algerian and French civil society.



Martin Péricard,
AFD project manager



AFD AND CSOS

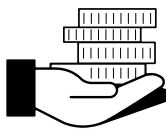
AFD has greatly expanded and diversified its relationships with civil society organizations (CSOs) since 2009, when the French government gave it responsibility for starting and managing strategic and financial partnerships with French civil society. AFD's nongovernmental organizations (NGOs) partnerships department currently provides grant monies and supervision to 324 projects, led by 140 French CSOs on four continents. In 2016, the agency cofinanced 96 new projects, on average granting €745,000 and accounting for half of each project's total budget.



In addition, Algerian member projects receive funding from deconcentrated central-government agencies, local municipalities, and private-sector companies.

How can the dynamic keep going?

In 2016, the Joussour Program entered a third phase. Eighty Algerian CSOs will develop projects to directly benefit 30,000 children and youth, including the disabled and marginalized. The program's main challenge will be to amplify dialogue between civil society and governments via regional youth advisory groups. *"At the local level, dialogue does take place, and talks with government authorities are*



147

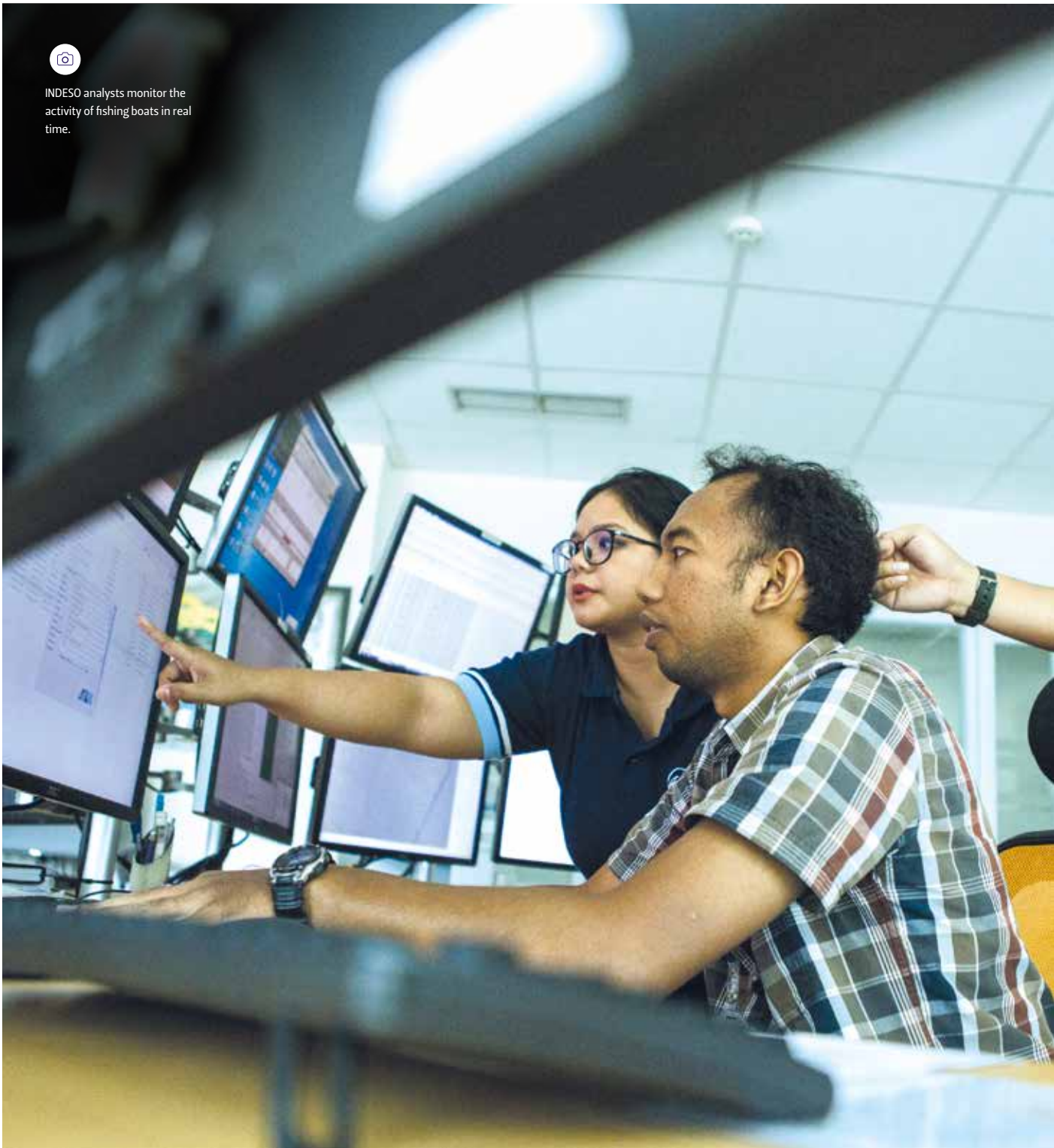
PROJECTS FUNDED BY JOUSSOUR
SINCE 2007

already very promising," notes Agens Belaid. *"Municipal governments have already partnered with Joussour and have taken over some of the projects, proving their relevance and ensuring that they will continue."*

"How can we move from being a local success to a regional one?" Martin Pericard wonders. *"How do we go from micro- to mid-size? The Joussour Program now aims to scale itself up through symbiosis with public policies. The program serves as a laboratory for Algerian and French civil society. Much has already been accomplished. Now we have to extend our work to other organizations and other regions."* ●



INDESO analysts monitor the activity of fishing boats in real time.





REPORT

BALINESE SENTINELS



INDONESIA HAS SET UP A UNIQUE HIGH-TECH SURVEILLANCE CENTER TO MONITOR MARINE ECOSYSTEMS AND FIGHT ILLEGAL FISHING. IN THREE YEARS, THE COUNTRY HAS BECOME A TRAILBLAZER IN DEFENDING MORE SUSTAINABLE FISHERIES.

10

o'clock in the morning in Perancak, on the island of Bali, a two-hour drive from the

capital city Denpasar. Beyond a grove of coconut palms, an immense white building rises into view, flanked by several radar antennae. Inside, a dozen relaxed-looking young analysts work in cavernous, darkened-yet-luminous rooms, their eyes fixed on large banks of computer monitors. Numbers, photos, and maps scroll by rapidly. This is not a digital startup or the floor of a stock exchange. Rather, Infrastructure Development for Space Oceanography (INDESO) — Indonesia's national marine resources forecasting and management center — has opened its doors for us.

— Deploying 25 satellites

Andy, 35 years old, has worked at the center for three years. On one of his monitors, small arrow-like shapes move slowly: they represent fishing boats in the Celebes Sea, about 1,500 kilometers away. Andy points to one, explaining, *"That's a ship sailing under the flag of a neighboring country. It's been anchored on the edge of territorial waters for two days. It may have engine trouble, or it may be waiting for a delivery from one or more other boats. We call that 'transbordering.' On the high seas, that means transferring a boat's catch onto another ship. It's formally prohibited because it allows fishermen to launder their catch, or else make it disappear to another country. So we keep an eye on the area."*

An eye? More like an army of extra-powerful binoculars. Every day, 25 high-resolution ocean-observation satellites send data to Perancak; they provide information about water temperature, plankton concentrations, and currents. The data aggregates with



50 million

INDONESIANS DEPEND
ON FISHING AND AQUACULTURE



17,500

ISLANDS MAKE UP
THE INDONESIAN ARCHIPELAGO

a battery of other material: reports from local buoys, very high-resolution photographs of inshore and offshore areas from optical satellites, and precise day-or-nighttime images from cutting-edge radar satellites, capable of transmitting through cloud cover. These data and images further combine with GPS positions provided by ships equipped with vessel monitoring systems (VMS), radio signals from automatic identification systems (AIS) (obligatory for boats more than 20 meters long), and long-range identification and tracking (LRIT) geo-positioning data (obligatory for commercial vessels). Theoretically, data combined from all these sources tell analysts everything that happens, everywhere, in close to real time.

— The ravages of illegal fishing

Indonesia possesses one of the world's largest exclusive economic zones (EEZs), a 7,900,000 square meter area where the coastal nation has jurisdiction over natural resources of the seabed, subsoil, and superjacent waters. Indonesia's EEZ harbors the Coral Triangle, a reef system that surrounds a well of biodiversity, comprising major fisheries. Indonesia catches six million tons of seafood annually, ranking as the world's second-largest producer after China. The livelihoods of 50 million Indonesians depend on fishing and aquaculture. In addition, the sector generates nearly USD 3 billion in exports each year. Good resource management therefore becomes essential.

