


water & sanitation

ACTIVITY REPORT

2020



Water is closely linked to climate issues and constitutes a major challenge for the 21st century. It is one of the keys to a fair transition as it has an impact on biodiversity, peace, health, food security and gender equality.

The United Nations recognized the human right to access to water and sanitation in 2010, but there is still much progress to be made: over two billion people do not have access to a quality drinking water service at home and more than one person in two does not have adequate sanitation. Besides, population growth and the effects of climate change are putting pressure on water resources: in 2050, over half of the world's population will face water shortages at least once a year, while the quality of water bodies is under threat everywhere. Water-related disasters will also be an increasing source of humanitarian disasters.

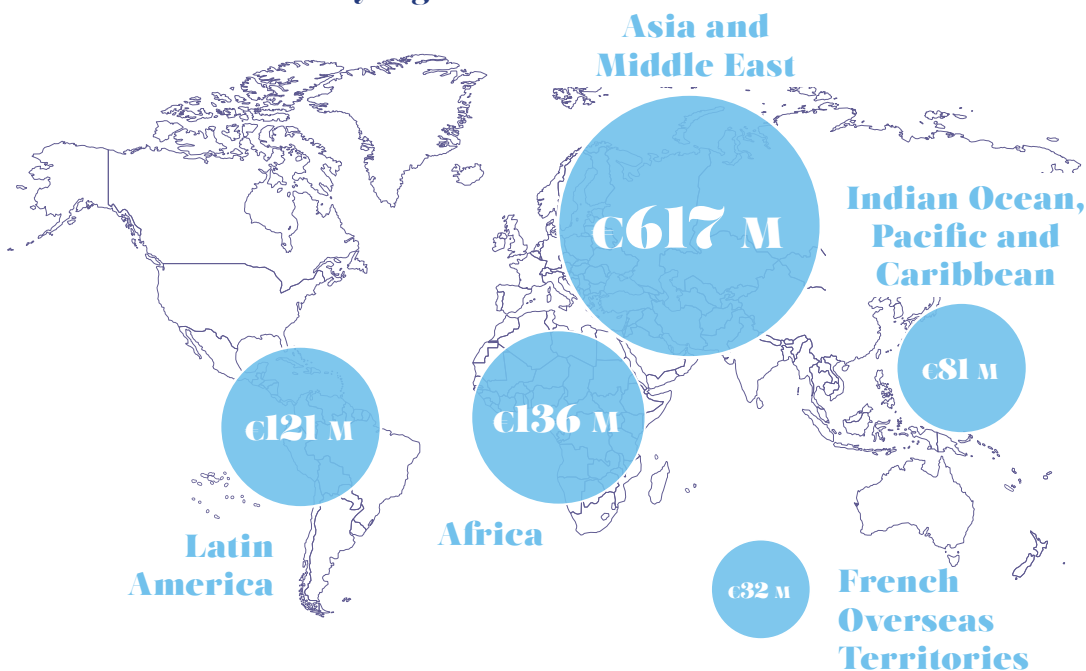
To address these challenges, AFD provides financing to:

- ▼ Provide access to efficient and sustainable services for all;
- ▼ Preserve resources in a context of climate change;
- ▼ Manage flood risks;
- ▼ Support the definition of clear, effective and inclusive sectoral frameworks for a sustainable governance of resources and services.

These strategic focuses are currently being updated and a new Sectoral Intervention Framework will be published in 2021.

Our water and sanitation commitments in 2020

Breakdown by region



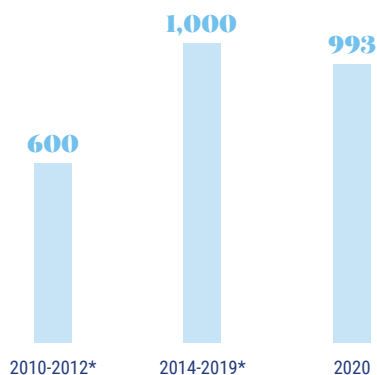
€1 BN
for the water and
sanitation sector
in 2020.

In 2020, the water and sanitation sector accounted for 8% of AFD Group's commitments.

