



AFD GROUP IN **South Africa**

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Since the opening of
the AFD Group office
in Johannesburg:

189 projects
have been signed:
102 by AFD and 87 by Proparco

For a total amount of
4.2 billion euros
(eq. 80 billion rands):
3 bn euros AFD and 1.2 bn euros Proparco

In 1994, with the dawn of democracy, the AFD Group and South Africa started a partnership aimed at supporting the country's ambition to build a new inclusive and thriving society.

Since then, the AFD Group has invested a total of 4.2 billion euros in energy, water and sanitation, transport, urban development, biodiversity, health, social housing, culture, creative industries and sport.

OUR ACTION IN South Africa

Collaborating with key local stakeholders including public and private actors, academia, and civil society, the AFD Group promotes a just transition to foster a low-carbon economy and a reduction of multidimensional inequalities.

1

Supporting the Just Energy Transition and creating opportunities for all

The Just Energy Transition (JET) focuses on the transition of South Africa's industrial sector as the country navigates the shift away from coal towards cleaner energy sources.

At COP26 in Glasgow in 2021, South Africa together with France, Germany, the EU, the UK and the USA committed to join forces in supporting this transition. France's contribution will be implemented by the AFD Group.

Within this framework, **AFD** has specifically committed to supporting the just dimensions of the JET. This approach is in line with the work AFD has been carrying out for many years with key South African stakeholders, to further support the reduction of poverty, inequality and unemployment. AFD provides demand-driven supports at different levels:

- Financing for national and local government, with a specific focus on the just component of the transition and the impact of the coal phase-out in Mpumalanga Province, which accounts for approximately 80% of the country's coal production.
- Research and technical cooperation programmes with the South African government, think tanks and universities to support local knowledge production that informs policy dialogue and processes.

Proparco, in coordination with AFD and Expertise France, contributes to the JET by investing in renewable energy platforms and by supporting the development of PPPs in the energy and water sectors. With regard to the just dimension, Proparco invests in the development of essential services such as quality and affordable healthcare and education.

Expertise France aims to accompany South African partners in supporting the JET at national level; working on social justice, professional training, employability, and climate issues.

Promoting balanced spatial development

- AFD promotes sustainable urban development to make cities more inclusive and resilient to climate change. It provides direct loans to metropolitan municipalities to support infrastructure programmes and public policies with high developmental impact. South Africa's largest municipalities call on AFD's expertise for their initiatives to promote low-carbon urban development; adaptation to the effects of climate change, including water resource management; and equitable access to basic services.
- In addition, AFD promotes financial innovation to support small and medium-sized municipalities in their infrastructure investments, climate resilience and just transitions.

- To act for greater equality and contribute to economic diversification, Proparco actively invests in affordable housing for households and students, and supports job creation by financing MSMEs, mostly through intermediated finance. This programme is part of the deployment of the "Choose Africa" initiative in South Africa.



2

Fostering inclusive and sustainable investments

The AFD Group is fully committed to supporting the national financial system.

By strengthening cooperation with Public Development Banks

Further cooperation between public development banks (PDBs), via the Finance in Common initiative, the International Development Finance Club or the African Association of DFIs, is strategic to accelerate the transformation of the financial system towards climate and sustainability. AFD collaborates with local PDBs to finance infrastructure projects that directly address local needs. These key partnerships ensure that financial flows are aligned with the Sustainable Development Goals (SDGs) and prioritise social infrastructure; fostering inclusive growth and improving living conditions.

By promoting financial inclusion

Proparco aims to complement the already sophisticated local financial system by intensifying its partnership approach, combining its instruments and know how to mobilise South African banks towards climate and SME financing.



3

Enhancing sustainability and resilience

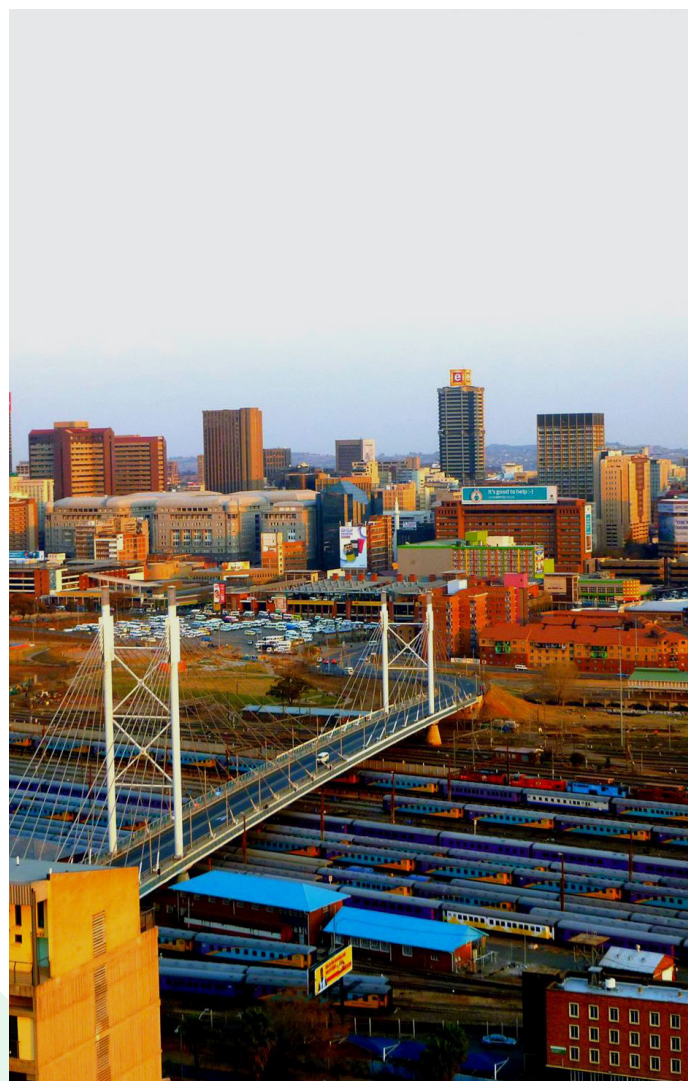
By protecting biodiversity

AFD supports the restoration and sustainable management of natural areas in South Africa to halt biodiversity loss and protect ecosystems, working with local communities and authorities. Recognising that many biodiversity issues in Southern Africa are cross border, AFD has developed regional operations through:

- Community-based natural resource management: AFD promotes conservation models that extend beyond protected areas for rural rehabilitation and sustainability.
- Peer-to-peer cooperation: AFD fosters partnerships and capacity building between Southern African and French institutions.

By fostering inclusivity and creativity

AFD supports initiatives in South Africa that promote sports and creative and cultural industries, fostering inclusivity and diversity. By empowering local communities and enhancing access to culture, these actions contribute to social cohesion and the development of economic opportunities, particularly for young people. This approach not only enriches cultural expression, but also enhances cultural heritage.



The AFD Group includes Agence française de développement, and its subsidiaries Proparco and Expertise France.

Agence française de développement provide financing to government, municipalities, PDBs and state-owned enterprises (SOEs), as well as to NGOs and research institutions.

Proparco, the AFD Group's private sector development subsidiary, has been active in South Africa since 1994. Proparco's operations aim at strengthening the contribution of private players: financial institutions, corporates and infrastructure developers.

Expertise France, the AFD Group's technical cooperation subsidiary, has been operating in South Africa since 2022. Expertise France currently deploys international technical experts in the country and various regional projects (maritime security and safety, anti-money laundering and combating the financing of terrorism (AML/CFT), biodiversity and African governance architecture).

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#WorldInCommon