Thus the question arises: how can Indonesia keep watch over a territory as large as Europe? The archipelago — 17,500 islands situated at the crossroads of two oceans — borders the EEZs of six other countries, some of which do not regulate or monitor fishing activity. From the Celebes to the Arafura and Molucca Seas, hiding places abound, invisible to traditional radar and the Coast Guard. The result: illegal fishing has flourished in the area since the



The Indonesian Infrastructure Development for Space Oceanography Center (INDESO) watches over an exclusive economic zone of nearly 8 million square kilometers, equivalent to the surface area of Europe.

1990s. The Indonesian government has calculated that the annual loss represents billions of dollars, not to mention the cost of overfishing. Small-scale fishermen are the first to pay the price.

— **Big problems call for big solutions**

Around 2010, Indonesia decided to gamble on outer space and cutting-edge technology to fight pirate fishermen, who can sail across immense oceans under flags of convenience. The Ministry of Maritime Affairs and Fisheries (Kementerian Kelautan dan Perikanan, KKP) called for a “Blue Revolution,” an ecological and commercial campaign to make Indonesia



We use some of the world’s most advanced computer applications and algorithms here.



Dr. I Nyoman Radiarta,
INDESO director

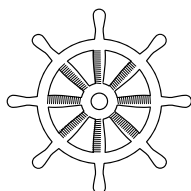


“

Indonesia has staked its future on a more law- abiding fishing sector.

●

François Henry,
AFD fisheries engineer



300

ILLEGAL FISHING BOATS
BOARDED AND SEARCHED
SINCE INDESO BEGAN
OPERATIONS

the region's leading seafood producer and exporter. In this context, in 2011 AFD agreed to finance the INDESO project; as the sole funder, AFD committed USD 30 million along with technical assistance. Three years later, a French company based in Toulouse, CLS, became the general contractor of this ambitious project. A subsidiary of France's National Center for Space Studies (or CNES), CLS is the global leader in land and sea surveillance for civilian applications.

In 2014, the high-tech Balinese center, the armed branch of the Blue Revolution, started to rise from the earth. CLS experts trained Indonesian analysts to operate data processing software. Experts from the Development Research Institute (or IRD), a scientific partner in the program, trained the analysts in halieutic (fisheries-related) resource modeling. The Indonesians

attended dozens of training sessions in Toulouse and Brest (France) and began work that very year.

— World-class equipment

Three years later, no fewer than 100 scientists, engineers and project managers like Andy work at the center. The director, Dr. I. Nyoman Radiarta, shows his satisfaction at this progress, saying, “*INDESO is a world-class infrastructure. For us, it has become a new marine resource management paradigm. We use some of the world's most advanced computer applications and algorithms here.*”

The INDESO programme has produced some spectacular results in very short order: analysts have detected illegal activity on dozens of ships, most often sailing under foreign flags, particularly Thai, Vietnamese and Filipino ones. In such cases, the Coast Guard boards and





inspects the ships, then dynamites and sinks them in front of cameras from all over the world. At present, more than 300 boats have met this fate, three years after INDES0 began operations. Susi Pudjiastuti, Indonesia's very dynamic fisheries minister, has hammered through a very clear message, one undergirded by specific regulatory measures: Indonesia shows no mercy when it comes to illegal fishing.

— **Much more to accomplish**

"Indonesia has staked its future on a more transparent and law-abiding fishing sector," explains François Henry, a halieutic engineer monitoring the project for AFD. *"Neighboring countries — Myanmar, Vietnam, Philippines — are considering similar projects. The entire sector is evolving."* In Perancak, INDES0, conceived from the start as a global ecosystem management tool, has many potential tasks left to accomplish. Not only can it counter illegal fishing, but it can also monitor sensitive habitats (such as coral reefs and mangroves), detect accidental hydrocarbon pollution, model fish populations, and study climate change effects (see box lower right).

"There is more to do in ensuring the continuity of this work and using it to its full potential," adds François Henry, *"but recruiting and training have proved exemplary. The Indonesians acquired expertise that they didn't have before: data formatting, processing, running queries, extracting information, and using complex tools furnished by CLS. They now have genuine, lasting skills."*

Just before noontime, a radar image that Andy ordered appears on a monitor. It was taken during the night by Radarsat-2, a Canadian radar satellite orbiting 798 kilometers above our heads. The image shows a trace of white, a trawler about 30 meters long. Alone. There is no transbordering activity in sight, at least for the moment. The INDES0 sentinels keep watch. ●



Straddling six countries, including Indonesia, the Coral Triangle concentrates 50% of global marine biodiversity. INDES0 has just begun to support a multilateral program, the Coral Triangle Initiative, aimed at preserving this ecosystem.

CLIMATE SCENARIOS

Parts of the Indonesian coast are very sensitive to the effects of climate change. Some well-known impacts, such as coastal erosion, submersion, and coral bleaching, have received no systematic study in these sites. An INDES0 program will identify the most fragile sites and model their possible change scenarios. Dr. I. Nyoman Radiarta notes, "We can use our ongoing observations of impacts to design better public policies and, if possible, prevent or mitigate the effects of related to climate change natural catastrophes."



REPORT

THE SUN SHINES ON ZAGTOULI

THE VERY FIRST PHOTOVOLTAIC POWER STATION IN BURKINA FASO IS UNDER CONSTRUCTION SOUTHWEST OF OUAGADOUGOU. THE “LAND OF UPRIGHT PEOPLE” HAS STAKED ITS ECOLOGICAL AND ECONOMIC FUTURE ON THIS AMBITIOUS PROJECT — WHAT WILL SOON BECOME THE LARGEST SOLAR PARK IN WEST AFRICA.



Only a few months ago, a vast area of virgin red earth stretched across this desert landscape. Beginning in June 2016, impressive metallic structures started to rise from the sun-scorched soil of Zagatouli, a village located a few kilometers outside Ouagadougou, the capital of Burkina Faso.

Rows composed of thousands of metal racks support nearly 130,000 solar panels, casting a graphic geometric pattern on the land. The men working in the shadows of these huge structures appear tiny. These Burkinabe workers have never seen so many solar panels — understandably, since the arrays will power the country's very first photovoltaic energy station. A French company, Omexom (formerly Cegelec, a subsidiary of the Vinci Group) began plant construction on June 16, 2016, amidst much fanfare from Burkinabe officials. AFD and the European Development Bank have financed the large-scale project, through loans for €22.5 million and €25 million respectively.

— **An African champion**

The solar power station in Zagatouli will furnish 5% of Burkina Faso's annual electricity consumption, generating 55 gigawatt hours (GWhs) per year over its estimated 25-year lifetime; if effectively managed, the station could even operate for more than 30 years. *"The power station should send its first kilowatt of solar electricity into the system by September 2017,"* rejoiced Hermann Sawadogo, the onsite supervising civil engineer, last April. Around him, workers bolted panels onto metal racks under the watchful eye of Paul Kaba Thiéba, prime minister of Burkina Faso, and Rémy Rioux and Pierre René Lemas, chief executives of AFD and the Caisse des Dépôts (CDC) respectively. The three men, accompanied by a large delegation, went to the construction site at the beginning of April to check on work progress. *"We came out in force*



**We chose
solar power
to solve our
productivity
problem.**



Paul Kaba Thiéba,
Prime Minister

to support the Burkinabe government as they make the country an African solar power champion. That effort begins here, in Zagatouli," enthused Rémy Rioux, standing in the shade of a SolarWorld-branded panel (a German company).

With this first solar park, Burkina Faso will pull far ahead of Senegal, the current West African solar power leader. The Zagatouli power station will generate about three times more power than Senegal's newest solar plant, Senergy II, inaugurated in October 2016 in Bokhol, north of Dakar.

— **Raising solar to 30% of national electricity consumption**

"This project is very important for AFD," explains Tanguy Denieul, director of the AFD Burkina Faso office. *"It is also the first step in a bigger challenge that we are tackling with the Burkinabe authorities."* That challenge: designing a five-year solar energy plan that will enable Burkina Faso to achieve the energy objectives set out in its 2016–2020 National Social and Economic Development Plan (which received its financing greenlight in December 2016). Until now, Burkina Faso has relied primarily on a mix of hydroelectric (10%) and thermoelectric (90%) power generation. Solar power now joins this mix. President Roch Marc Christian Kaboré made solar power a strong point in his electoral platform and, more importantly, Burkina Faso committed to solar energy during the 2015 Paris Climate Conference (COP21). The Burkinabe delegation declared a target of increasing solar power to 30% of national electricity consumption by 2025–2030.

— **Sharply increasing demand**

With the Zagatouli solar park, Burkina Faso ("Land of Upright People" in Mòoré and Dioula) has initiated a shift in its energy policy — a priority that had become urgent. When the annual hot season arrives, blackouts plunge the Burkinabe population into darkness for



From left to right:
Prime Minister Paul
Kaba Thiéba, AFD Chief
Executive Rémy Rioux,
and Burkina Faso
Energy Minister Alpha
Oumar Dissa, all visiting
Zagtouli in April 2017.



several hours a day, due to the country's estimated 50-100 megawatt electricity deficit.