As in 2019, the main area of operation was Asia and the Middle East. There has been a sharp drop in financing approved for Africa due to the economic situation (including the Maghreb region) and an increase in Latin America and the Indian Ocean, Pacific and Caribbean region. AFD committed its first financing in Albania and Uzbekistan. Several operations concern particularly fragile areas, for example in Africa (Burkina Faso, Chad, DRC, Mali, Mauritania, Niger) and the Middle East (Jordan, Lebanon).

Our financial tools

➤ Trend in commitments since 2010 (in €M)



A lower level of financing than in 2019, but equivalent to the annual average for 2014-2019, despite the health crisis.

* Annual average over the period

France's financial effort stands at

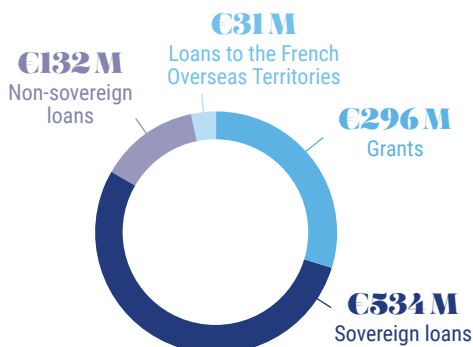
€140 M

of which
75%

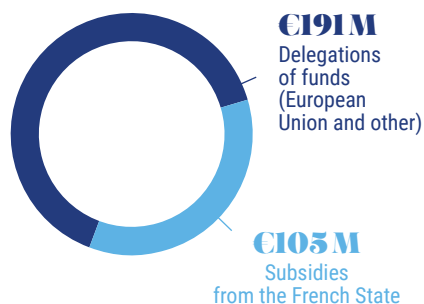
**was assigned to Africa
and the Middle East**

(€35 M from concessional loan subsidies
+ €105 M from grants)

➤ Breakdown by financial tool



➤ Breakdown by grants



The amount of grants
of **€296 million**
remained high in 2020

i.e. **30%**
of commitments for the year.

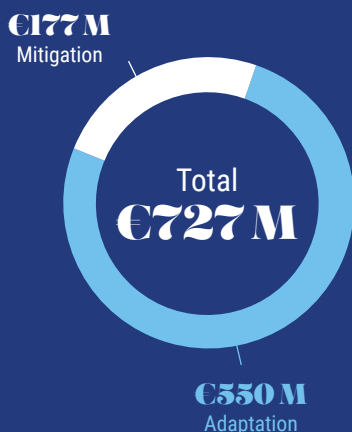
Africa accounts for **59%** of subsidies
from the French State
and the Priority Poor Countries for **58%**.

Fighting against climate change

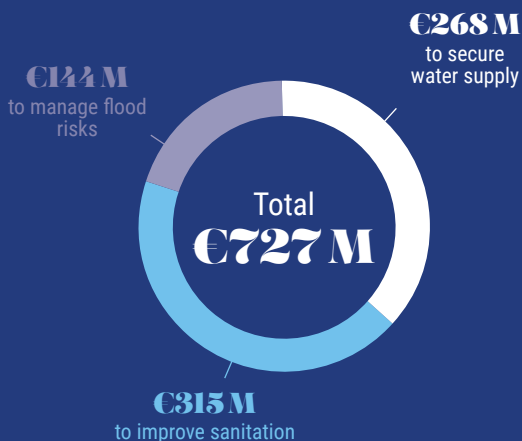
AFD's commitments in the water and sanitation sector contribute to the fight against climate change, both in terms of adaptation to the consequences of these changes and the mitigation of greenhouse gas emissions.

