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AFD GROUPE

Accelerating **Infrastructure** Development

AN INVESTMENT PRIORITY

AFD GROUP **solutions**

#WorldInCommon

CONTENTS

FOREWORD

Sustainable infrastructure, **for more impactful and strategic partnerships**

Laurent Biddiscombe, Executive Director for Global Client Solutions at AFD, Board of Directors

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"Infrastructure" can range from hydroelectric power plants to solar mini-grids, large-scale urban metro projects to rural roads, and water treatment plants in big cities to water reserves in rural areas. It includes schools and training centers, hospitals, sports facilities, and data centers. Such infrastructure shapes our lifestyles and influences economic, social, and environmental development over the long term.

When infrastructure is oversized, designed without considering users' needs and the capacities of the project manager, or carried out by unqualified companies, it harms economic activity, increases inequalities, and intensifies pressure on natural resources. But when it is well designed and executed by competent companies, it becomes a powerful lever to achieve the United Nations Sustainable Development Goals (SDGs).

Drawing on more than 80 years of experience in developing countries and extensive knowledge of French and European expertise, AFD Group supports the development of infrastructure that meets the economic and social needs of its partner countries. We finance projects that help address climate change and are designed and delivered by strong institutions and competent, responsible companies, in line with the highest standards of quality and sustainability. Across the "European neighborhood" countries, Africa, Latin America, the Indo-Pacific, and the French overseas territories, we support the transformations needed to meet urgent needs and invest in long-term structural changes to guarantee a sustainable and equitable future.

Our action seeks to respond to our clients' requests for economic growth and job creation, as well as for the reduction of social, gender-based, and regional inequalities. It also works to fight climate change and to protect the environment and biodiversity. Through AFD and Expertise France, AFD Group supports public policies and builds the capacities of the institutions responsible for policy planning, design, implementation, and evaluation. Through Proparco, STOA, and Digital Africa, we help find and support private investors that invest in emerging and developing countries, while AFD finances the preparation and construction of public infrastructure projects. The AFD Group entities work together to mobilize international technical and financial partners and French experience to meet our clients' requests and maximize the impact of their projects and our financing.

As part of France's international partnerships, AFD Group will strengthen its support for quality and environmentally friendly infrastructure that will help enlarge universal access to basic services, develop regions, and connect large geostrategic zones.

Sustainable infrastructure: **a key challenge for the SDGs**

Infrastructure is a key aspect for many sustainable development issues including access to basic services, economic growth, employment, the reduction of inequalities, environment, and climate. That's why France and the European Union support the development of sustainable infrastructure.

Water treatment: Sabesp, IDB Invest, and Proparco are working on the treatment and decontamination of the Rio Tietê in São Paulo, Brazil. Approximately 1.32 million people will benefit from a safely managed water treatment service. The project is also providing co-benefits for climate-change mitigation and adaptation. Its funding is categorized as 97.7% climate finance.

A large portion of humanity still lacks access to basic services such as water and sanitation, energy, transport, housing, healthcare, and education due to lack of investment in sustainable infrastructure (*see box on next page*). The examples are striking: about 790 million people live without electricity, including 600 million in sub-Saharan Africa.[1] Nearly half of the world's population lack access to basic healthcare services.[2] About 1.6 billion people lack access to drinking water,[3] and 1 billion live more than two kilometers from an all-weather road.[4]

Infrastructure also suffers from increasingly frequent natural disasters and adverse climate events, such as floods, cyclones, earthquakes, landslides, and fires. They are known to be a risk to electricity, transport, water, and sanitation networks, which are already fragile in many countries. The degradation and service disruption they cause represent a cost estimated at $700 billion per year.[5]

When infrastructure is poorly designed, implemented using unsuitable technologies, or operated with insufficient funding, it can harm societies and the environment. The construction of large-scale infrastructure (hydroelectric dams, rail networks, airports, etc.) can cause significant population displacements, disrupt the social and economic ties of communities, and even make people poorer. Air pollution, which causes about 7.3 million deaths per year,[6] can worsen due to energy, transport, or other types of infrastructure. In fact, the building, energy, and transport sectors are responsible for 79% of greenhouse gas emissions.[7] Poorly designed infrastructure can contribute to the fragmentation and degradation of natural habitats; noise, soil, river, and air pollution; and the spread of invasive species.

