



Energy, a driver of development

#WorldInCommon



€2.8 BN

committed to the energy sector by AFD Group in 2019

20%

of AFD Group's commitments per year on average devoted to energy

2/3

of AFD Group's energy commitments have climate co-benefits

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The Energy Transition (ET) is now underway in developing and developed countries alike. Driven mainly by technological progress, it aims for access to efficient, resilient and low-carbon energy services for all. At the same time, it presents an economic, social and environmental opportunity to achieve the Sustainable Development Goals (SDGs), and is imperative if we want to reach the objectives set by the Paris Climate Agreement.

Large-scale deployment of the energy transition implies deep technological and societal changes: it goes far beyond the question of electricity to include industry, construction, mobility, urban planning, agriculture, our consumption patterns and leisure activities. The challenge is to bring about large-scale changes in the consumption and production of low-carbon energy and, at the same time, provide access to reliable energy services for more than a billion people.

To meet these challenges and the needs of the countries where it operates, AFD Group – Agence Française de Développement and its subsidiary Proparco, dedicated to the private sector – has adopted a strategy that aligns its operations with an acceleration of the energy transition. Convinced that the energy transition offers an opportunity for all, AFD will also mobilize all of its public, private and non-state partners to pursue one goal: everyone must be able to access efficient and low-carbon energy services in our world in common.



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Large-scale changes

AFD Group's energy transition strategy consists of three approaches and mobilizes three crosscutting accelerators. They apply to all the geographical areas where AFD Group operates, as part of its 100% Paris Agreement and 100% social link commitments.



3 focus areas

Access to modern energy services for all

To ensure better social and territorial inclusion, particularly in Africa and Southeast Asia, this is a key challenge in contexts of crisis and fragility.

A modernised and low-carbon energy supply

This is at the historic core of the Group's work, and requires the financing of large public and private investments in both the electricity and bioenergy sectors. AFD Group will use a selective approach to help its partners move towards using fossil-free energy.

Energy efficiency and demand management

This priority is at the heart of societal change. An "energy-efficiency reflex" must permeate all of the Group's projects, particularly those supporting urban development, the construction sector and industry.



3 acceleration levers

Mobilise and strengthen the actors contributing to the energy transition

By developing partnerships, AFD Group will help redirect investment flows, primarily private investment, towards the energy transition. The objective is to build the actors' capacities, particularly those of electricity operators. This long-term effort is crucial for the energy transition to succeed.

Support energy-transition policies

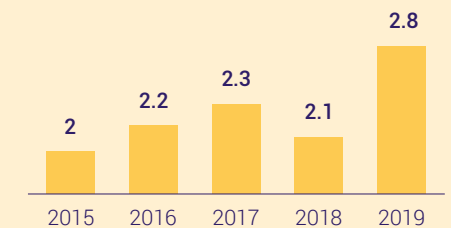
AFD supports the design, implementation and monitoring of public policies for the energy transition. This is based on public policy based loans, technical support and decision making tools to strengthen policy dialogue between the states and energy transition actors.

Support innovation

Innovation, both digital and financial, is one of the key drivers of the energy transition. Whether incremental or ground-breaking, innovation needs to be supported in the southern countries and in the French overseas territories. Funding offers, calls for projects and pilot actions are already adapting to new business models.

