



Urban Development & Support for Local Authorities

ACTIVITY REPORT

2024



In 2030, 60% of the world's population will live in cities. The consequences of this rapid urbanization are social (growth of precarious settlements, increased risks of social fragmentation and poverty), economic (concentrations of unemployed populations and limited access to economic opportunities), and environmental (urban sprawl and increasing climate vulnerability).

AFD helps cities cope with this urban growth and its impacts by supporting their low-carbon transitions and adaptation to climate change. AFD's goals are to improve the quality of life for city dwellers and to boost sustainable local development. To do so, it helps people take up the challenges of urban growth, social inequality, and vulnerability.

In 2024, AFD Group committed a total of nearly €3 billion to finance new projects for sustainable cities.

*To gain a comprehensive view of AFD Group's Sustainable Cities work, this activity report on *Urban Development and Support to Local Authorities* can be complemented by the activity reports of other AFD Group entities involved in urban sectors (urban water and sanitation, urban mobility and transport, private sector initiatives via Proparco).*

AFD's sustainable cities strategy

Support and financing for the development of sustainable cities

AFD provides cities with support for tackling the challenges of urban growth, social and territorial inequalities, and the vulnerability of urban areas. AFD promotes sustainable cities as a process of design, building and management, by working with local authorities, other local actors, civil society and city dwellers.



Improving climate resilience and low-carbon transitions in cities

AFD promotes climate change mitigation and adaptation, by providing support to central governments and local authorities using various modes of leverage:

- **Adopting** an incentive framework to boost strategies and actions in response to the challenges of climate change
- **Identifying** compact urban development models and improving energy efficiency in buildings
- **Encouraging** resilient urban development (natural disaster prevention and risk management, biodiversity in the city, and nature-based solutions)
- **Promoting** projects that reduce greenhouse gas emissions
- **Supporting** local authorities as drivers of the low-carbon transition
- **Mobilizing** dedicated funds and tools to identify and design urban projects with climate co-benefits
- **Facilitating** access to climate finance for local authorities

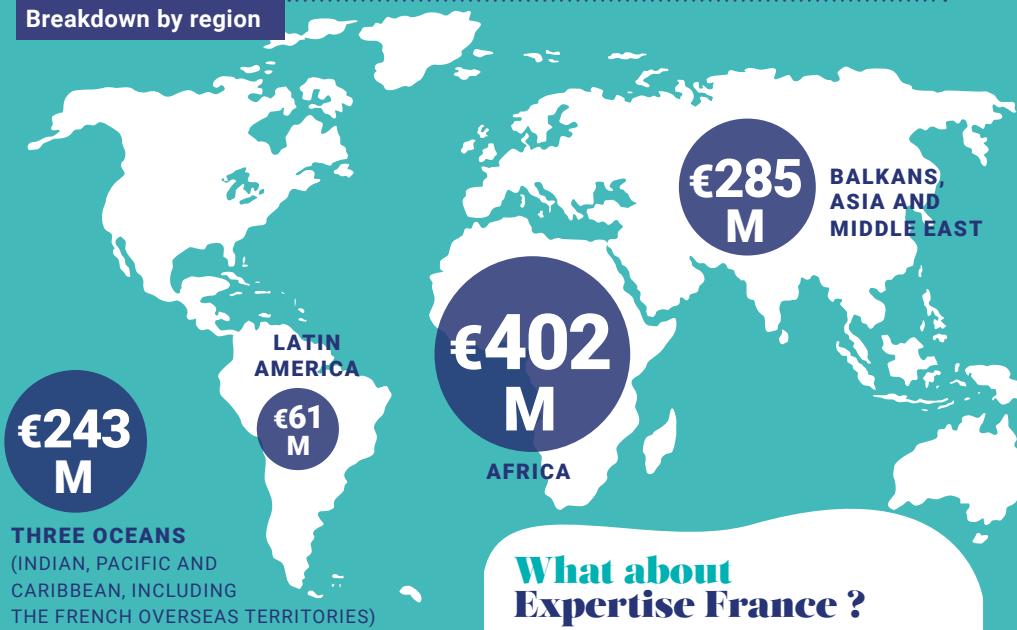


To find out more:

FOCUS: Sustainable Cities

Our commitments to urban development and support for local authorities in 2024

Breakdown by region



What about Proparco?