The lifespan of most infrastructure is longer than a decade, which means that the technical and economic choices made when it is designed are of paramount importance, as much for its future management and maintenance as for the quality and continuity of the services it provides.

INFRASTRUCTURE TO ACHIEVE ALL THE SDGs

Sustainable infrastructure development is crucial for achieving the SDGs. Through the services it provides or facilitates, sustainable infrastructure helps create a virtuous circle: it enables continued access to services, promotes inclusive economic growth, helps protect the environment, and mitigates impact from climate change.

For example, economic growth requires clean and affordable energy sources as well as transport and telecommunications networks linking producers and consumers (SDG 8). The development of renewable energies also helps fight climate change (SDG 13). Similarly, sanitation infrastructure is crucial to achieving gender equality (SDG 5): according to the World

(1) International Energy Agency (IEA), *Africa Energy Outlook 2022, World Energy Outlook Special Report*, 2022

(2) World Health Organization (WHO) and International Bank for Reconstruction and Development (IBRD), *Tracking Universal Health Coverage: 2023 global monitoring report*, 2023

(3) UN-Water, *Coping with Water Scarcity – Challenge of the Twenty-first Century*, 2007

(4) "Transport" page of the World Bank website, accessed May 13, 2025

(5) Coalition for Disaster Resilient Infrastructure (CDRI), *Report on Global Infrastructure Resilience*, 2023

(6) WHO, *A statistical note: Proposal for air pollution as an indicator for tracking progress toward SDGs on health (3), energy (7) and cities (11)*, 2015

(7) United Nations Office for Project Services (UNOPS), *Infrastructure for Climate Action*, 2021

What is
sustainable infrastructure?

AFD Group considers sustainable infrastructure as a set of physical structures, facilities, or equipment that:

- meets the economic and social development needs of people, businesses, and institutions;
- protects the environment and helps mitigate the impacts of climate change;
- is planned, designed, built, operated, and dismantled by institutions with solid project management capacities and by competent and responsible companies;
- complies with standards that ensure the quality, sustainability, and resilience of the services it provides.

Bank, at least 500 million women and girls worldwide lack suitable facilities and products for their menstrual hygiene,[8] which can force them to drop out of school or quit their jobs.

To achieve the SDGs, investment in all types of sustainable infrastructure is essential. This includes infrastructure that can be small-scale (mini-grids; off-grid solar production; local facilities dedicated to education, health, sports, etc.), regional or national (grid-connected power plants, water and collective sanitation systems, urban public transport, urban housing programs, etc.), or even international (large dams, cross-border electricity interconnections, etc.).

Every dollar invested in infrastructure helps create $1.50 to $3 in wealth within two to five years

In all, it is estimated that every dollar invested in infrastructure helps create $1.50 to $3 in wealth within two to five years,[9] especially in countries where there is a significant lack of infrastructure. In Peru, the construction of new roads between 2003 and 2010 helped create 4% more jobs. At the same time, the renovation of rural roads reduced migration to cities by 7%. In sub-Saharan Africa, access to electricity for the least connected regions could double their GDP. A 10% increase in mobile phone coverage could lead to an increase in GDP of between 0.6% and 2.8%.[10]

SIGNIFICANT NEEDS IN CAPITAL AND SKILLS

The needs in financing to design, build, and operate sustainable infrastructure are huge. These are estimated at more than $6 trillion per year globally to achieve the SDGs.[11] For example, investment of at least $114 billion is needed to ensure universal access to water and sanitation and to ensure sustainable management of water resources (SDG 6).[12] Universal access to affordable, reliable, sustainable, and modern energy services (SDG 7) requires the mobilization of $52 billion per year,[13] including €25 billion per year in Africa, according to the International Energy Agency's Sustainable Africa Scenario.[14]

Sustainable infrastructure often represents a significant cost, especially for new technologies requiring a higher capital expenditure (CAPEX) than conventional infrastructure. This cost can nonetheless be offset during the infrastructure life cycle by lower operating expenditures (OPEX) thanks to energy savings, efficiency gains, and better continuity of services, or by increased resilience to natural disasters.