Amount of projects' climate contribution

Type of climate contribution



Contribution by theme

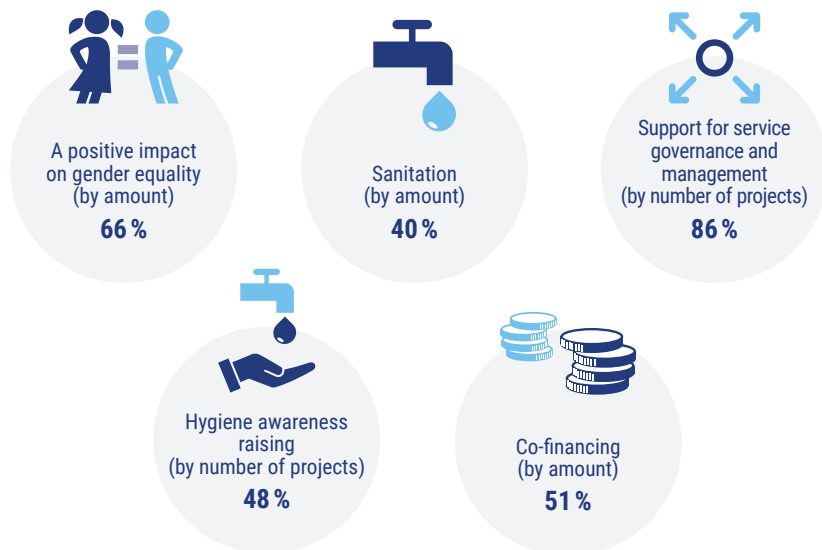


27%

of AFD Group's financial commitments to projects for adaptation to the effects of climate change relate to the water and sanitation sector in 2020.

Projects with crosscutting objectives

➤ Share of projects with (values for 2020)



➤ Biodiversity



Expected outcomes

In the coming years, AFD's commitments in the water and sanitation sector in 2020 will allow:

4.8 million people
to benefit from a safely managed
drinking water supply service