Sonabel, the national electricity company, currently has a monopoly on electricity transmission and distribution. Each year, Sonabel produces nearly 1000 GWhs and imports an additional 450 GWhs from Côte d'Ivoire. However, that supply has proved insufficient with demand increasing at a frenetic 7% annual pace, and ballooning 26% between 2012 and 2015. *"We do not generate enough, and our production cost is higher than any other West African countries — twice that of Côte d'Ivoire, for example. We chose solar power to solve our productivity problem,"* explains Paul Kaba Thiéba. Sonabel, faced with too-high production and wholesale costs, sells its high-priced



130,000

SOLAR PANELS

electricity at a loss, resulting in indebtedness. The declining cost of solar panels, once too expensive to be profitable on large-scale projects, makes them increasingly affordable and creates a genuine opportunity for Sonabel (see box). The Zagtouli solar park will increase Sonabel's profitability by about XOF 6 million, a significant sum equal to half

FOUR TIMES LESS EXPENSIVE

In Burkina Faso, solar power not only creates clean energy; it costs four times less than other sources. The estimated cost of producing one kilowatt hour (kWh) at the Zagtouli solar park is XOF 35, or 5 euro cents, while Sonabel, the national electric company currently pays XOF 139 (20 euro cents) per kWh wholesale. Therefore, drawing on solar power makes sense economically – and environmentally.

“

In the next two years, we will come up to speed.

●

Hermann Sawadogo,
Supervising civil engineer

the company’s annual 2012–2014 losses. Above all, the new photovoltaic power station will provide more affordable electricity to consumers. In addition, local engineers will gain real expertise in solar energy plant management.

— Two years to train managerial staff

Omexom will manage the site for two years before turning operations over to Sonabel. “It will take two years to train Sonabel managerial staff, a critical need since Burkinabe engineers will have to take the helm,” notes Tanguy Denieul.

At the worksite, 200 installers continue to mount solar panels. Despite having been hired only a few months earlier, they have already learned to move efficiently. While holding a panel, Hermann Sawadogo, the supervising civil engineer, modestly explains, “We don’t yet have any solar energy management skills, but with two years of operation and Omexom training us, we will come up to speed.



€0.05

COST TO PRODUCE 1 KWH

After that, we will definitely be able to manage the power station.” For him, as for the other construction site workers, the planned September 2017 plant opening does not necessarily mean that work will stop, given that the Zagtouli project has come in well under budget. The project’s capital investment costs are half of the original estimate in 2010, making it possible to arrange financing without needing to tap a planned €23 million loan from the European Investment Bank.

Instead, the loan will go to enlarge the Zagtouli project, further benefitting local workers. A 30-hectare extension is under consideration, enough to supply 17 additional megawatts of solar power annually to Burkinabe consumers. The extension would allow Burkina Faso to step on the gas — so to speak — in its race to become the solar power champion of West Africa. ●



Burkinabe installers mount a solar panel. The solar park site employs 200 workers.



A stretch class. Contrary to common belief, senior citizens remain very active.

THE CHALLENGES OF THE SILVER ECONOMY

MARTINIQUE'S POPULATION IS AGING RAPIDLY, TESTING AND CHALLENGING THE ISLAND'S SOCIAL SYSTEM. HOWEVER, THE OVER-65 "SILVER ECONOMY" HAS REVEALED ITS SILVER LINING: SKYROCKETING DEMAND FOR SENIOR-FRIENDLY HOUSING, INFRASTRUCTURE, AND SERVICES, GENERATING NEW BUSINESSES AND JOBS. MIGHT THE AGING POPULATION ACTUALLY CREATE OPPORTUNITIES FOR THE ISLAND?

Martinique once had one of the youngest populations of all the French provinces; soon it will have one of the oldest. By 2040, 40% of the island's inhabitants will be over 60 years of age, compared with 26% in mainland France; only 22% will be under 20. Several factors contribute to this situation: longer life expectancies, lower birth rates, retired baby-boomers returning from the mainland, younger people leaving to pursue higher education or jobs. These population statistics hint at sizeable challenges and prompt serious questions: how can the island's services and infrastructure meet the needs of senior citizens? How will rapid aging affect economic equilibrium and social cohesion?

— **Families and businesses affected**

Families are the first to worry about aging relatives, sometimes against a backdrop of low income as well as an eroded sense of filial obligation. Business owners also worry about an older population. “An aging population concerns all businesses,” claims Manuel Baudoin, former president of Martinique’s Chamber of Commerce and Industry (CCIM). “Aging affects clientele, personnel, and upper management.” Finally, senior citizens raise public-policy concerns: facilities must be modified, sufficient healthcare supplied, specific services encouraged and expanded,



Our first priority is involving civic leaders and organizations.



Yves Rajat, Deputy director
of the AFD Fort-de-France office

and skilled personnel trained. Yves Rajat, deputy director of AFD’s Fort-de-France office, explains, “The magnitude of this demographical change means that our first priority is involving civic leaders and organizations: local town councils, the French government, the National Institute of Statistics and Economic Studies (INSEE), the Regional Health Agency (ARS), local state-owned enterprises, nonprofits, and others.”

— **Think of tomorrow and act now**

AFD and the CCIM regularly meet with local civic leaders to address the aging-population challenge and create synergies to meet it. In September 2016,



a “Grand Meeting of Leaders” provided an opportunity to strategize about ways to expand home-care services, helping seniors live in their homes independently. Participants also sought ways to help the “helpers” — children and other caretakers who take in elderly relatives. Discussions also covered the escalating needs of the “oldest old” — seniors over 80 years of age.

While some ideas about how to accommodate the elderly will take time to realize, the scale of the situation also calls for immediate solutions. Martinique has a great need for long-term care facilities: nursing homes, skilled nursing facilities, and assisted living facilities. “We have some long-term care facilities, but not enough of them,” notes Mireille Louemba-Leti, director of “The Madrépores,” a publicly run assisted living facility. “We allowed ourselves to be overtaken by the burgeoning of the elderly population, but have since moved into high gear. By using an island-wide perspective to think about the situation, we will be able to capitalize on what some might consider the shock of an aging population.”

— Public authorities at the controls

Beginning in 2013, CCIM and AFD conducted studies about the “Silver Economy” to identify key players and understand their views on development. The Silver Economy is not a market; rather, it is a cross-cutting economy that involves food, security, healthcare, housing, leisure, and other sectors of activity. A senior-housing construction company, Serenitys, and an informational website, Happy Silvers, count among the fast-growing firms now betting on Martinique’s new “ecosystem.” However, rapid growth and opportunities do not exclude the need for public authorities to unify and steer private-company initiatives. Dominique Felvia, creator of the Happy Silvers site, readily acknowledges that fact. She explains, “Silver Economy

companies need help to expand through funding for market research and advertising to the elderly.” CCIM and AFD also commissioned a survey of residents aged 50 and over to learn about their expectations for food, healthcare, personal assistance, housing and care facilities, information and communication technology, transportation, and financial services. The ability to design tomorrow’s goods and services depends on listening to older residents talk about their needs today. For all concerned, that is the key to developing new markets such as senior housing, as well as services and local shops, especially in rural areas.

— An experimental province

AFD tailored its financing solutions to support Martinique’s challenges and pressing needs, particularly for publicly run long-term care facilities. As

a result, units for more than two hundred residents are currently under construction or renovation. “AFD has really helped the sector to emerge,” claims Jacqueline Adin, director of the “François” long-term care facility. “AFD financing for our residence allowed us to construct the therapeutic gardens, one of our facility’s strengths.” Yves Rajat, from AFD, adds, “Now we aim to build on our actions by working with all long-term care facilities, in order to promote an inclusive and durable business model.”

Sizeable challenges remain, such as helping public-sector facilities and private-sector companies and combining efforts to improve living conditions and alleviate age-related vulnerabilities. However, if Martinique seizes its Silver Economy opportunities, it could provide useful business models for many other French provinces. ●



Many firms already target seniors, offering suitable activities such as exercise classes on the beach.





INTERVIEW

“We have to revise what we know about epidemics and adapt our means of fighting outbreaks.”

IN SOUTHEAST ASIA, CERTAIN INFECTIOUS DISEASES, SUCH AS DENGUE FEVER AND LEPTOSPIROSIS, HAVE EMERGED — OR RESURGED. IN ORDER TO IMPROVE LOCAL PUBLIC-HEALTH POLICIES, THE PASTEUR INSTITUTE EXAMINES WHAT CAUSES EPIDEMICS AND CLOSELY OBSERVES THE EFFECTS OF CLIMATE CHANGE, OPERATING THROUGH THE AFD-FUNDED ECOMORE RESEARCH PROGRAM. INTERVIEW WITH **MARC JOUAN**, THE PASTEUR INSTITUTE'S INTERNATIONAL AFFAIRS DIRECTOR.