Trend in Group commitments

Since 2015 in € BN



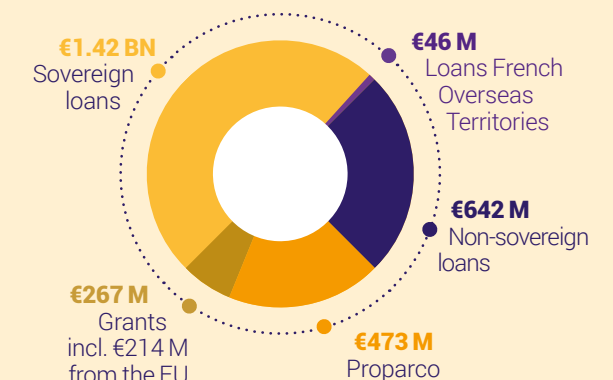
€11.4 BN

Total energy commitments since 2015

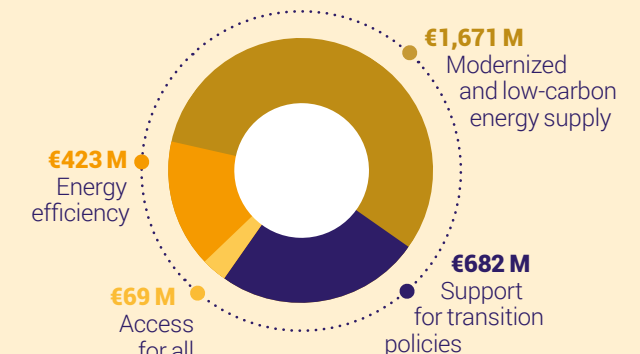
Key figures 2019

Breakdown by financial tool

In €M



Breakdown by theme and strategic tool



The Group's energy commitments



83% AFD
€2.37 BN



17% Proparco
€473 M



AFD and PROPARCO will be mobilized to implement this strategy, which will use a differentiated approach depending on the country, in line with the Group's geographic priorities. This mobilisation will enable AFD to reach its objectives with partner countries:

€6 billion to the energy sector in Africa between 2016 and 2020, including €3 billion under the Africa Renewable Energy Initiative (AREI).

€1.5 billion between 2016 and 2022 to support the International Solar Alliance (ISA).

A global transition

Satisfying all the basic human needs – water, food, health, and education – depends on energy availability.

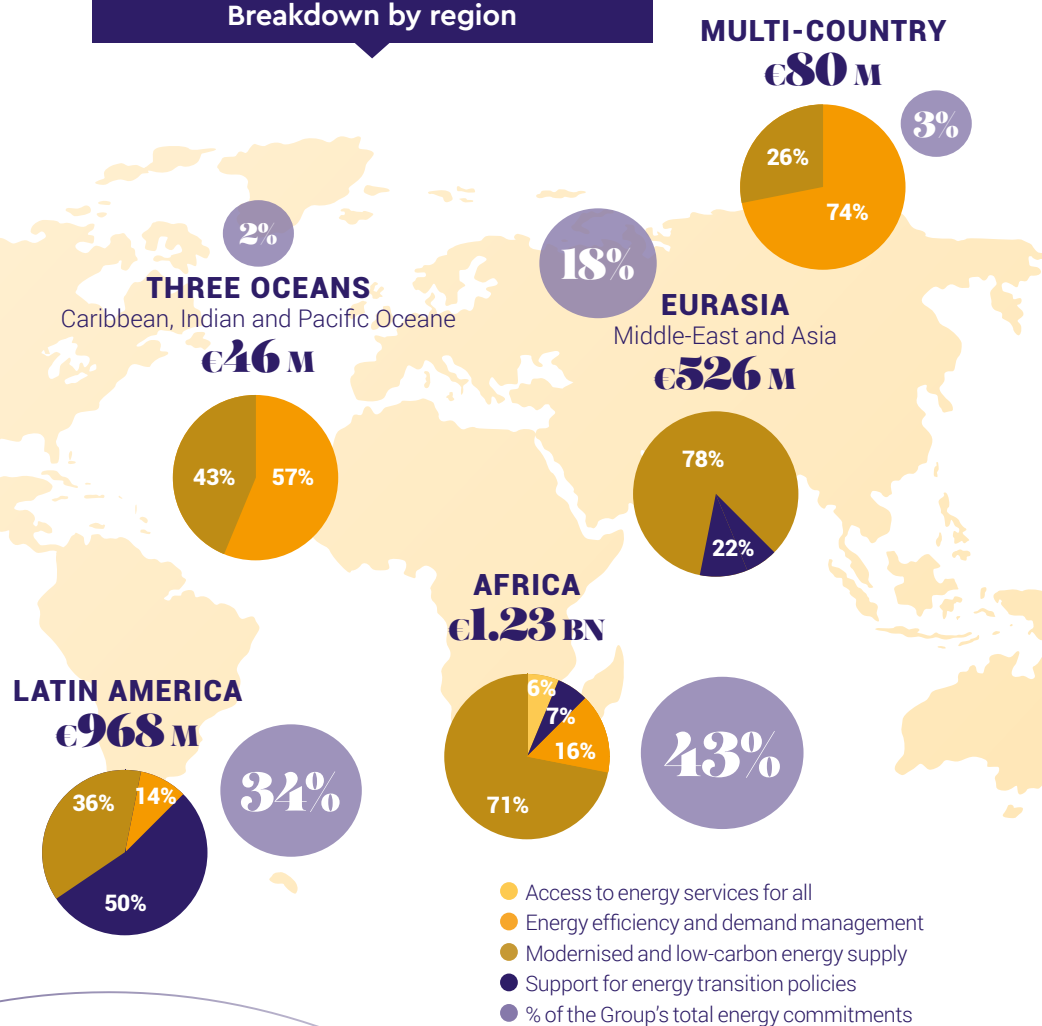
Energy is also an essential vehicle for economic development, because of the link between GDP growth and energy consumption.

