

Digital Technology

ACTIVITY REPORT

2021-2023



Digital technology is advancing globally. It promotes individual emancipation by facilitating information and access to essential services, accelerates innovation and entrepreneurial initiatives, and helps build resilience in the event of crises.

Digital technology offers transformative benefits to all societal sectors, and is thought to play a crucial role in achieving 70% of the targets of the Sustainable Development Goals (SDGs), especially those related to climate action, education, and the elimination of poverty.

Although 66% of the world's population had access to the internet in 2023, considerable disparities remain. In the least developed countries (LDCs), only 17% of rural residents and 47% of urban residents are connected. And, while the digital economy accounts for more than 15% of global GDP and is growing rapidly, its dividends are distributed unequally. In sub-Saharan Africa, for example, 230 million jobs will require digital skills by 2030, but training capacities are still limited.

While the digital transition is now an essential pillar of global economic and social development, the growth and rapid emergence of new uses and technologies can also be a catalyst for inequalities and pose economic, social, societal, and environmental risks. Greenhouse gas emissions from the digital sector account for 3 to 4% of the world's total, and cybersecurity remains a major challenge, having cost \$8.4 billion in 2023.

For these reasons, AFD Group has enacted an ambitious digital transition strategy to exploit the potential of digital technology for sustainable and inclusive development while mitigating its negative impacts.

In 2023, AFD Group focused its digital technology actions on internet access and digital services, innovation, entrepreneurship and the development of digital skills, as well as on highlighting digital solutions to achieving the SDGs.



AFD Group's digital technology strategy

In 2018, AFD Group implemented a strategy specifically to help build inclusive, sustainable, and responsible financial systems.

The 3 levers of our Digital Transition strategy

AFD Group is resolutely committed to working in the digital sector. We are supporting a transition to a digital world that is freer, more accessible, and more responsible. For this, we work alongside public authorities, businesses, innovative ecosystems, and civil society. We are also using the following three levers to exploit digital solutions and achieve the SDGs:



Reconciling
climate, nature
and digital
development



Improving
equality and inclusion
in access to and use
of digital technology



Positioning
citizens and their rights at
the heart of the governance
of digital spaces



AFD Group's digital transition offer comes in various forms, depending on the type of action.

AFD Group's main types of action in the digital sector:

- Infrastructure for internet connectivity and access
- Government information systems and e-government
- Cybersecurity and cyber-resilience
- Support to the private and entrepreneurial digital sector
- Innovation, research, and artificial intelligence
- Satellite and geospatial data
- Inclusion, gender equality, and digital rights
- Development of digital skills and jobs
- Climate and digital technology
- Support for sector-based digital transformations

AFD Group commitments in the digital sector **between 2021 and 2023**

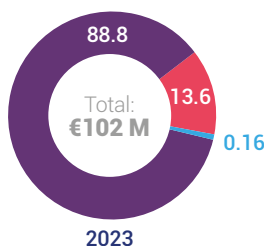
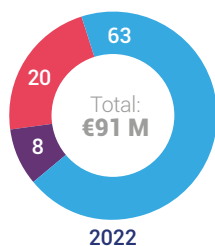
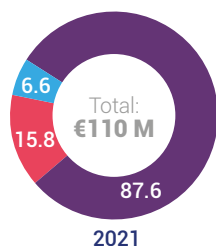
€288 M