In 2024, Proparco supported urban development with **€241 M** of commitments in the real estate, urban mobility, and urban water and sanitation sectors.

For example, Proparco partnered with Groupe Duval to finance the *Village Notre Père* project with a **€16 M** loan. The objective is to enhance the international appeal of Abidjan in Côte d'Ivoire through the construction and operation of a mixed-use commercial complex, built to stringent environmental performance standards, exceeding market norms (EDGE certification).



What about Expertise France ?

Expertise France assists local authorities in their efforts to strengthen governance and with their investments to improve access to services and urban mobility.

Since 2024, Expertise France has been mobilizing its expertise to assist the city of Boma (DRC) with the implementation of its investment program with **€58 M** of financing from AFD. Again in the DRC, Expertise France is involved in the *Pour Elles : Sport et Culture* project, which aims to improve access to sports and cultural facilities for girls.



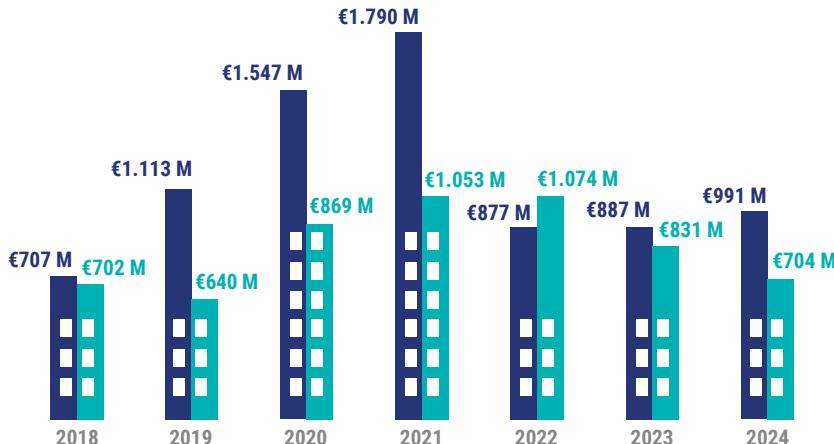
To find out more: [Expertise France and Sustainable & Inclusive Cities](#)

AFD's commitments and disbursements since 2018 (in €M)

Evolution since 2018

Commitments

Disbursements



€991 M
committed by AFD in
2024 to finance projects
that promote sustainable
urban development and
support local authorities

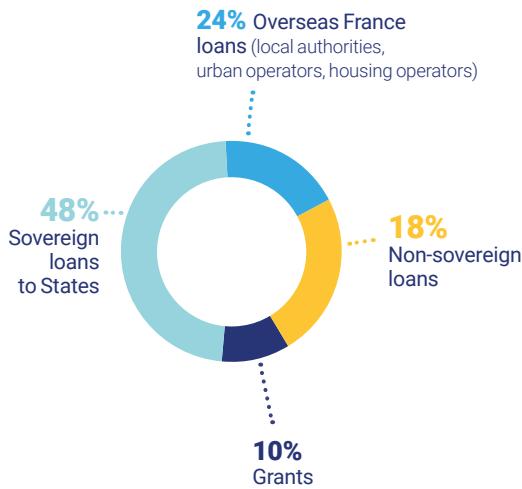
30
financing
commitments



20 projects in foreign countries

10 projects in the French
Overseas Territories

Breakdown by financial tool



Multiple contributions to the Sustainable Development Goals (SDGs)



The projects for urban development and support for local authorities financed in 2024 work toward **SDG 11: Sustainable cities and communities**. They also continue to contribute to several other SDGs to varying degrees:

SECTORAL SDGs



CROSSCUTTING SDGs



59%

representing **€588 M** in climate co-benefits in foreign countries, including **€304 M** for climate change adaptation.