One of the key tasks of AFD Group is to ensure sustainable development of energy systems. That is why it supports the energy transition in the countries where it operates. The goal? To achieve universal access

to efficient, resilient and carbon-free energy services, for adaptation to the effects of climate change.

In Africa and the least developed countries, focus is on promoting access to energy networks and their modernization. In Asia and Latin America, public-policy loans and investments target decarbonization objectives and energy efficiency in particular. In the Three Oceans, AFD backs the regional influence of French partners.

Our energy commitments in 2019 Breakdown by region



Expected impacts

The projects allocated by AFD and Proparco in 2019 will contribute to



INCREASING ACCESS TO ENERGY SERVICES FOR ALL

1.8 million

people will have access to sustainable electricity services



SUPPORTING ENERGY EFFICIENCY AND DEMAND MANAGEMENT

220 GWH

of energy consumption saved



OFFERING MODERNIZED AND LOW-CARBON ENERGY

3.6 GW

of renewable energy generation capacity will be installed

€1 BN

committed to solar projects since 2016 to contribute to the objectives of the International Solar Alliance (ISA)

For a world in common

AFD Group carries out its development mission in line with its 2018-2022 Strategy, which is based on five commitments:

100% Paris Agreement

Our financing is compatible with both low-carbon and climate-resilient development. AFD is also committed to mobilizing public and private investment in that direction.

100% social link

Our projects strengthen social link and people's well-being, particularly through access to education and gender equality.

3D development

We take action in crisis and fragile-state situations alongside other actors, to meet the third "D" of the "Defense, Diplomacy, and Development" approach.

Priority to non-sovereign actors

We contribute to the financing of non-state actors (the private sector, local authorities, civil society organizations, foundations, and others) to guide them toward sustainable solutions.

Partnership reflex

Our projects are open to new actors to amplify the sharing of experiences and to improve their effectiveness.

In line with these five commitments, the energy transition strategy sets out AFD's main priorities in the energy sector.

AFD Group's action helps guide and accelerate the six major transitions in which the world is involved: demographic and social; energy; territorial and ecological; digital and technological; economic and financial; and political and civic.



Agence Française de Développement (AFD) Group implements France's policy on development and international solidarity. Comprised of AFD, which finances the public sector and NGOs; Proparco, which finances the private sector; and soon, Expertise France for technical cooperation, the Group finances, supports and accelerates transitions towards a more resilient and sustainable world.

We are building – with our partners – shared solutions, with and for the people of the Global South. Our teams are active in more than 4,000 projects in the field, in the French overseas departments and some 115 countries, including areas in crisis. We strive to protect the common good – promoting peace, biodiversity and a stable climate, as well as gender equality, health and education. It's our way of contributing to the commitment that France and the French people have made to fulfill the Sustainable Development Goals. Towards a world in common.

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