— **Why did you choose Southeast Asia to study the relationship between epidemics and environmental change?**

Southeast Asian countries, such as Cambodia, Laos (Lao PDR), and Myanmar, have seen economic transformations that cause a number of changes to the environment. These changes have poorly understood public health consequences. The situation differs in each country, but the emergence or resurgence of infectious diseases, such as the dengue virus or leptospirosis, affects the entire region. Our objective is to study how human activities such as urbanization,



intensive agriculture, deforestation, rubber-tree monoculture, and —more recently— climate change affect the emergence and spread of these diseases.

— **Why did you study the dengue virus in Cambodia and Laos?**

In Cambodia, we wanted to understand the link between mass outbreaks of dengue virus, which is carried by mosquitoes, and population movement along roadways. We set up an early warning system in hospitals that can identify and predict the high point of an epidemic outbreak with six weeks' advance notice. Public health authorities will use the system to prepare



Climate change favors mosquito proliferation; they are vectors for the dengue and malaria viruses.

for an epidemic, supplying hospitals with intravenous therapies and medicines. The hospitals, in turn, will better prepare for high patient volumes, especially for pediatric services. Early detection leads to effective prevention. In Laos, we also wanted to watch for mosquito-borne disease threats, this time in rubber plantations. We found that people had a higher risk of catching dengue fever on the plantations than in neighboring villages and, as a result, recommended ways for individuals to protect themselves.

— *In Vietnam, you studied livestock?*

Yes, our work looked at human and animal health on livestock farms. We found that rural populations living on pig farms had high rates of leptospirosis and hepatitis-E infection; both are water-borne zoonoses, pathogens naturally transmitted from animals to humans through water. Rice growers exposed to animal waste are also at risk, especially during floods. Understanding this allowed us to alert public health

authorities and assist them to better address these diseases.

— *Myanmar also wanted to improve understanding of infectious diseases?*

Certain severe respiratory infections cause a high number of infant deaths. Myanmar's public health authorities needed assistance in diagnosing cases. We helped the National Health Laboratory and the two main pediatric hospitals in Yangon (formerly Rangoon) by providing equipment and training personnel in sampling and diagnostic procedures.

— *Is there a link between these diseases and climate change?*

Understanding such links is the main challenge of the second phase of the ECOMORE* Research Program. Climate changes cause temperature variations and, in some regions of Asia, more rainfall and floods. These conditions favor mosquito proliferation; they are vectors for the dengue and malaria viruses and bacteria such as the one that causes

leptospirosis. These climate-driven changes also cause populations to relocate, particularly to cities, resulting in water supply-and-demand imbalances; those in turn decrease water quality and increase contamination risk, particularly for leptospirosis.

Consequently, we face either a resurgence of diseases such as leptospirosis or a change in epidemiological cycles, as with the dengue virus. In such situations, we have to revise what we know about disease transmission and epidemics and adapt our means of fighting outbreaks.

— *What are your upcoming plans for the ECOMORE Program?*

We would also like to extend the program to other regions, particularly sub-Saharan Africa and the Caribbean. Their environments have also changed, leading to the risk of viral epidemics: dengue, Zika, chikungunya, and others. We have a lot of work ahead of us. ●

* ECONomic development, ECOsystem MODifications, and emerging infectious diseases Risk Evaluation.



REPORT

AIMING HIGH WITH A SMALL KIT

IN GUATEMALA, ONE RESIDENT IN TEN CANNOT ACCESS THE NATIONAL ELECTRICITY GRID. FOR NEARLY FOUR YEARS, A GUATEMALAN STARTUP HAS OFFERED THEM KINGO KITS, AN INNOVATIVE SOLUTION FOR LOW-COST OFF-GRID SOLAR-POWER GENERATION. MORE THAN 15,000 HOMES HAVE ALREADY INSTALLED THEM.



Millions in Central America still lack electricity. They light their homes and workplaces with candles, kerosene, or generators. While such quick fixes are legion, one innovation has gained ground in the most remote corners of Guatemala: the Kingo Kit, a smart box that takes about 20 minutes to install. Operating off-grid, the Kingo Kit supplies electricity through a single solar panel connection. *“It is the fastest and cheapest way to expand electricity access to rural populations not connected to the national grid,”* explains Juan Fermin Rodriguez, the co-founder and director of Kingo Energy Company, created in 2013. PROPARCO, an AFD subsidiary dedicated to private-sector finance, took an equity stake in the firm in 2016.

— Pay-as-you-go!

Kingo’s pay-as-you-go financial model attracts interest in a country where half of the 15 million inhabitants live below the poverty threshold; ethnic Mayans living in isolated areas see even higher poverty levels. Kingo first rolled out its kits in Guatemala’s two poorest provinces, Alta Verapaz and Petén, which also had the lowest electrical-grid coverage rates. *“In less*



In less than two years, we equipped more than 15,000 Guatemalan households and changed their lives!



Juan Fermin Rodriguez,

Co-founder and director of Kingo Energy

than two years, we equipped more than 15,000 households,” notes Juan Fermin Rodriguez. *“That allowed families to improve their living conditions, increase home safety, reduce time spent on domestic chores, and bolster their children’s education.”* Currently, Kingo is Guatemala’s only commercial solar-electricity alternative to conventional grid power.

How does it work? Kingo workmen install a solar panel on the roof of a home in exchange for a no-minimum-time contract, along with a flat-rate payment for energy-hours via a prepaid card, similar to those used for mobile phones. A customer unblocks electricity access by entering a card code into the smart box. This pay-as-you-go system means that the customer does not have to pay for the equipment and installation before using it. The Kingo system has many advantages compared to kerosene lamps or candles: lower cost, brighter light, and less danger and pollution. Furthermore, Kingo Kits do not require customers to change their cultural habits: they can purchase recharging cards from the local grocer or directly from a company representative. In the future, customers will be able to pay for more time via mobile phone. Kingo Energy forecasts that it will equip two million Guatemalans by 2020.

— Profit and public service

At present, Kingo customers can choose between two rate options: the Kingo 15,



With a single phone call, Kingo workmen will install the smart box and solar panel in less than 24 hours. Installation and materials cost nothing; customers only pay for electricity used.





which recharges one mobile phone battery and runs three light-bulbs for five hours per day for a daily rate of 6 quetzals (70 euro cents) or 110 quetzals per month (13 euros); or the Kingo 100, which delivers enough power to recharge three mobile phone batteries, run two electrical appliances, and light the main room of a house for five hours each day. Two years ago, Elena moved to the village of Caserio El Limon in Petén Province. Kingo's arrival changed her life. "Before, I had to get up earlier, between 4 and 5 in the morning, and use candlelight while preparing the day's meals. Now I can do things differently: I get up later, spend more

“Everyone wants light!”



Elena, a Petén resident

time with my family, and most importantly, my children can study for an hour every day. Now we have 15 families with electricity. Everybody wants light!” Elena can now turn on the lights in her house for more than five hours per day, charge her mobile phone, keep up with her children's homework, and make the house safer, while paying 25% less for lighting than before.

— We have the right approach

Kingo was able to expand after a fundraising round with several participating investors, including the International Finance Corporation (ICF), the Dutch development bank, FMO, and PROPARCO. An 80% decrease in the price of solar panels since 2008 has also helped. Juan Fermin Rodriguez finds it critical that Kingo turn a profit while fulfilling its promise. “I firmly believe that we have the right approach and that we can be profitable and serve the public good simultaneously. What matters most to us is improving our equipment performance and offering more services to our customers.”

The young company's market does not end at the Petén border. After raising sufficient funds, the firm plans to set up operations in Columbia, Honduras, and Mexico.

Will these technological advances cover the entire region with clean energy? Not so easily... On a worldwide scale, ten years after the first off-grid power solutions came to market, no business model has achieved dominance, even though the market's trajectory resembles that of mobile telephones, according to the International Energy Agency. Nevertheless, these perspectives allow Kingo to forecast a return on its investment. “Our knowledge and adaptability allow us to profitably invest while reducing gaps between the rich and the poor,” the director of Kingo insists. “However, it is essential to receive help from financial partners such as Proparco who will take risks that local banks shy away from.” ●



Small and ecological



This small box provides electricity to people living in remote areas of Guatemala. For the equivalent of a few prepaid euros per month, they can light their homes in the evening, keep animals away, and let their children do their homework.



4 years

HOW LONG THE KINGO KIT HAS BEEN ON THE MARKET, SINCE JUAN FERMIN RODRIGUEZ AND JUAN JOSÉ ESTRADA CO-FOUNDED THE COMPANY IN 2013.



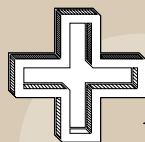
20 minutes

TIME IT TAKES TO INSTALL A KINGO KIT. NO NEED FOR HIGH-VOLTAGE WIRES. A SMALL BOX HOLDS EVERYTHING AND SIMPLY CONNECTS TO A ROOFTOP SOLAR PANEL.