in commitments
in the digital sector



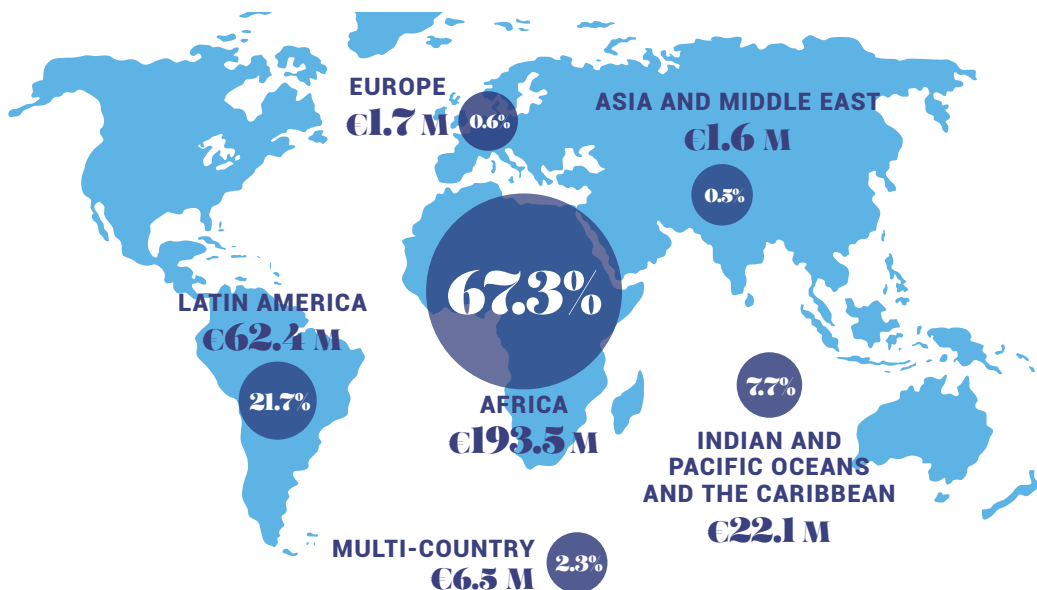
Volume of AFD Group commitments in the digital sector*

AFD Expertise France Proparco (in million euros)



* including €16.55 M financed by AFD and deployed by Expertise France, and recorded in the commitments of the two entities when not consolidated.

Breakdown of digital technology activity **by region**

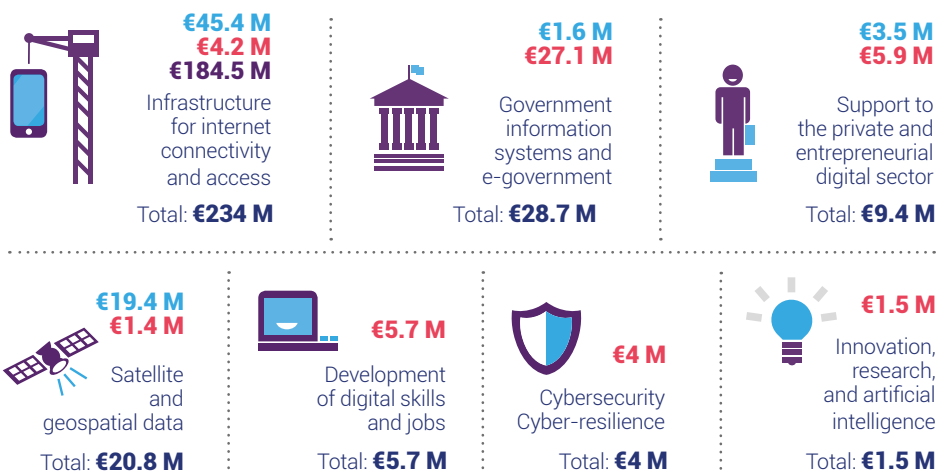


Breakdown of activity by type of action

AFD

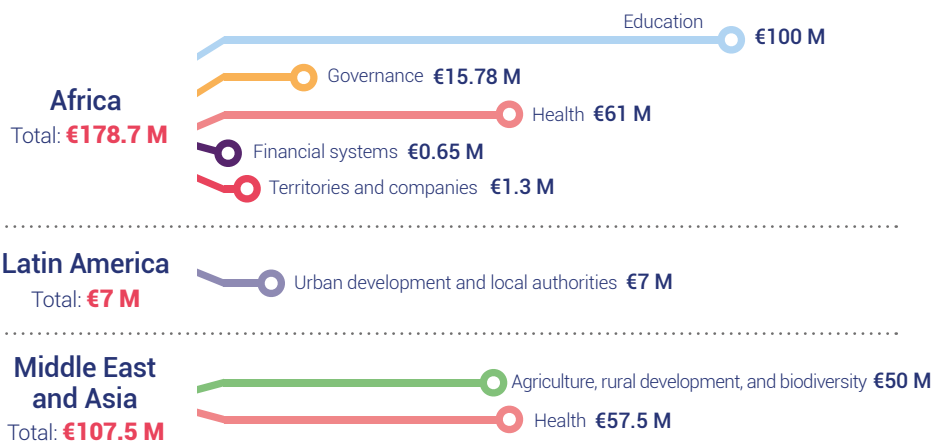
Expertise France

Proparco



Support for the digital transformation of AFD's other sectors of activity (in millions of euros)