The Cities & Climate crosscutting approach is present in each AFD-funded project. In 2024, the commitments in the sector are aligned with the Paris Agreement.



63%

of commitments in foreign countries in 2024 support governance.



19%

of commitments in foreign countries in 2024 promote biodiversity preservation, exceeding the target of 7%.



43%

of commitments in 2024 promote gender equality in foreign countries.



AFD's new financing in the sector **effectively mainstreams gender issues** into projects for urban development and support for local authorities.

Expected outcomes

In the coming years, AFD's commitments in the sector of urban development and support for local authorities **in 2024** will enable:



13.4 M city dwellers and users
to benefit from better quality of life in cities

among them:



1.9 M

people
will benefit from improved
essential urban services (water,
sanitation, waste management,
electricity, energy, etc.)



2.9 M

people
will see improvements in their
housing conditions or benefit from
access to urban public spaces and
collective social facilities



36,000

people
will be supported in
their income-generating
activities/jobs



380 entities operating in urban areas
will benefit from technical and/or financial capacity building*

*This impact indicator includes multiple entities, such as local authorities financed and/or supported as part of a project, local authority departments benefiting from capacity building, and State ministries/agencies benefiting from capacity-building activities. Local PMUs (Project Management Units) were also supported in implementing project activities; neighborhood/residents committees were set up, trained, or supported; local associations were funded and/or supported as part of the project; and urban operators were funded and/or supported.

Improving quality of life for city dwellers



In 2024, projects focused on improving the quality of life of city dwellers accounted for nearly **40%** of financing in the sector.

The objective is to reposition people at the center of urban strategies and take greater account of their needs, by supporting operations to improve access to essential urban services and, in sectors where demand is growing:

- **Increasing** access to basic urban services (access to drinking water, sanitation, street lighting, transport and mobility services, etc.).
- **Reducing** the environmental and health impact of urban solid waste.
- **Developing** access to housing and improve living conditions.
- **Supporting** access to employment and local economic development.

€396 M
committed to this
strategic objective
(7 projects)



Serbia

National solid waste program



€150 M – €75 M AFD sovereign loan
€75 M EBRD loan

AFD has mobilized financing for the Serbian Solid Waste Programme. Co-financed by the EBRD with a €75 million loan, the program will continue the upgrade of waste treatment centers in seven regions across the country and build a waste collection and treatment center in northern Serbia.



133,000

people will benefit from improvements in essential services (waste management).

6 entities will benefit from capacity building.

Promoting sustainable urban development



In 2024, **19%** of the financing provided is supporting sustainable urban development.

AFD promotes action targeted at the local level and supports projects aimed at:

- **Supporting** city center renewal and promoting cultural heritage.
- **Encouraging** the improvement of precarious settlements and their integration into the city
- **Assisting** cities in their post-crisis recovery
- **Supporting** large-scale urban projects
- **Contributing** to the development of medium-sized cities

€186 M
committed to this
strategic objective
(9 projects)



Ghana

Improving the climate resilience of the city of Tamale

€28 M - €5 M AFD grant,
€23 M EU grant



AFD is helping authorities in Tamale, an intermediary city in northern Ghana, improve people's living conditions and their resilience to floods and intense heat waves. Four neighborhoods will benefit from the development of green infrastructure (roadside tree planting, green and shaded public spaces) and the extension and rehabilitation of the drainage system. The project is supporting an approach based on citizen participation through the *Pépinières Urbaines* ("Urban Nurseries") program. This project is co-financed with the European Union through a €23 million grant.



3,400

people will benefit from improved climate resilience through this project.

8

entities (cities and ministries) will benefit from capacity building.

Strengthening local authorities in charge of the city

In 2024, **41%** of commitments target the strengthening of local actors responsible for urban management.

AFD works with stakeholders in urban projects and supports local authorities as key players in regional development through two lines of action:

- **Supporting** decentralization processes
- **Supporting** local authorities with their investment programs and access to financing

€410 M
committed to this strategic objective
(12 projects)



South Africa

City of Johannesburg's integrated development plan

€126 M – non-sovereign loan

AFD is financing the City of Johannesburg's ambitious urban transformation and climate strategy. The objective is to improve access to essential services in precarious settlements, revitalize the downtown area, and strengthen water and energy operators.