70 euro cents per day



THE COST OF THE LOWEST FLAT-RATE PLAN. IT CAN RUN THREE LIGHTBULBS, LIGHT A HOUSE FOR FIVE HOURS PER DAY, AND RECHARGE A MOBILE PHONE BATTERY. ON AVERAGE, CUSTOMERS PAY USD 15 PER MONTH.



100% Guatemalan

THE KINGO KIT SOLUTION WAS CREATED IN GUATEMALA CITY, INSPIRED BY SOLUTIONS ALREADY USED IN AFRICA. TWO YOUNG GUATEMALAN ENTREPRENEURS HAVE CHAMPIONED THIS AUTHENTICALLY LOCAL PRODUCT.



USD 100

THE COST TO PRODUCE AND INSTALL A KINGO KIT. THE CUSTOMER DOES NOT PAY FOR EQUIPMENT OR INSTALLATION.





PART 3





COLLECTIVE INTELLIGENCE

AT AFD, WE HOLD THE CONVICTION THAT DEVELOPMENT AID CAN BE THE CORNERSTONE OF A SAFER, FAIRER, AND MORE SUSTAINABLE SOCIETY. NOW WE NEED TO SHARE THIS CONVICTION MORE BROADLY — FIRST WITH THE FRENCH PUBLIC, WHICH SOMETIMES MISUNDERSTANDS THE PURPOSE OF FOREIGN AID. WE MUST ALSO REACH DECISION-MAKERS. AFD DRAWS ON ITS EXPERTS AND RESEARCHERS TO RAISE PUBLIC AWARENESS, ENGAGE RESEARCHERS IN DIALOGUE, AND ADVISE POLITICAL LEADERS — BECAUSE SHARING KNOWLEDGE, CLARIFYING MISCONCEPTIONS, AND UNDERSTANDING OPPORTUNITIES ALL MAKE FOR MORE EFFECTIVE ACTION.



THE ENERGY TRANSITION MOOC

AFD HAS JUST CREATED ITS FIRST FREE ONLINE COURSE ON ALTERNATIVE DEVELOPMENT STRATEGIES. AFD PARTNERED WITH ÉCOLE NORMALE SUPÉRIEURE (ENS) AND CONSULTING FIRM CARBONE 4 TO DESIGN THIS INNOVATIVE TOOL FOR STAKEHOLDERS IN DEVELOPING AND EMERGING COUNTRIES.

The vast literature on energy transition has certainly benefitted development strategy. However, non-experts interested in the subject — those who seek solutions, clear views, or simply some basic knowledge — have difficulty finding accessible (and understandable) educational materials on the topic. AFD therefore created a “MOOC,” a massive open online course, to share its expertise with the widest possible audience in emerging and developing countries, especially students, civil society, and businesspeople. What is a MOOC? It is a series of free classes taught via the Internet, accessible to anyone with a connection.

**A faster way
to educate
and mobilize a
greater number
of actors.**



Only schools and universities have the right to disseminate such courses. They do so through a few MOOC platforms, including Coursera (used by the world’s most prestigious universities, such as Stanford, Centrale Paris, Bocconi, and Princeton). AFD partnered with France’s École Normale Supérieure (ENS) to broadcast its MOOC through Coursera — a wonderful launch pad for a course nearly two years in the making.

— *The concept originated with Gaël Giraud, AFD’s chief economist*

“Gaël Giraud was the first to argue for a MOOC project about energy transition. It was 2015; the United Nations



had just adopted the Sustainable Development Goals (SDGs), and we were preparing for COP21,” explains Virginie Delisée-Pizzo, head of training for CEFEB, an AFD division dedicated to skill-building in the global South. “On the one hand, we had much to say about the topic, and on the other, we felt that our partners had an immense need to understand the subject. We did not have a way to bridge the two, nothing that could address a large audience... So a MOOC became the obvious solution.”

— A didactic and creative tool

For Gaël Giraud, AFD chief economist, climate and ecology involve high stakes, justifying the creation of a universal, creative educational tool. He explains, “Energy and economic growth go hand in hand, but given climate disruption, we can no longer use fossil fuels. This creates considerable challenges in transitioning to renewables without encumbering the development of Southern countries.” He therefore turned to Marc Mézard, director of ENS, and Alain Grandjean, director of Carbone 4, a consultancy; in early 2016, both agreed to help with the MOOC venture.

— Dozens of experts filmed

As they say at AFD, a “scaling up” took place as the project aimed to reach everyone directly or indirectly capable of changing the current development model and bringing energy transition into its mainstream. The MOOC’s design targeted decision-makers at public- and private-sector enterprises, along with other businesspeople, civil society organizations, nonprofits, and students, especially those attending African business schools. The energy transition MOOC will be released in fall 2017. It follows the traditional academic MOOC format over six weeks. Each week, classes cover a main topic. The online “learners” will be able to watch several videotaped



The MOOC architecture derives from the views of Alain Grandjean, Carbone 4 director, Marc Mézard, ENS director, and Gaël Giraud, AFD chief economist (seen onscreen).

classes — five or six per week — and complete quizzes and multiple-choice tests. “A MOOC has a beginning and an end,” notes Virginie Delisée-Pizzo. “Unenrolled participants will be able to watch the videos after the course ends, but they won’t have access to the exercises, discussion spaces, chat rooms, and feedback forums, all reserved for enrollees.”

“This MOOC sends a strong message from AFD,” concludes the head of CEFEB. “It affirms our complete alignment with the SDGs and showcases how we help developing and emerging countries make energy transitions. We also chose to do a MOOC because its very form illustrates how AFD is changing via its own digital transformation.” ●

10,000

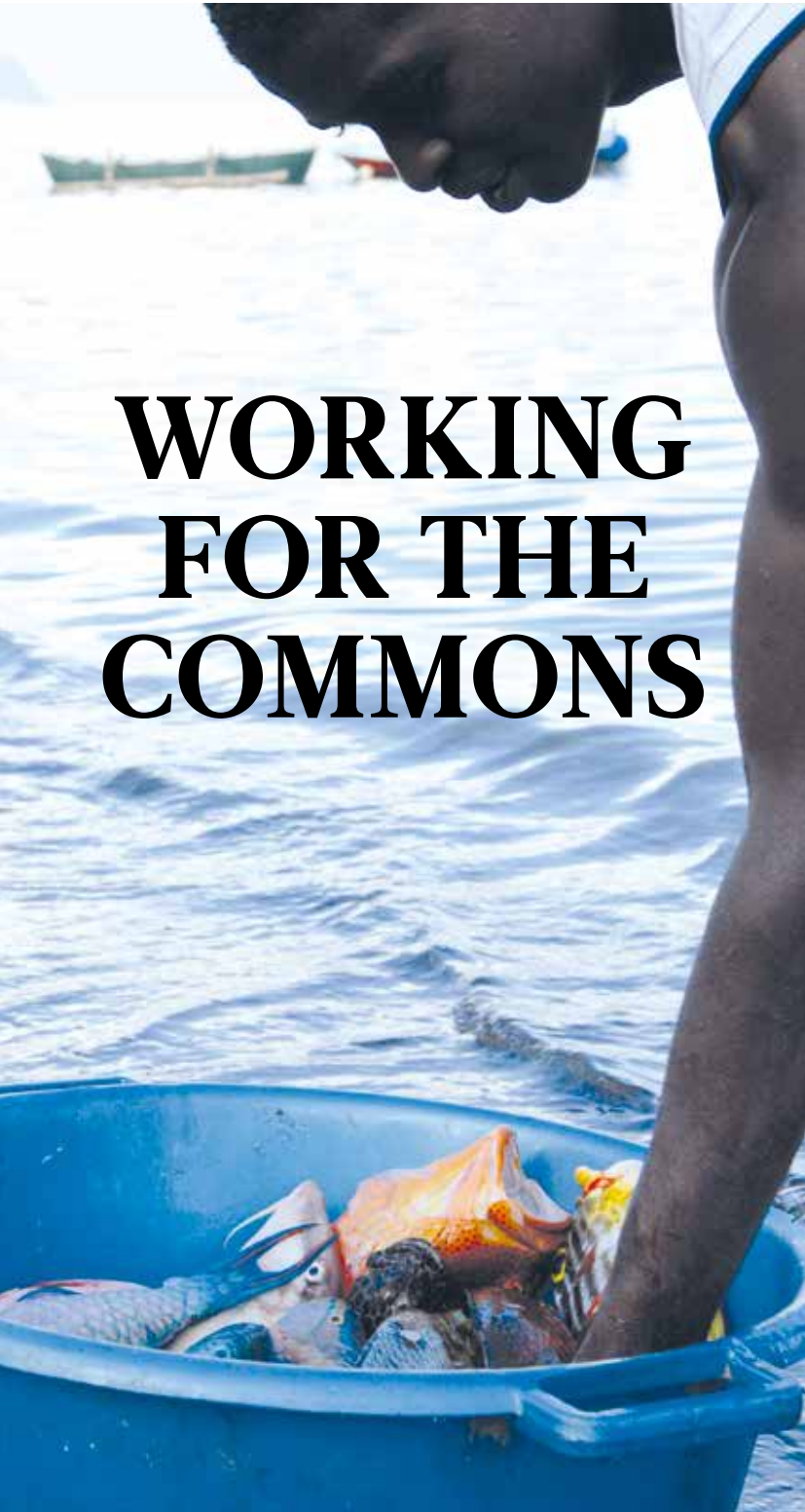


THE NUMBER OF PEOPLE
THE MOOC COULD REACH
AND TEACH



6

WEEK COURSE



WORKING FOR THE COMMONS

“THE COMMONS” — A CONCEPT THAT BOTH INTERROGATES AND INFORMS DEVELOPMENT PRACTICE — INVITES PRACTITIONERS TO MOVE BEYOND THE TRADITIONAL NORTH-SOUTH FRAMEWORK AND TO THINK OUTSIDE THE BOX.