The maintenance and upkeep of infrastructure, as well as effective management of its related services, are also critical for the infrastructure's lifespan, its real cost, and its impacts. For example, regular maintenance of roadside ditches helps slow down road surface degradation, thereby preventing premature reinvestment. Similarly, reducing the electricity losses in electricity networks helps avoid having to build new production capacities. Additionally, improving fee payment for drinking water services generates revenue, therefore making it possible to maintain networks and finance new investments.

For high-cost infrastructure, which requires several years of construction and whose lifespan exceeds 10 years, it's also essential to involve stakeholders with the right skills. These skills must cover technical, organizational,

(8) "Menstrual Health and Hygiene" page of the World Bank website, accessed May 13, 2025

(9) Global Infrastructure Hub, "The vital role of infrastructure in economic growth and development", 2021

(10) World Bank Blogs, "Beyond brick and mortar: Key lessons learned on the impact of infrastructure on economic development", 2023

(11) Organisation for Economic Cooperation and Development (OECD), United Nations, World Bank, *Financing Climate Futures: Rethinking Infrastructure*, 2018

financial, legal, social, and environmental fields. They are necessary throughout the life cycle and include the studies related to the infrastructure (geological situation and natural disaster risks, architectural design and equipment installation, operating cost, users' ability to pay and financial balances, effects of climate change on the infrastructure and its services, and maintenance and upkeep of facilities, etc.).

Given the unprecedented scale of the capital to be raised and the issues at stake for people and the planet, it's necessary to obtain both public and private financing. For the most crucial infrastructure projects, especially ones targeting the most vulnerable population segments or that are the least profitable in the short term, financing from the central government, local authorities, public banks, and civil society organizations remains essential. As for infrastructure that can provide returns on the invested capital through its own operations, it's essential to mobilize financing from the private sector and, in the riskiest contexts, secure their investment.

Partnerships between public and private players, as well as public-guarantee or blending mechanisms, must allow for fair sharing of the risks related to infrastructure construction and operation. Moreover, whatever its origin, the capital invested must be managed according to the principles of good governance. Fair and transparent competition and anti-corruption measures help reduce costs, encourage innovation, and ensure better quality infrastructure.

A FRENCH AND EUROPEAN COMMITMENT

The African Union's Agenda 2063, which focuses on the socioeconomic transformation of the continent, emphasizes the need to develop infrastructure. It estimates the need for infrastructure investment at about $120 billion

(12) World Bank, *The Costs of Meeting the 2030 Sustainable Development Goal Targets on Drinking Water, Sanitation, and Hygiene*, Summary Report, 2023

(13) The Economist Intelligence Unit, *The Critical Role of Infrastructure for the Sustainable Development Goals*, 2019

(14) African Development Bank, *Annual Development Effectiveness Review*, 2024

Sustainable infrastructure to support the SDGs

Energy	Renewable energy, energy efficiency, electricity interconnections, etc.	1, 3, 7, 8, 9, 11, 12, 13, 15
Transport	Urban and interurban transport, roads and railways, maritime transport, etc.	1, 2, 7, 8, 9, 11, 12, 13
Digital technology	Telecommunications infrastructure, high-speed Internet, etc.	1, 8, 9, 17
Water and sanitation	Production and distribution of drinking water, wastewater treatment, etc.	1, 3, 4, 5, 6, 8, 9, 11, 12, 13, 14, 15
Education and training	Libraries, classrooms, vocational training centers, etc.	1, 4, 9, 10
Governance	Town halls, tax offices, police stations, courts, etc.	1, 9, 14, 15, 16
Health	Hospitals, healthcare centers, medical waste management systems, etc.	1, 3, 9, 10
Sustainable cities	Housing, waste treatment centers, sports facilities, etc.	1, 9, 10, 11, 12
Rural territories	Irrigation, agricultural markets, fishing ports, national parks, etc.	1, 2, 8, 9, 12

Hydropower: The Se San 4 hydropower plant in Gia Lai Province, Viet Nam. The country is aiming to end the use of coal by 2040 and to achieve carbon neutrality in 2050. In 2022, it launched a Just Energy Transition Partnership (JETP) with several international partners, including France.

per year to develop various infrastructure such as (i) road, rail, port, and airport networks to strengthen intra-African connectivity and trade; (ii) renewable energy and energy interconnections to improve access to electricity for people and businesses; and (iii) water sanitation networks to guarantee public health.