6,000,000

city dwellers and users will benefit from an improved quality of life.

1 entity will benefit from an improved environmental and social management system.

Martinique

Multi-tranche facility for the Territorial Collectivity of Martinique: €150 M

AFD is a key partner of authorities and operators in the French Overseas Territories, together with the *Caisse des Dépôts et Consignations*. In 2024, it allocated a **€150 M** loan to the Territorial Collectivity of Martinique to support the implementation of three major structural transitions for this collectivity with a population of 360,000.

- Economic and ecological: towards food and energy self-sufficiency, and sustainable land-use management.
- Budgetary: with the integration of environmental issues into budgets and public procurement.
- Social and societal: for poverty reduction, training, and the promotion of cultural heritage.

430,000 people in the French Overseas Territories benefited from this financing in 2024

Focus on post-crisis housing reconstruction



Access to decent housing is in keeping with ten Sustainable Development Goals, as it addresses both social and climate challenges. AFD has been supporting projects to build, renovate and rebuild affordable and sustainable housing for more than 70 years, including after crises or natural disasters. It also helps cities increase their resilience to climate-related hazards.

Türkiye

Post-earthquake housing reconstruction program

€400 M – €200 M AFD sovereign loan, €200 M World Bank loan

AFD is assisting the Turkish Government with the reconstruction of 1,400 rural houses and local economic infrastructure destroyed by the earthquake of February 2023 in south-west Türkiye. This €200 million sovereign loan will also contribute to institutional capacity building in the country to increase resilience to future risks.



5,000

households will benefit from improved living conditions

30 entities will benefit from capacity building

Project preparation facilities and guarantees

Along with other donors, AFD mobilizes several regional and sectoral funds to finance feasibility studies and technical assistance at the planning stage of urban projects, in particular when they have climate co-benefits. For example, the European Union has delegated €8 million to AFD Group for phase IV of the Covenant of Mayors in Sub-Saharan Africa (CoM SSA), dedicated to the preparation of projects for resilient urban infrastructure. This new delegation of funds complements the existing instruments for the preparation of urban projects with climate co-benefits, such as the **CICLIA** facility.

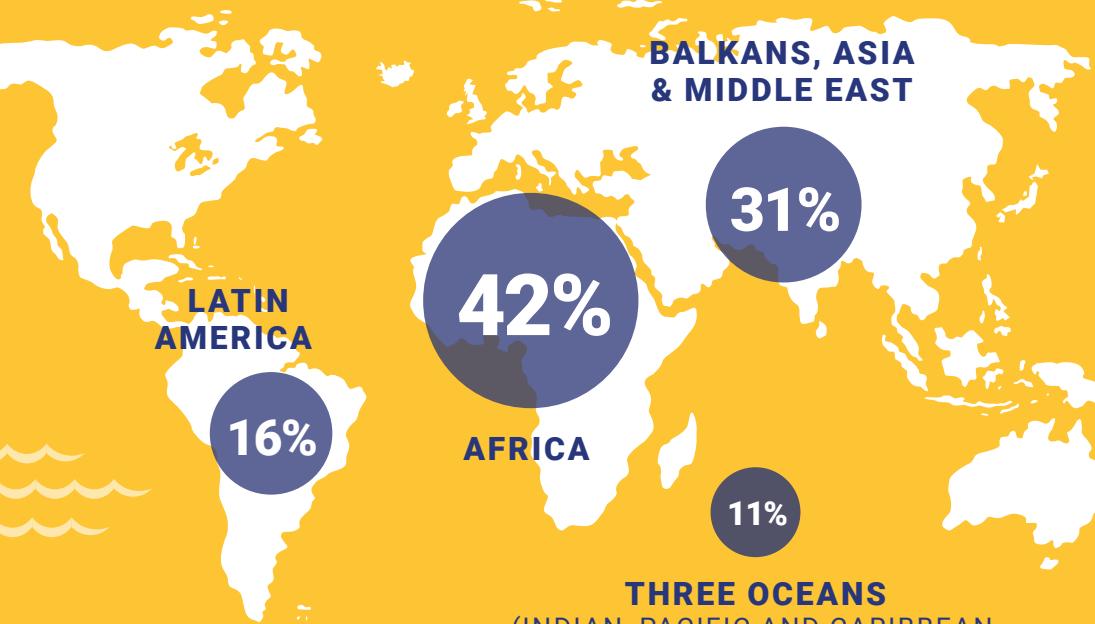
In 2024, AFD Group signed the **FAST-Cities** guarantee program with the European Union, which aims to assist medium-sized cities in their sustainable transitions. This program is combined with a €176 million risk-sharing mechanism via the European Fund for Sustainable Development Plus (EFSD+) and €10 million of technical assistance. It provides an integrated response to the difficulties that these cities experience in accessing financing, especially in the Balkans, Latin America and Africa.