The notion of common-pool resources, or “the commons,” resurfaced in the media in 2009, when American political scientist Elinor Ostrom shared the Nobel Prize for Economics. Her work showed the virtues of collective management of some natural resources, such as forests, fisheries, and aquifers. She highlighted the positive role that local communities play in defining and creating standards and ad hoc institutions to protect finite resources from ruin or depletion. Nearly 10 years later, her concept of salutary local-community commons management has won over policymakers and activists and directly informs international discussions.

The wish for a new society

Three key elements generally define a common good: resources, community, and rules. A community shares a set of rules — rights and duties — to preserve and promote a common pool of resources. In the face of suboptimal public governance and sometimes inefficient markets, the commons concept proffers another form of governance,



one that is collective and nonexclusive. It calls for rethinking social spaces and related institutions: since no single good is “naturally” a common good, or a public or private one, collective policy choices must decide which is which. This is not simply an old idea made new again. The commons, far from an archaic vision of societal organization, translates into extremely different realities and innovative forms of governance. Common-pool resources do not begin and end with localized physical resources. Planet-wide common goods await their communities and their rules, as seen with immaterial common-pool resources (such as free or open-source software), or climate, biodiversity, health, and education. The commons also translate into the wish for a new society, one animated by personal ethics and social engagement. Common-pool resource management often defers to the public interest and social or societal utility, placing sense and relevance before questions of efficiency.

— Follow the movement or accelerate it?

As a major development bank, AFD faces fundamental questions vis-à-vis its position on common-pool resources. Should the agency limit itself to identifying and recognizing existing resources without taking any action? Should it institutionalize the commons and/or reinforce or change resource-management rules? Does a development bank have the legitimacy to create and promote new common-pool resources, for example by acting through nonprofit organizations or cooperatives, or by designing public policies to promote or support common resources?

In its practices and through its funding, AFD has long assisted the emergence and structuring of new common-pool resources. For example, in order to optimize underground freshwater management in the Middle East and North Africa, the agency supported local consumer

Opportunities to overcome weaknesses in twentieth-century development models.



associations; these proved more effective in conserving and protecting water than traditional state-imposed regulatory instruments, such as taxes and quotas. In Senegal and Colombia, AFD helped governments improve national statistical analyses by assembling public databases from private-company data. On the international level, the agency participates in the Drugs for Neglected Diseases initiative (DNDi), a group of scientists, laboratories, and governmental and nongovernmental organizations. This nonprofit collaborative pools its expertise to develop new treatments for pathologies affecting the poorest populations, creating medicines and drug pipelines that governments and markets cannot satisfactorily provide.

— Thinking outside the government and markets box

Nevertheless, AFD must remain pragmatic. By proposing an ambitious vision where the commons informs its strategic thinking, AFD does not mean to provide unconditional or exclusive support to community resource management. The latter is not a panacea, and a commons is not exempt from risks: what one generation puts into place, the next may dissolve. Unfavorable regulatory frameworks or external shocks may also cause a commons to fail.

Nonetheless, in the current context, the notion of the commons and common-pool resource management offers many opportunities, particularly in overcoming some of the weaknesses in twentieth-century development models. The commons concept leads to a better understanding of local social dynamics and specificities. It also improves our understanding of how communities outside of governments or markets make decisions and encourages learning through practice and experience. Thus the commons constitutes a powerful theoretical guideline that can help reframe public development policy. ●



INTERVIEW

“Seeking a lasting equilibrium.”

CLIMATE DISRUPTION AND PRIVATE-SECTOR DEBT LOOM AS MAJOR ECONOMIC RISK FACTORS IN THE COMING DECADES. AFD CHIEF ECONOMIST **GAËL GIRAUD** HAS INCLUDED THOSE RISKS IN AN INNOVATIVE MACROECONOMIC MODEL NAMED “GEMMES.” THE CHALLENGE: IDENTIFYING THE BEST PATHS FOR PUBLIC-POLICY DESIGNERS TO FOLLOW, STARTING WITH ENERGY TRANSITION.



— What drove you to work on a new model for development?

The economy, like any complex phenomenon, may be intrinsically unstable. The natural sciences have tried to describe inherent instability for ages. Economics is the only science that assumes that reality can exist in a state of constant equilibrium. However, after the 2008 financial crisis and the current wave of mass unemployment, coupled with negative interest rates, it's hard to claim that we have reached a point of equilibrium.

How can we reach a long-term equilibrium, if such a state exists? Should we favor one path over another? Our new macroeconomic model, Gemmes*,

90
trillion dollars



**REQUIRED FOR GREEN
INFRASTRUCTURE INVESTMENT**

OVER THE NEXT
15 YEARS

attempts to answer these vital questions. Imagine the economy as a marble tossed into a landscape of hills, valleys, and various forces: capital, debt, unemployment, and so forth. The shape of certain valleys could move our marble — the world economy — toward a long-term equilibrium that features several positive conditions: tolerable private-sector debt levels, low unemployment, and a labor share that favors employees. In this “good” watershed, the economy will tend towards a stationary, long-term state of prosperity. Conversely, if the world economy rolls away from this watershed, the result may be catastrophic. I think it is time to take a dynamic, long-term view of the economy.



— **What are the most important parameters?**

Private-sector debt levels and climate constraints are fundamental. In the United States, the private-sector debt-to-GDP ratio reached 170% in 2008; at present, it has only deleveraged to 155%, with a public-debt ratio around 100%. Excess private debt hinders capital investments for the future, particularly those we need to make now to withstand climate change effects. Building that green infrastructure will require USD 90 trillion (90,000 billion) in worldwide investments over the next 15 years. Since private deleveraging has become a priority, it falls to governments to finance needed capital investments, because the climate simply won't wait.

— **How do you account for climate disruption?**

As long as our economies fail to make the definitive turn toward a low-carbon world, the more goods and services we produce, the more we will add to atmospheric greenhouse gases (GHGs). Consequently, higher temperatures and extreme weather will continue to destroy capital and GDP in every country, eroding soil fertility, decreasing biodiversity, destroying coastlines through rising sea levels, and so on. At this stage, our model includes the climate as a constraint. We have begun to add in other factors, such as exhausted oil, soil, and mineral resources. In West Africa, 4% of the primeval forest already disappears every year. Thus the “good” watersheds will become harder to find as ecological constraints worsen. At the moment, we are pretty much headed on a path toward massive collapse in the second half of this century.

— **Does Gemmes predict risks?**

Absolutely. The model informs public-policy discussions with our partners in the South. Take the Paris Agreement, for example. Many countries made commitments to the United

Nations to reduce GHG emissions by 2030 without really knowing how they were going to do so. Gemmes identifies which public policies they should follow to encourage energy transitions toward widespread use of renewables and green infrastructure.

— **What exactly must be done to regain prosperity?**

Country by country, we must find a combination of factors likely to send our metaphorical marble — the economy — into the attraction field of a “good” long-term equilibrium. For example, we have discovered that countries with a higher labor share prove more resilient to global warming — the two factors rise in tandem. The Gemmes model, originally developed for Brazil, shows that the country would do well to finance its ecological transition by taking on public debt or printing money through its central bank. Gemmes also shows how to subsidize renewables and facilitate green-infrastructure loans or other financing modes. Note that we are currently developing three more country-specific Gemmes models, for Côte d'Ivoire, Tunisia, and Vietnam.

— **How does the model process disparities?**

In collaboration with Matheus Grasselli, we show that dramatically increasing inequalities, and policy choices that support them, will lead to catastrophic situations in the long term. The current explosion of income and wealth inequality, and related disparities in accessing healthcare, education, and other essential services, is symptomatic of a world economy set on a potentially catastrophic course. The debt of the poor is the transmission mechanism; their debt service — interest payments — enriches the wealthiest. We have made a decisive discovery: inequalities feed off one another and hinder economic

efficiency. We can therefore no longer separate justice and efficiency in our thinking. Reducing income inequality and disparities will increase the prosperity of all in the long run, even the rich.