France, the European Union, and the G7 countries have reaffirmed their support for the development of sustainable infrastructure. They are committed to active involvement by capable institutions in emerging and developing countries as well as to the promotion and transparent implementation of projects that meet high social and environmental standards. As part of its new partnership with Africa and its Global Gateway strategy, the European Union has set itself the target of supporting €300 billion in investment in sustainable infrastructure, including €150 billion in Africa between 2021 and 2027.

Through the Just Energy Transition Partnerships (JETPs), which mobilize national and international public and private financing, G7 members – including France, Italy, Germany, and the United Kingdom – are also working to support countries committed to a low-carbon and socially just energy transition. From 2021 to 2023, South Africa, Indonesia, Viet Nam, and Senegal embarked on such partnerships, with the awareness of the direct and indirect repercussions that giving up fossil fuel-based modes of production can have on the employment and livelihoods of their communities.[15]

At COP28 in 2023, a historic agreement was also reached among 130 countries. It provides for phasing out fossil fuels, tripling renewable energy capacity, and doubling energy efficiency by 2030 in order to maintain the scenario of a global temperature rise of 1.5°C by 2050. Achieving this goal will require annual investment of $4.5 trillion from now to 2030 in expanding renewable energy generation capacity, developing energy efficiency technologies, and modernizing power grids and energy storage capacities.[16] It will also require reinvestment in the mining sector to significantly increase the availability of materials such as lithium, cobalt, nickel, and graphite, which are needed for the energy transition. ●

(15) AFD and Abu Dhabi Investment Authority (ADIA), *Increasing Investment in Sustainable Infrastructure in Emerging and Developing Markets*, 2023

(16) IEA, *Net Zero Roadmap: A Global Pathway to Keep the 1.5°C Goal in Reach*, 2023

Summit for a New Global Financial Pact: reinvesting in infrastructure

Sustainable infrastructure was a key focus of the Summit for a New Global Financial Pact, held in Paris in June 2023.

As part of the Summit, concrete action proposals for public and private reinvestment in sustainable infrastructure were made by a group of some 60 leaders and executives from international organizations, public development banks, sovereign wealth funds, investors, private banks, and philanthropic organizations.

Infrastructure financing: Meeting at the Summit of Public Development Banks during the Finance in Common (FiCS) initiative in Paris in June 2023.

Long-term public policies and balanced investment frameworks

There is currently a need to develop partnerships to promote national infrastructure development programs, prepare balanced standard contracts to form equitable public-private partnerships, and put investment planning tools to work.

Enhance project design and preparation capacities

Given the lack of bankable projects, grant resources must be made available to local stakeholders, including public banks, to carry out all the necessary preliminary technical, financial, and legal studies. It's also important to develop international capacity-building programs.

Create regional financing platforms

To develop large-scale national or regional infrastructure projects, it's important to harness the experience and capital of international public and private investors. For this reason, regional investment and secondary market platforms must be created.

Global tools to promote and secure investments

It's crucial to increase the volume and effectiveness of concessional financing, develop guarantee schemes, share data to assess investor risk objectively, support infrastructure certification, and share the best sustainable development standards with private players.

Strengthen dialogue between public and private players

Dialogue between public development banks and private investors must continue to better mainstream the SDGs into their operations. The Finance in Common Summits (FiCS) and the COPs are pivotal moments for such exchange.

Proactively working for sustainable infrastructure

AFD Group supports the development of sustainable, inclusive, and resilient infrastructure in more than 100 countries and French overseas territories. We are committed to inclusive, resilient, and environmentally friendly infrastructure with exemplary governance.