€293 M was allocated over the 2021-2023 period to projects explicitly aimed at the digital transformation of the various sectors of activity in which AFD operates (governance, health, education, agriculture, urban development, and local authorities). Each of these projects incorporates at least one digital component.



Our contribution to achieving the SDGs **and our results**

77% of the financial volumes committed by AFD Group between 2021 and 2023 target internet access and services, in line with SDG target 9.C.

Access to information and communication technologies



Significantly increase access to information and communication technologies and ensure that all people in the least developed countries have access to affordable internet by 2020.

Outcome indicators



1,702 telecom towers
and
2,177 relay antennas
to be built as part of
projects initiated during
the 2021-2023 period.



2,087 organizations
and institutions
are supported by AFD Group
in the use of digital technology
and the digital transition.



1,470 km
of fiber-optic cables to be installed.



4.4 million people
will have new or improved
access to the internet*

Beyond access, digital technology is turning out to be a transformative technology that is crucial for accelerating the achievement of all 17 SDGs, with no exception. Our strategy and our impacts fall within this vision of making digital technology a key lever for accelerating development trajectories in our partner countries.

** including 4 million domestic subscribers who see their access latency improved thanks to support for a large-scale "wholesale" operator in Africa.*

Connectivity **infrastructure**

AFD Group supports the deployment of broadband telecommunications infrastructure at three levels: international interconnections (via undersea or terrestrial cables); national primary networks, with fiber-optic highways connecting major urban centers; and "last mile" connectivity for the distribution of mobile or fiber broadband access. And, always, our goal is access to the internet for as many people as possible.

Financing for Orange Jordan to improve connectivity in Jordan

Loan - Proparco | €15 M

Project grant – Proparco | €1 M

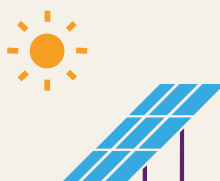
Beneficiary: Jordan Telecommunications Company (JTC, Orange Group)

Proparco has granted a loan to help finance the expansion of JTC's fiber-optic network in Jordan. The objective is to improve internet quality and availability by modernizing the fixed network via fiber-optic solutions (FttH) in **five regions**, including the capital Amman. This financing is supported by a grant to improve the digital inclusion of young people and women, who suffer from high unemployment rates in Jordan, particularly through "Orange Digital Centers".

- The project will help create more than 6,500 jobs and connect nearly 500,000 new users to bandwidth.

Reducing carbon emissions

Increased connectivity will lead to growth in emissions related to internet use (+40,000 tCO₂/year). In response, Orange Jordan has undertaken the reduction of GHG emissions by fueling its grid via solar power plants (60% of consumption) and by enacting energy-efficiency and compensation measures.





Satellite and geospatial data

Data from Earth observation satellites was long used only for military and scientific purposes. But now such data is widely accessible to the civilian world and will play a key role in meeting the challenges posed by sustainable development and the ecological transition. There are numerous applications: from natural resource management, land-use planning and disaster risk management, to ocean preservation, water management and climate resilience, as well as the use of geolocated data to measure SDG progress.

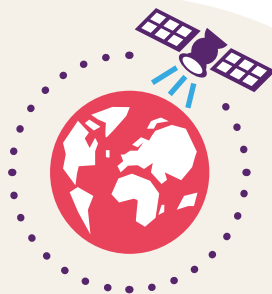


Project for digitization and for innovations for development in Rwanda

Sovereign loan - AFD | €37 M

Project grant - AFD | €1.2 M

Beneficiary: Republic of Rwanda



The aim of this first sovereign loan from AFD to Rwanda is to support the digital transformation of the public sector and support the country in its ambition to become a key digital hub in Africa.