The climate won't wait.

How will ecological disruptions affect the most vulnerable?

The most exposed individuals live in the global South, particularly in tropical countries, rural areas, and in slums — in short, the poorest populations of all. In developing countries, except for large emerging powers such as China and India, GHG reduction has not been an issue because emissions are low. Rather, the main challenges have arisen in adapting to climate disruption and ensuring resilience for populations and institutions. ●

* General Monetary and Multisectoral Macrodynamics for the Ecological Shift.



A Kenyan farming couple using FarmDrive, a mobile application that facilitates smallholder access to financing.

DEVELOPING DIGITAL AFRICA

DIGITAL STARTUPS CREATE INNOVATIONS IN HEALTHCARE, ENVIRONMENTAL SERVICES, ENERGY, FINANCE, AND AGRICULTURE THAT IMPACT DAILY LIFE. AFD SELECTED FIVE COMPANIES FOR ASSISTANCE DURING THE AFRICA DIGITAL CHALLENGE, THE INAUGURATION OF AN AMAZINGLY CREATIVE AND DYNAMIC COMPETITION.



In Africa, more than 300 million people already access the Internet through their mobile phones. New technologies — key drivers of social inclusion — create new services that can stimulate local economies, sometimes leapfrogging traditional development phases. For example, the M-Pesa application created a mobile-banking service in Kenya, reaching the many “unbanked” people without traditional accounts — a problem that no financial institution had managed to overcome. Unprecedented solutions for particularly African problems spring up all the time. Such is the case for the M-Pedigree application; anyone with a mobile phone and the app can detect fake medicines within a few seconds. This turn toward digital technology calls for additional deepening and support. However, across Africa, the public sector invests only USD 3 per inhabitant per year in telecommunications infrastructure, compared with USD 34 in Brazil, an emerging country.

— Challenge the startups

Affordable Internet and mobile phone access remains an essential issue. AFD finances

telecommunications infrastructure and supports network expansion to further democratize access. However, more must be done. *“At AFD, our donor role is helping innovators and changing business models,”* explains Rima Le Coguic, head of the digital team in the AFD operations division. *“We have a dual challenge: we need to install more equipment, and we need to support*

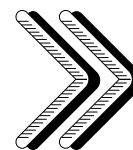


The key lies in assisting specific projects, along with the people, as close as possible to their realities, needs, and concerns.



Karim Sy,
Senegalese entrepreneur

200



STARTUP INCUBATORS
ON THE AFRICAN CONTINENT

entrepreneurs and their ecosystems.”

To smooth the transition toward a digital economy, in 2016 AFD and Bpifrance inaugurated the Digital Africa Challenge. AFD’s goal was to identify and support the most promising development-related solutions. *“To support digital technologies,”* notes Karim Sy, a Senegalese entrepreneur and competition sponsor, *“it is not enough to announce a big investment plan. Rather, the key lies in assisting specific projects, along with the people, as close as possible to their realities, needs, and concerns.”*

The Digital Africa Challenge serves a sector primarily composed of sole entrepreneurs and small startup firms. Despite their dynamism and potential, they often encounter real hardships: a lack of sound advice, expensive or poor-quality infrastructure, and difficulty accessing credit, especially early in their development.

— 500 eclectic and motivated contestants

During the Digital Africa Challenge competition, five sectors received recognition for their dynamism and potential development impact:

- Financial technology (FinTech), which uses information and communication technology to furnish more efficient and less costly financial services, potentially alleviating the unbanked and under-banked problem in Africa;

- Agriculture, where the use of GPS systems and/or weather-satellite maps could significantly increase yields; and

- Healthcare, transportation, and energy.

Nearly 500 contestants entered the competition, primarily from Cameroon, Ghana, Kenya, Nigeria, and Senegal. Their number and quality showcase the dynamism of the sector. The jury, composed of a dozen digital-innovation experts and professionals, selected ten winners. Judging criteria included relevance, feasibility, sustainability, and potential development impact. Five African startups will each receive personalized assistance from AFD valued at €30,000. The other five winners, all French startups, will receive assistance from Bpifrance. The prizes will provide precious assistance as the firms gear up for growth.

— Solid solutions

“The Digital Africa Challenge is a success,” declares Rima Le Coguic, “as seen in the projects it showcased: they are innovative, contribute to Africa’s development, and align with the UN Sustainable Development Goals.”

Among the prize winners, FarmDrive proposes a business-risk analysis model for small-scale farmers, opening the door to loans from financial institutions. Another prize winner, GiftedMom, aims to reduce infant mortality in remote areas by sending pregnant women alerts, texts, and voice messages. No matter what the domain, each of these innovations proves the potential of harnessing the digital revolution for development purposes. ●

FIVE SOLUTIONS FOR AFRICA



AFD is helping five African Digital Africa Challenge winners grow their companies. They will benefit from a year of support tailored to their needs.



A Senegalese shopowner with his new Weebi bookkeeping tablet.

— WEEBI Senegal

Weebi, a virtual bookkeeping journal for shop owners, simplifies tracking of accounts receivable and curbs disputes by printing receipts.

Cheikh Sene, the startup’s sales director, came up with the idea when a neighborhood shopkeeper lost his accounting books and subsequently found himself on the verge of bankruptcy.

“Weebi’s challenge was to back up accounts receivable records while maintaining the flexibility and ease of paper,” explains Cheikh Sene.

— OTRAC Nigeria

Winner of the People’s Choice Award, the OTRAC mobile application addresses the lack of continuing education for healthcare professionals, a problem that ends up creating “a chasm between Nigerian medicine and global best practices,” according to Farida Mohammad Kabir, the app inventor. Practitioners can take training courses and receive grades by using the distance-learning app. The app can also give access to medical journals and public-health awareness campaigns.



A Kenyan farmer who used the FarmDrive app to get a loan.



FARMDRIVE

Kenya

FarmDrive analyzes small farmers' risks to help them gain access to financial institutions. "We grew up in small villages and noticed the obstacles our families faced in getting loans," explains Mary Joseph, the company's public relations director. "FarmDrive was created to solve this problem, not only for our families and friends, but for 50 million small-scale African farmers."

MO'GO

Ghana

Mo'Go is a mobile ride-sharing app that covers Accra, in Ghana. "Huge traffic jams," explains Ray Nkum, Mo'Go's founder, "and pollution as well as high transportation costs affect millions of urban workers." Mo'Go saves its users money and allows cities to reduce congestion and pollution. It is a solution that begs for rollout to other African cities plagued by the same problems.

GIFTEDMOM

Cameroon, Haiti, Nigeria

Infant and maternal mortality is one of the great challenges facing developing countries. Agbor Ashumanyi Ako, manager of the GiftedMom mobile application, says, "That is because of a lack of access to basic information." GiftedMom sends text messages to young mothers and pregnant women, reminding them of doctors' appointments and vaccinations and providing general information about their own and their children's health.



Women using GiftedMom, a mobile eHealth app for pregnant women.



A group activity at the Museum of European and Mediterranean Civilisations (MuCEM) in Marseille, France, during the Engagement Institute's Winter University session.

CARING ABOUT OTHERS

AFD HAS TAKEN ON A NEW MISSION: PROMOTING INTERNATIONAL SOLIDARITY AND ENGAGEMENT TO THE FRENCH PUBLIC. TO ACCOMPLISH THIS, THE AGENCY REACHES OUT TO YOUNG PEOPLE, FUTURE FOREIGN AID SUPPORTERS AND PARTICIPANTS.



Every year, AFD commissions IFOP, a French market research company, to conduct a survey that measures French perceptions of national foreign aid activity. The October 2016 survey depicted a public very interested in the subject, with a wide majority supportive of French aid policy. However, that majority has fallen — from 82% of survey respondents in 1983, to 73% in 1995, to 70% in 2016. Furthermore, while in 2012 44% of respondents favored increasing France's foreign aid budget, by 2016 only 15% did. However, this disenchantment, stemming from a variety of complex reasons, is only the tip of the iceberg: the survey revealed that the vast majority (82%) of respondents felt under-informed about development issues. Moreover, few respondents were familiar with the United Nations Sustainable Development Goals (SDGs). *"The complexity of development issues tends to repel the public: people find it hard to understand the value of development, the stakes, the reality,"* explains Caroline Castaing, head of engagement and awareness at AFD, admitting, *"Perhaps we have forgotten how important upbringing and education are!"* Nonetheless, younger generations have a role to play. They are the future supporters of French foreign aid policy. *"Many young people aspire to truly changing society,"* notes Caroline Castaing. *"They have immense potential: they could revive and renew an appreciation of the value of solidarity, here in France and in other countries. They could make solidarity the basis of a fair and open society and enhance its role in building a better world for all."*

— Boosting civic engagement among 16-to-29-year-olds

An AFD-produced exhibition, "Born Elsewhere — What if You Were Me?" offers attendees the chance to walk in another person's shoes — someone who lives on the other side of the world — the better to understand planetary

challenges. Launched in Paris during the Climate Summit (COP 21), the exhibition has already attracted 30,000 attendees, mostly young adults and students, as it tours through Lyon, Roubaix, Bordeaux, and other French cities.