Energy: In Kenya, AFD financed the construction of the Olkaria geothermal power plant, operated by KenGen. AFD is also supporting exchanges of experiences between the French Association of Geothermal Professionals (AFPG) and East African countries to promote stable, cost-competitive, low-carbon geothermal electricity.

AFD Group puts to use all the tools of a public development bank and a bilateral agency. The expertise and financing solutions we provide to public and private players working in sustainable infrastructure include investment projects and programs, credit lines, technical assistance, budget financing, equity capital, and more. By investing between €6 and €8 billion each year in sustainable infrastructure, AFD Group helps preserve the climate and achieve gender equality: more than 80% of the financing we grant includes climate co-benefits, and more than 65% contributes to gender equality.

AFD Group operates in more than 160 countries. Our strength lies in the complementarity of our different entities:

- **AFD** supports public players (central and local governments, public companies, public banks) and civil society organizations. It provides them with financing in the form of grants or long-term loans to strengthen their project management capacities, support public-policy reforms, and prepare and finance investment projects.

- **Proparco** supports private players – in particular companies investing in the development and modernization of infrastructure – via long-term loans, equity investments, guarantees, and blended finance.

- **Expertise France** mobilizes French, international, and local expertise from public players within the framework of technical cooperation programs. France funds its network of international technical experts, who are deployed to partner administrations.

Together with the French public financial institution Caisse des Dépôts et Consignations, AFD also created the STOA investment fund in 2017. STOA supports and promotes private investment in large sustainable infrastructure projects via minority equity investments (*see box on page 27*).

AFD GROUP INFRASTRUCTURE: FOUR KEY MARKERS

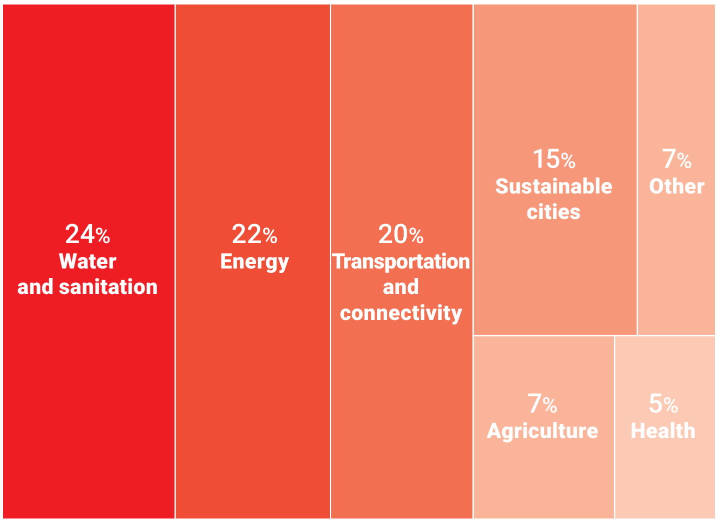
AFD Group supports the creation and development of inclusive, resilient, and environmentally friendly infrastructure with exemplary governance.

Inclusive infrastructure

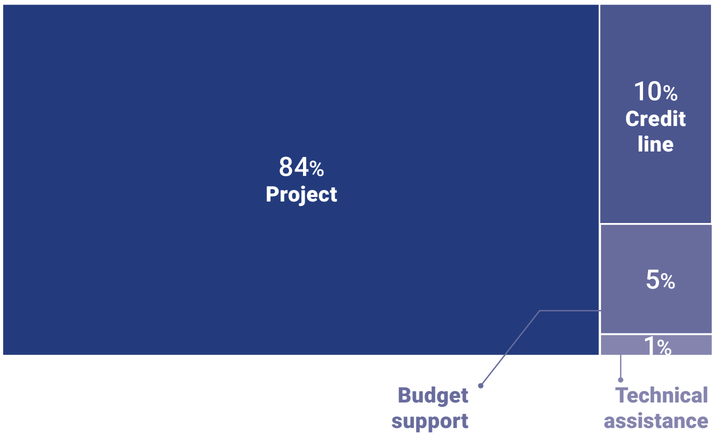
AFD Group supports the development of inclusive infrastructure that helps (i) improve people's well-being; (ii) strengthen social cohesion; (iii) reduce regional inequalities; (iv) promote gender equality; and (v) benefit the maximum number of people possible, especially the poorest, the most marginalized, and the most vulnerable. AFD ensures that the infrastructure it backs will contribute effectively to social links. To this end, its support for project preparation may include plans and studies that cover a wide variety of topics (urban mobility to identify priority neighborhoods

AFD's infrastructure financing portfolio

BREAKDOWN BY SECTOR



BREAKDOWN BY FINANCING CATEGORY



and promote access to employment; development of informal settlements; public lighting to help women feel safer using public transport at all hours; and customer capacity to pay for services, especially for the most disadvantaged).