The project combines structural support with investments in emerging technologies such as geospatial technology and drones, with a view to sustainable development. **AFD's loan, combined with technical assistance from Expertise France**, supports the Rwanda Space Agency in the structure of a satellite-data hub and in deploying applications to fight deforestation, improve and protect agricultural areas, monitor water resources, and prevent flood risks.

The project will also enable the IT modernization of 50 public institutions to expand their digital public services, and stimulate innovation in public and private civil applications of drone-related technologies, through the creation of a drone operation center.



Government information systems and e-government

For AFD Group, digital technology transforms public action, strengthens civil service efficiency, and improves the delivery of public services. It also helps promote more participatory and transparent management of governance and public action by improving access to information and public data.

The Datafid project

**€2.5M - grant financed by the French Directorate General of the Treasury
Implemented by Expertise France, Afristat, and INSEE**

The aim of this project is to promote economic development and fight tax evasion in several African countries, including Mauritania, Togo, Cameroon, Côte d'Ivoire, Niger, and Senegal. It is part of the Strategic Investment Plan for Development (Plan d'investissement stratégique pour le développement – PISD). The main objective is to strengthen the capacities of tax and customs services through better use of digital technologies and data science. The project is based on two main components:

- **Measurement and taxation of the digital economy:** this component seeks to develop a harmonized methodology to measure the impact of the digital economy and then to support the civil service in adapting tax systems to this new economy, especially for collecting VAT on digital transactions.
- **Capacity building and transparency:** the aim is to improve civil service transparency and efficiency by developing use cases based on tax data analysis. Training in data science that leads to certification will also be offered to promote the sustainability of these skills.

The project will be used to modernize government tax administrations, facilitate access to reliable data, and promote the use of advanced technologies for better mobilization of domestic public resources.

The portfolio of projects under implementation



89 projects

under implementation involve the digital sector, including:

55

Expertise France projects significantly or mainly targeting digital transformation

21

AFD projects and 13 Proparco projects targeting the sector

The volume of commitments under implementation by AFD Group:



€116.7 M in commitments by AFD under implementation



€253 M in commitments by Proparco under implementation



€50 M in turnover under implementation for Expertise France

A global footprint:

20
countries where
AFD operates



32
countries where
Expertise France operates

14
countries where
Proparco operates

A partnership approach

AFD Group's partnership approach for the digital sector is based on close collaboration with various actors, including public authorities, businesses, innovative ecosystems, and civil society.

The D4D HUB



The D4D Hub is a European cooperation platform designed to coordinate the EU Member States and their agencies in the digital sector. It promotes a stronger and strategic engagement by Team Europe, focused on several objectives:

- 1 **increase investments to foster digital technology**
- 2 **support the digital transformation of our partner countries**
- 3 **promote a comprehensive approach based on European values**

Expertise France is involved alongside AFD and is a full member of the European consortium and the African secretariat of the D4D Hub. Team France was fully involved in developing and structuring the Hub. It now plays a core and prominent role in the initiative, with the EU and European partners, as well as in Africa, Latin America, and the Asia-Pacific region.

DIGITAL AFRICA



Digital
Africa

Digital Africa is a subsidiary of Proparco, created to support innovative entrepreneurship in Africa. The role of Digital Africa is to strengthen the capacity of African digital entrepreneurs to design breakthrough innovations and deploy them on a widespread scale to help the real economy.

For a world in common

Agence Française de Développement (AFD) Group finances, supports and accelerates the transitions necessary for a more just and resilient world. It thus contributes to implementing France's policy on sustainable development and international solidarity.

It is with and for communities that we build, with our partners, solutions in more than 160 countries, as well as in 11 French overseas departments and territories.

Our objective: to reconcile economic development with the preservation of common goods: the climate, biodiversity, peace, gender equality, education and health.

Our teams are involved in more than 3,600 projects in the field, which are part of the commitment of France and the French people to fulfilling the Sustainable Development Goals. For a world in common.



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