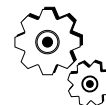
Like the exhibition, a partnership launched in 2016 between AFD and the Engagement Institute also supports the agency's youth outreach efforts. The Institute, created in 2012, claims the mission of helping 16-to-29-year-olds after they spend a year in civic service or as international volunteers. *"Young adults often feel they lack assistance and empowerment,"* explains Marc Germanangue, the Institute's deputy director and head of pedagogy. *"The volunteers we work with show a sense of responsibility, initiative, team spirit, commitment and motivation. These capacities allow them to take on ambitious projects."*

— Empowering 500 prize-winners

Each year, the Engagement Institute bestows prizes on 500 individuals, depending on their background and what they have done. The Institute helps the winners work on a personal project — returning to school, finding a job, or creating a start-up. *"The goal is to build bridges so that young people can meet one another and also meet people at partner schools and companies,"* explains Marc Germanangue.

One prizewinner named Lilla has a project called "Sustainable Youth" that offers travel opportunities to young people from disadvantaged neighborhoods. *"Since I had committed to helping others, I felt that young people who have never left home should be able to combine engagement, sustainable development, and mobility."* Lauriane, another prizewinner, works on a project called "Pathway to School." She explains, *"Often, school-related aid projects simply build schoolhouses. But many children are very tired when they get to their classes, after walking a long*

70%



OF THE FRENCH SUPPORT
FRANCE'S FOREIGN AID POLICY

and sometimes dangerous road to get there, especially in Africa. We want to solve this problem by making pathways to schoolhouses safer and easier to walk."

— Full-fledged ambassadors

The Engagement Institute aids young people through its "Engagement Universities." These provide traveling study seminars and conferences, taught by experts and well-known figures. During the January 2017 course, the Universities took to the high seas. One hundred fifty prizewinners sailed between Marseille and Tunis, attending workshops such as "Knowing One's Fundamental Values," "Public Speaking," and "Raising Awareness About Sustainable Development and International Solidarity: How to Conduct Effective Actions." When the students arrived in Tunis, they met with Tunisian bloggers, media cartoonists, and young AFD-funded entrepreneurs.

Was this a first step toward other projects outside of France? *"These courses provide a great opportunity for young people to open up to the world and embrace international solidarity,"* notes Caroline Castaing. *"Most importantly, it is also an opportunity to turn them into full-fledged ambassadors so that, through their engagement, they can spread knowledge of the stakes involved in sustainable development; they can address development issues through their projects, nonprofit organizations, and other institutions. They can be agents of the cultural change that we want to foster."* ●



CHILDREN RETHINKING THE CITY

AT AN IDEA CONTEST PRODUCED BY AFD AND MEXICO CITY
OFFICIALS, HUNDREDS OF PRIMARY SCHOOLCHILDREN
SUGGESTED WAYS TO IMPROVE THE URBAN SPACES WHERE
THEY WILL GROW UP. FOR THE FIRST TIME, THE INTERNATIONAL
COMMUNITY LISTENED TO THEM.



Drawing a “feelings map” in a school. The map allows adults to make an impromptu assessment of children’s feelings about urban spaces.

Green, connected, safe, open — the city of tomorrow is a dream world. Great architects, designers, and politicians periodically take up pen and pencil to sketch solutions for the immense challenges looming over the coming decades: rural flight, segregation, disparities, population growth, and pollution. Citizen involvement in decision-making processes will prove crucial to overcoming these issues. Some examples of citizen collaboration already exist, as in Dar es Salaam, Tanzania, where residents prompt initiatives to improve infrastructure. However, officials and planners rarely listen to tomorrow's key players — those who will be most affected by changes to their cities. What might happen if officials asked children for their input?

That question lies behind the project, “Que ciudad de Mexico queremos para mañana?” (What Mexico City do we want for tomorrow?). Between June and September 2016, officials from AFD and Mexico City (CDMX) partnered with 110 of the capital's primary schools to find the answer. The project received technical support from a French non-governmental organization, Robins des Villes; over the past 20 years, it has worked in France to promote citizen participation and education around urban policy issues.

— Bicycle-sharing and solar streetlights

The project's goal: listen to schoolchildren, familiarize them with urban issues,



In a Mexico City school, pupils discuss the feasibility of urban improvement proposals before including them in an idea notebook.

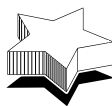


and gather their ideas and suggestions during an idea contest. “Adults can think of a lot of things, but we children know what kind of world we’ll want to live in,” explains a participant, Brisa, with a 10-year-old’s certainty. In groups of five or ten, the pupils pondered four major topics: cities, neighborhoods, workspaces, and natural environments. The children imagined all the details of mobility, public services, housing, security, cultural heritage, and air quality. Clear-eyed

MORE THAN JUST FEELINGS

“We want to help children participate in international thinking about urbanism because they are citizens who have a special relationship to the city. They also have their own vision for the future, asking questions such as: How do children go to school? How do they play? What kinds of public spaces do children have? Beyond such subjects that affect their daily lives, children make humanistic suggestions, giving professional urbanists issues to think about that go beyond feelings – something profoundly humane.”

Jean-Marc Liger, director of AFD’s Mexico City office



THE IDEA CONTEST:

110

GROUPS

OF 5 TO 10 CHILDREN



87

IDEA NOTEBOOKS

PRESENTED



16

FINALISTS,

5 PRIZE-WINNING TEAMS

5 AMBASSADORS

about the world that surrounds them, they made dozens of suggestions for reinventing their city: bicycle-sharing programs, containers to give away food or second-hand goods, health-care clinics for the homeless, animal shelters, solar streetlights, wheelchair ramps, local shops, parks, and other ideas. All proposed practical solutions and showed high levels of social and environmental awareness. Brisa notes, for example, “We proposed creating a river that would be protected so that we could look at it but not pollute it.”

— Five young girls present to the world’s decision-makers

After two months of workshops, 87 groups of children turned in their idea notebooks, all illustrated with artistic drawings, photos, mock-ups, stories, and videos. Each group presented its analysis — “what we do and don’t like” — and proposed improvements. A jury composed of representatives from partner institutions then selected five winning teams, using sustainability and originality as the main criteria. Each of the five teams then chose an ambassador; all were girls.

The following month the five girls — Anlly, Brisa, Carla, Cinthia, and Sofia— flew to Quito, Ecuador, bringing the project to its culmination. The girls had been invited to present their proposals to the international community during the third United Nations Conference on Housing and Sustainable Urban Development, known as Habitat III. The event, which gathers leaders from all over the world together around major urban topics, occurs only once every 20 years. On one day in October 2016, the girls, aged 7 to 12, initiated

“

Things can change for the better, if we want them to.

●

A child participant

a substantive, instructive, and inspiring dialogue with a roomful of decision-makers. “*I was impressed by the children’s maturity, their sensible and relevant presentations,*” recalls Jean-Marc Liger, director of AFD’s Mexico City office. “*Listening to them, understanding them, assessing and disseminating what they think about their living conditions, what they hope for in the future — it is a way to conceive sustainable urban policies, since we can think long term. Advocating for a project like this one is also a way to ensure that children can exercise their human rights.*”

— A new form of citizen participation

The Mexican idea contest did not end with the United Nations conference, but became a pilot project. The mayor of Mexico City promised to run the contest in primary schools every year, and several Latin American cities, such as Guadalajara (Mexico), Quito (Ecuador) and Lima (Peru), have already said that they want to replicate it.

“*Que ciudad de Mexico queremos para mañana?*” showed that 6- to 12-year-olds can assimilate the basic concepts of urbanism and imagine practical proposals. The project also laid the foundation of a new form of citizen participation, one embellished by a touch of hope and creativity. As one of the children concludes, “*I learned that the population is growing and nothing will be the same again, every year will be different... Things can change for the better, if we want them to.*” ●



Child-ambassadors speak in Quito during Habitat III.



A World in Common

AFD is France's inclusive public development bank. It commits financing and technical assistance to projects that genuinely improve everyday life, both in developing and emerging countries and in the French overseas provinces.

In keeping with the United Nations Sustainable Development Goals, AFD works in many sectors — energy, healthcare, biodiversity, water, digital technology, professional training, among others — to assist with transitions towards a safer, more equitable, and more sustainable world: a world in common.

Through its network of 85 field offices, AFD currently finances, monitors, and assists more than 2,500 development projects in 108 countries.



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