Since 2014, each project has been carefully examined as part of our Sustainable Development Analysis and Opinion mechanism (*see Annex*) before being financed by AFD. This in-house system, which operates independently of our operational teams, ensures that project frameworks consider issues of inequality (in wealth, income, and opportunity – including those related to ethnic groups, territories, and gender) and inclusiveness. AFD does not finance initiatives that lead to forced displacement or significant disruption in communities. It also excludes projects that perpetuate or overlook gender discrimination.

Resilient infrastructure

AFD helps its clients ensure that their infrastructure is resilient to natural disasters and climate change. As part of project feasibility studies, it finances studies of climate risks and vulnerabilities, including earthquakes, floods, droughts, coastal erosion, and others. To support countries and regional organizations specifically in this area, it has created the AdaptAction facility. Funding via this facility focuses on vulnerability and feasibility studies, advisory work to develop national policies and action plans, and actions targeting capacity-building and institutional strengthening.

AFD also finances projects aimed at mainstreaming urban resilience into city planning and development. These initiatives help in several areas: flood risk mitigation; infrastructure rehabilitation after natural disasters; and implementation of nature-based solutions (*see box on page 12*), such as the development of spreading grounds for groundwater recharge. AFD works with the Coalition for Disaster Resilient Infrastructure (CDRI) – launched by India and co-chaired by France in 2024 – to use tools for natural disaster risk analysis and infrastructure resilience.[17]

Environmentally friendly infrastructure

AFD Group has adopted a rigorous approach to assessing and managing the environmental and social risks of the projects it finances. When the risks are moderate or significant, AFD requests an impact study and a plan to manage and mitigate the negative effects identified. It also calls for a carbon footprint assessment detailing the infrastructure's greenhouse gas emissions. Projects whose construction generates more than 25,000 metric tons of CO_2 per year must carry out a comprehensive analysis of their emissions throughout the project life cycle and demonstrate significant compensation or reduction measures. AFD additionally applies strict criteria that exclude projects in critical

(17) Coalition for Disaster Resilient Infrastructure (CDRI), *Report on Global Infrastructure Resilience*, 2023

habitats, so as to avoid financing projects that could threaten sensitive ecosystems or endangered species.

At AFD Group, we have set a target of making 50% of our financing provide a climate co-benefit. The infrastructure projects we support help make this ambition a reality.

Infrastructure with exemplary governance

Good governance, transparency, and equity are paramount for infrastructure sustainability. To better meet the needs of users and improve the effectiveness of public action, AFD promotes citizen-based approaches in infrastructure design and construction. Its proven experience and technical skills enable it to advise its clients in the design and implementation of institutional, financial, and contractual technologies and plans. AFD works to improve applicable procurement procedures in order to recruit the most competent and responsible companies at the best price.

AFD Group supports countries in preventing and combating prohibited practices such as corruption, fraud, money laundering, terrorist financing, and anti-competitive practices. Whistle-blower systems, for example, enable employees, partners, and beneficiaries to report any suspicion of inappropriate practices confidentially. After a thorough investigation, these reports may lead AFD to impose sanctions that may go as far as cancelling contracts or taking legal action. AFD supports its clients in their anti-corruption efforts through awareness-raising and training sessions.

INVESTMENTS IN STRATEGIC SECTORS

Achieving the SDGs requires developing a wide range of infrastructure. AFD Group's financing solutions cover many sectors, contributing to economic and social development, environmental protection, and the fight against climate change. They make it possible not only to build and develop that infrastructure, but also to help make it function properly.

