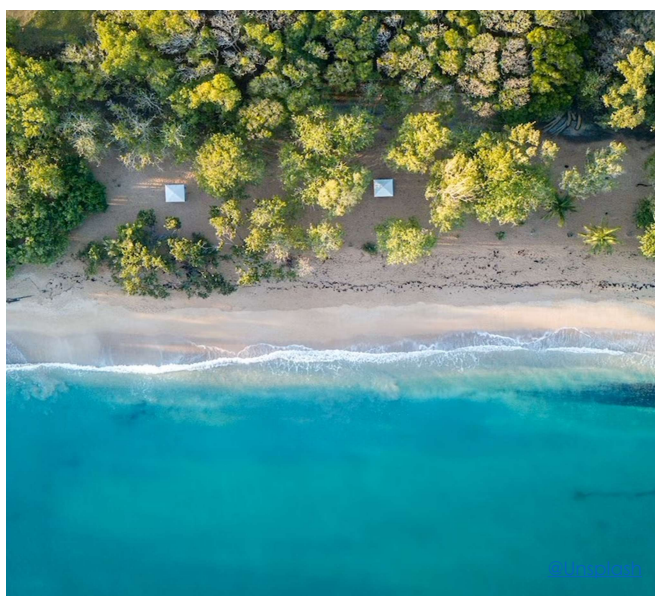


Public Sector Loans for the Transition in the French Overseas Territories

Supporting public actors

In the French Overseas Territories, AFD supports local public actors by financing their investment projects. It provides subsidized loans dedicated to social, environmental and digital transitions.

As the French Overseas Territories are increasingly sensitive to the impacts of climate change and natural risks, AFD subsidizes part of the cost of their loans to mitigate the effects of climate change, protect biodiversity, and reduce vulnerabilities related to climate hazards.



Objectives

Meet the long-term financing needs of public actors in the French Overseas Territories in their sectors of operation.

Encourage and accelerate actions for waste reduction, social inclusion, climate change mitigation and adaptation, biodiversity, and adaptation to natural hazards.



Beneficiaries

Local authorities and their groupings (EPCI, public intercommunal cooperation institutions)

Local public enterprises

Companies with majority public capital

Social housing organizations and intermediaries

Local public institutions (including hospitals)

Consular chambers

Social and solidarity economy actors with a non-profit activity, such as associations, foundations, mutuals and cooperatives

Medical-social sector actors

Recognized actors of public utility and/or with a mission of public interest



Characteristics

Type of instrument: Subsidized public sector loan

LTV: Up to 100% of the transaction

Amount: No maximum loan amount

Subsidy ceiling: €21 M (maximum loan amount to which the subsidy applies)

Duration: From 3 to 25 years, by way of derogation up to 30 years

Grace period: Maximum 3 years; by way of derogation, possibility of up to 7 years; during the grace period, payments do not benefit from the subsidized rate

Rate: Subsidized, fixed or variable rate loan

Investigation fee: 0.5%

Commitment fee: 0.5%

Amortization: Constant capital or constant maturity

Deadlines: Quarterly, semi-annual or annual

Mobilization of funds: Possible as soon as the agreement is signed



Examples

French Guyana (€30 M): Loan for the renovation and extension of a hospital aimed at achieving the "High Environmental Quality" label.



French Polynesia (€15 M): Loan for the development of renewable energies and protected areas to preserve biodiversity.



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Eligibility criteria

Small communities with less than 10,000 inhabitants

Communities of French Guyana and Mayotte

Other local actors for the following sectors:

- Sanitation, drinking water supply, waste
- Water in DROM (French Overseas Departments and Regions) compliant with the progress contracts of the action plan "Water-DOM" and water in the COM
- Circular economy
- Health and medical-social sector (including Elderly Care Homes and early childhood)
- Digital
- Education
- Sports facilities
- Operations eligible under the Exceptional Investment Fund (EIF) and the Recovery Plan
- Vocational training
- Social and intermediate housing
- Social and solidarity economy (SSE)
- Cultural and heritage projects

Particular attention is also paid to projects aimed at mitigating climate change or adapting to its effects:

- Energy efficiency and transition (renewable energy production: wind, photovoltaic, biomass)
- Eco-districts (HQE construction or equivalent standard)
- Creation and upgrading of sustainable transport equipment and infrastructure
- Water and/or sanitation projects with a mitigation dimension
- Public transport and soft mobility
- Development of short supply chains, investments related to the implementation of the Climate-Air-Territorial Energy Plan (PCAET)
- Creation of natural parks
- Restoration of fragile ecosystems
- Project taking into account the local flora and/or fauna from its design stage
- Projects (or project components) to reduce the vulnerability of property, people and ecosystems to climate change: infrastructure projects with consideration of vulnerabilities to climate risks
- Construction or reconstruction to seismic standards following destruction by a major climate event, with consideration of vulnerabilities
- Water and/or sanitation projects addressing vulnerability related to climate change
- Prevention of climate risks including floods
- Sargasso Algae Control Project
- Project to combat drought or heat waves