Financed by the European Union

Ongoing projects

Breakdown by region (as a % of allocated amounts)



201

projects in progress

in the urban development
and local government support
sector as of 31 December 2024



For total financing of

€6.2 BN

including €2.6 BN
remaining to be disbursed



Finalized projects



Tunisia

Programme for the Rehabilitation and Integration of Residential Areas (Proville 1)

€90 M: €30 M AFD sovereign loan, €60 M EU grant – allocated in 2013



Since 2013, AFD has been assisting the Tunisian government with the implementation of its national programs for the rehabilitation and integration of deprived residential areas. This program, totaling **€244 M**, is co-financed by AFD (€30 M loan) and funds delegated to AFD by the European Union (€60 M grant). Proville has improved living conditions for people in 87 municipalities across the country through the construction of extensive infrastructure:

- **960 km** of roads
- **258 km** of sanitation and drinking water supply networks
- **80 km** of stormwater drainage networks
- **52 spaces**: sports and cultural facilities, libraries, youth centers
- **48** recreational grounds
- **19** industrial premises

Building on the concrete impact of this initial program and to address growing needs, a second program, Proville 2, was signed in 2018 for a total investment amount of **€235 M**, including a €77 M AFD loan and a €30 M European Union grant. The objective is to continue the operations in under-equipped neighborhoods that did not benefit from the first phase.



864,000

people have benefited from improved living conditions through this project

Knowledge production

The publication "AFD and Intermediary Cities" looks back at two decades of financing to reflect on intervention strategies in intermediary cities in the light of past experience and the current means of action. This report suggests ways to maximize the impact of future investments to better support the development of intermediary cities in AFD's countries of operation.



To find out more:

[AFD and Intermediary Cities](#)



Events and partnerships

In 2024, AFD took part on several occasions in the 12th World Urban Forum in Cairo, organized by UN-Habitat and Egypt, which provided a key opportunity to discuss global urban development issues. AFD reiterated its commitment to decent and affordable housing, the regeneration of under-privileged neighborhoods, integrated waste management, as well as a greater integration of sports facilities and urban heritage in neighborhoods. In addition, the French Pavilion, coordinated by the French Partnership for Cities and Territories (PFVT), of which AFD is a member and funder, organized panel discussions with several contributions from AFD.





Cairo

Toward a world in common

AFD Group finances and drives the transition to a fairer, safer and more resilient world, working with its partners to support communities all over the world. Drawing on the complementary strengths of its entities – Agence Française de Développement for public financing, Proparco for responsible private investment, and Expertise France for technical expertise – the Group is ideally positioned to meet all sustainable development challenges. Working in over 160 countries, including France's Overseas Territories, the Group adapts its operations to the realities on the ground, actively supporting local initiatives.

With over 4,000 projects, whose objectives are aligned with the Sustainable Development Goals (SDGs), AFD Group works on behalf of the French people, together with all stakeholders committed to economic development and the preservation of common goods: climate, biodiversity, peace, gender equality and global health. Working by your side, toward a world in common.



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