Transport: In Gabon, AFD is providing support for modernizing and securing the Transgabonais railway in order to improve the reliability and safety of passenger and freight transport. This project is helping to open up remote areas and develop the country's economy.

Energy

Renewable energy, energy efficiency, electricity interconnections, etc.

AFD Group supports accelerated access to electricity in rural and peri-urban areas, development of renewable energies (hydropower, solar, wind, geothermal, and biomass energy), network enhancement, and improvement of energy efficiency in buildings. The goal is for every household, government administration, and business to have access to efficient, low-carbon energy services. AFD Group invests around €2 billion per year toward these goals.

AFD Group supports the creation and development of inclusive, resilient, and environmentally friendly infrastructure with exemplary governance

AFD Group financing promotes energy policy reform and both public and private investment in renewable energy production capacities. We also foster regional integration by financing better electrical interconnection between countries. This financing supports a wide range of goals: development of efficient electricity networks by national public operators, improved energy efficiency in classrooms and hospitals, the adoption of energy-efficient cooking methods, the development of charging stations for electric vehicles, as well as the production of green hydrogen. We pay special attention to reinvestment in the mining sector in order to back up the energy transition.

Transport

Urban and interurban transport, rural roads, railways, maritime transport, etc.

AFD Group is actively involved in transport infrastructure to promote sustainable, green, and inclusive mobility. We finance and invest in improving urban and interurban transport networks, with a focus on public transport: construction and modernization of railways, expansion of bus networks with a high level of service, development of intelligent transport systems, small-scale independent transport, and others. We also work to enhance the management capacities of local and national authorities by promoting exchanges with French public players such as the Paris public transport operator RATP and the state-owned railway operator SNCF. AFD, Proparco, and STOA support the development of electric mobility, as well as more sustainable logistics chains and maritime transport.

Digital technology

Telecommunications infrastructure, broadband Internet, artificial intelligence, etc.

AFD Group promotes the development of digital infrastructure to foster social inclusion, the transformation of government administrations, and technological innovation. We support expansion of fiber-optic networks, modernization of telecommunications infrastructure, improvement of broadband Internet access for all, and development of artificial intelligence to help achieve the SDGs. The projects financed in this field include the training of local players in the digital sector, development of e-government services, and the establishment of digital platforms for basic services such as education and health.

Sustainable cities

Housing, waste treatment centers, sports facilities, urban development, etc.

AFD Group supports the sustainable development of cities, which encompasses urban renewal, affordable housing, green and resilient infrastructure, and the preservation and fitting out of historic sites. AFD helps guide local authorities in their integrated urban planning. In these efforts, AFD puts special focus on reducing the ecological footprint of cities and on their adaptation to climate change. Specific actions include energy efficiency in buildings, sustainable management of waste and water resources, development of sports facilities for all, and creation of inclusive and safe public spaces. It also works to enhance the capacities of urban authorities and encourages citizen participation in urban development processes.

Water and sanitation

Integrated management of water resources, production and distribution of drinking water, wastewater treatment, etc.

AFD Group works to strengthen access to drinking water and sanitation services and to improve water resource management. AFD financing helps develop infrastructure

Leveraging **nature-based solutions**

Nature-based solutions for stormwater management, flood control, soil stabilization, coastal protection, and other needs can help meet many challenges, instead of or in addition to conventional infrastructure. In its feasibility studies for clients, AFD offers include nature-based as well as technological solutions.

In Senegal, AFD is supporting mangrove and wetland restoration around the city of Saint-Louis, to cope with rising sea levels. These ecosystems act as a natural buffer to absorb waves and limit the damage caused by storms and sea floods.
In the High Atlas of Morocco, AFD has responded to requests by local authorities to finance integrated watershed management initiatives to help them address soil degradation. This approach has made it possible to regenerate forests, limit deforestation practices, promote more sustainable agricultural models, and reduce pressure on soils.