681,000 people
to benefit from a basic drinking
water supply service

46,000 m³ per day
of additional drinking water production
capacity

645,000 people
to benefit from a safely managed
sanitation service



192,000 people
to benefit from
a basic sanitation service

375,000
population equivalent of additional
wastewater treatment capacity

1.3 million people
to benefit from flood risk management
facilities/equipment

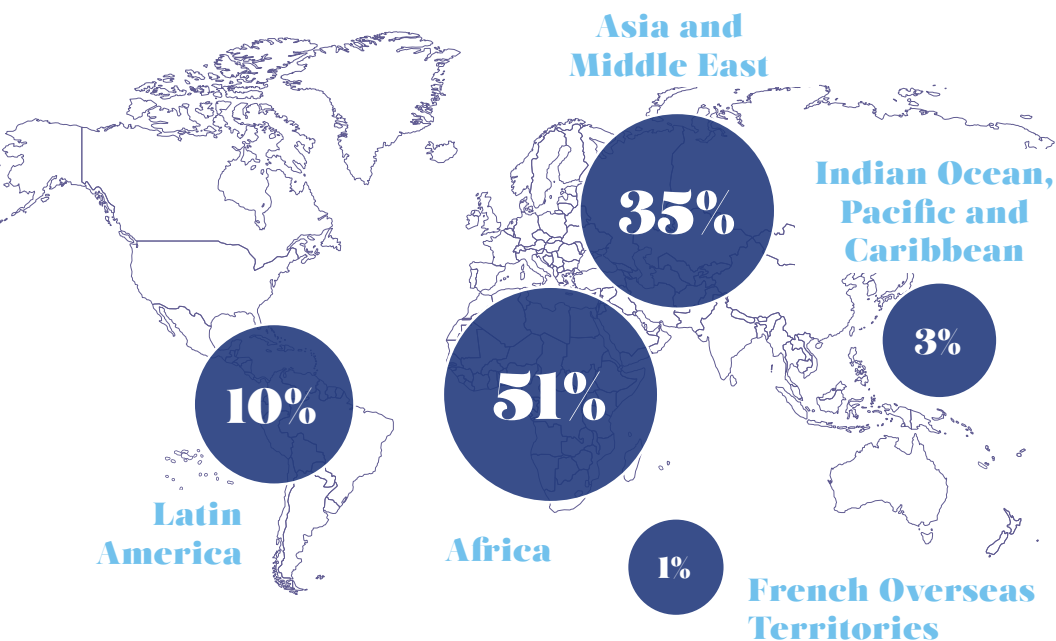


hygiene awareness-raising for
2 million people



Ongoing projects in 2020

Breakdown by region



248
ongoing
projects

in the water and sanitation
sector as at 31 December 2020

for a total financing
amount of

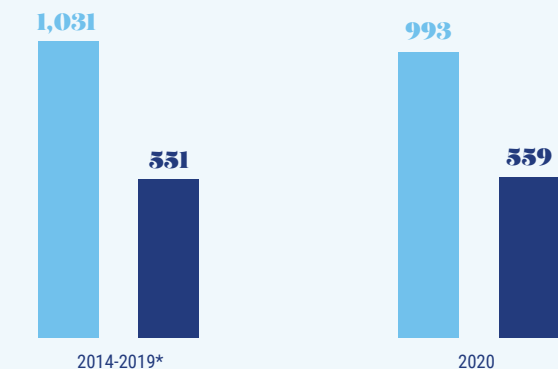
€7.1 BN

of which
€5.2 BN
undisbursed.



Commitments/disbursements

▴ Trend (in €M)



* Annual average over the period



**Amount
of commitments**



**Amount
of disbursements**

Signatures



Total amount of the
82 financing
agreements
signed in 2020
in the water
and sanitation sector.

Achieved outcomes

In 2020, the ongoing projects have allowed:

920,000 people
to benefit from a safely
managed drinking
water supply service



2.7 million people
to benefit from a basic
drinking water supply service

37,000 m³ per day
of additional drinking water
production capacity

19,000 people
to benefit from a safely managed
sanitation service



736,000 people
to benefit from a basic
sanitation service

255,000
population equivalent of additional
wastewater treatment capacity

130,000 people
to benefit from flood risk
management facilities/equipment



Hygiene awareness-raising for
1.1 million people



Partnerships, knowledge production and evaluation

In 2020, AFD deployed three financial partnerships, including a new partnership with the NGO Wash United and two renewed partnerships with the International Office for Water (OIEau) and the French Water Partnership (FWP).



The partnership with Wash United places emphasis on menstrual hygiene management, a key issue for the empowerment of women and girls that remains insufficiently addressed in development projects.



The partnerships and knowledge production continued to focus on the issue of water resources and links with climate change and biodiversity conservation. Activities developed with the NGO The Nature Conservancy (TNC) to promote solidarity between stakeholders involved in a watershed continued. A guide on Nature-Based Solutions is being prepared, as well as two pilot actions for the development of payment mechanisms for environmental services in Kenya and Senegal.



Innovation in the production of hydrological data continues to be promoted in a working group on water level measurements through satellite altimetry. This can now be applied in several major African basins, in addition to other financing efforts for the management of hydrometeorological ground measurements.

The working group set up under the aegis of AFD on the issue of the overexploitation of groundwater, with a number of French specialists, has led to the publication of a policy paper.

A new partnership has been established with IRD. Starting from 2021, it will work on the large water cycle and the disruptions caused to it by human pressures and climate change.



During the Finance in Common Summit, AFD, CAF, EIB and the global partnership Sanitation and Water for All (SWA) launched a call to action for the creation of a Water Finance Coalition. In view of the scale of the financing needs for the achievement of the Sustainable Development Goals (SDGs) related to water and sanitation, this coalition aims to develop exchanges between Public Development Banks and explore the potential to mobilize national and local Public Development Banks to support the sector.

Towards a world in common

AFD Group implements France's policy in the areas of development and international solidarity. The Group includes Agence Française de Développement (AFD), which finances the public sector and NGOs, as well as research and education in sustainable development; its subsidiary Proparco, which is dedicated to private sector financing; and soon, Expertise France, a technical cooperation agency. The Group finances, supports and accelerates transitions towards a fairer, more resilient world.

With our partners, we are building shared solutions with and for the people of the Global South. Our teams are at work on more than 4,000 projects in the field, in the French Overseas Departments and Territories, in 115 countries and in regions in crisis. We strive to protect global public goods – promoting a stable climate, biodiversity and peace, as well as gender equality, education and healthcare. In this way, we contribute to the commitment of France and the French people to achieve the Sustainable Development Goals (SDGs). Towards a world in common.



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