Urban services: AFD has partnered with Chandigarh Smart City Limited to support water supply, sanitation, and waste management in Chandigarh, India.

to produce drinking water, rehabilitate and extend water distribution networks, reduce water loss, and promote hygiene and public health. AFD also supports wastewater treatment projects such as the construction, modernization, and extension of collection networks, as well as the construction of wastewater treatment plants and reuse infrastructure. As part of local or regional projects, it provides guidance to local authorities and central governments on better management of water resources. Additionally, AFD works with local authorities and operators to provide them with the skills needed to manage water resources and drinking-water and sanitation services effectively.

AFD Group operates in many sectors that benefit the economy, social link, the environment, and the climate

Rural territories

Irrigation, agricultural markets, fishing ports, national parks, etc.

AFD Group investments improve the living conditions of rural populations and promote sustainable agriculture. Our support works to modernize infrastructure for production (including for irrigation) and storage, develop value chains, and diversify communities' sources of income. AFD supports initiatives aimed at strengthening sustainable fishing (e.g., equipment for small-scale fishers, fishing ports, monitoring systems for fishery resources), and improving market access for small-scale producers.

Health

Hospitals, healthcare centers, medical waste management systems, etc.

AFD Group works to bolster healthcare infrastructure and systems. Our financing helps build, modernize, and equip healthcare facilities and train their staff. AFD helps make healthcare systems more resilient to health crises and expand access to care. It has financed projects to create maternal and child healthcare centers, establish medical waste management systems, and develop infectious disease prevention and control programs.

Education and training

Libraries, classrooms, vocational training centers, etc.

AFD Group supports the development of educational infrastructure and helps improve access to quality education for all. Our financing is used to build and renovate schools, train teachers, and develop educational programs adapted to students' needs. It also helps reduce gender inequalities in education, develop the skills of young people, and promote their professional integration. Projects financed include the creation of school libraries, the development of online learning platforms, and the establishment of scholarship programs for disadvantaged students. AFD works with ministries of education and local organizations to bolster education systems.

Governance

Town halls, tax offices, police stations, courts, etc.

AFD Group enhances governance capacities and promotes effective and transparent public institutions. We have financed projects to improve public management, strengthen the rule of law, and promote citizen participation in decision-making processes. AFD supports initiatives designed to fight corruption, improve public financial management, and boost the capacities of local and national administrations. AFD-financed projects include training civil servants, developing information systems for public management, and promoting transparency and accountability in the management of public resources.

Urban development: AFD is financing the construction of two covered markets and technical support for the city of Bouaké and the urban commune of Yopougon in Côte d'Ivoire. The project will benefit more than 10,000 shop owners and contribute to the economic development of these cities.

Digital, geospatial, and AI tools to support the SDGs

AFD Group supports its clients in the use of new technologies as levers for transforming development trajectories.

Digital technology

By promoting universal Internet access, the digital transformation of SDG-related basic services, and the creation of innovative businesses and jobs, AFD Group is working for a sustainable, responsible, and secure digital transition accessible to all, for the benefit of State sovereignty as well as of citizens' personal data. AFD and Expertise France are helping to guide the digital transformation of public action and administrations; this work covers digital identity, the modernization of government offices, and the revision of legal frameworks and training. Meanwhile, Proparco and STOA are supporting private investment, particularly for extending and modernizing telecommunications. Proparco's subsidiary Digital Africa is boosting the capacities of African digital entrepreneurs and supporting the development of their start-ups from the early stages of their life cycles.

Geospatial technology: In Côte d'Ivoire, the "Redd + La Mé" project fights deforestation and works to improve living conditions. It uses GeoPoppy, a geographic information system installed on a mini-server and a tablet to monitor the spread of cultivated and wooded areas.

Geospatial services

AFD Group has long been supporting the use of geospatial services by public institutions in emerging and developing countries. Sustainable development has been boosted by satellite data and the use of that data by digital tools, especially in cases where field data are scarce or costly to collect. Such geospatial technology can be used for monitoring forest cover, measuring land degradation, studying water quality, watching out for illegal fishing, and monitoring marine ecosystems and hydroelectric dam safety, etc.

AI

AFD Group has taken a stance favoring the use of artificial intelligence to achieve the SDGs. The idea is that AI can help support the establishment of national strategies, capacity-building, the development of data management uses and infrastructure, and the emergence of local stakeholders, etc.

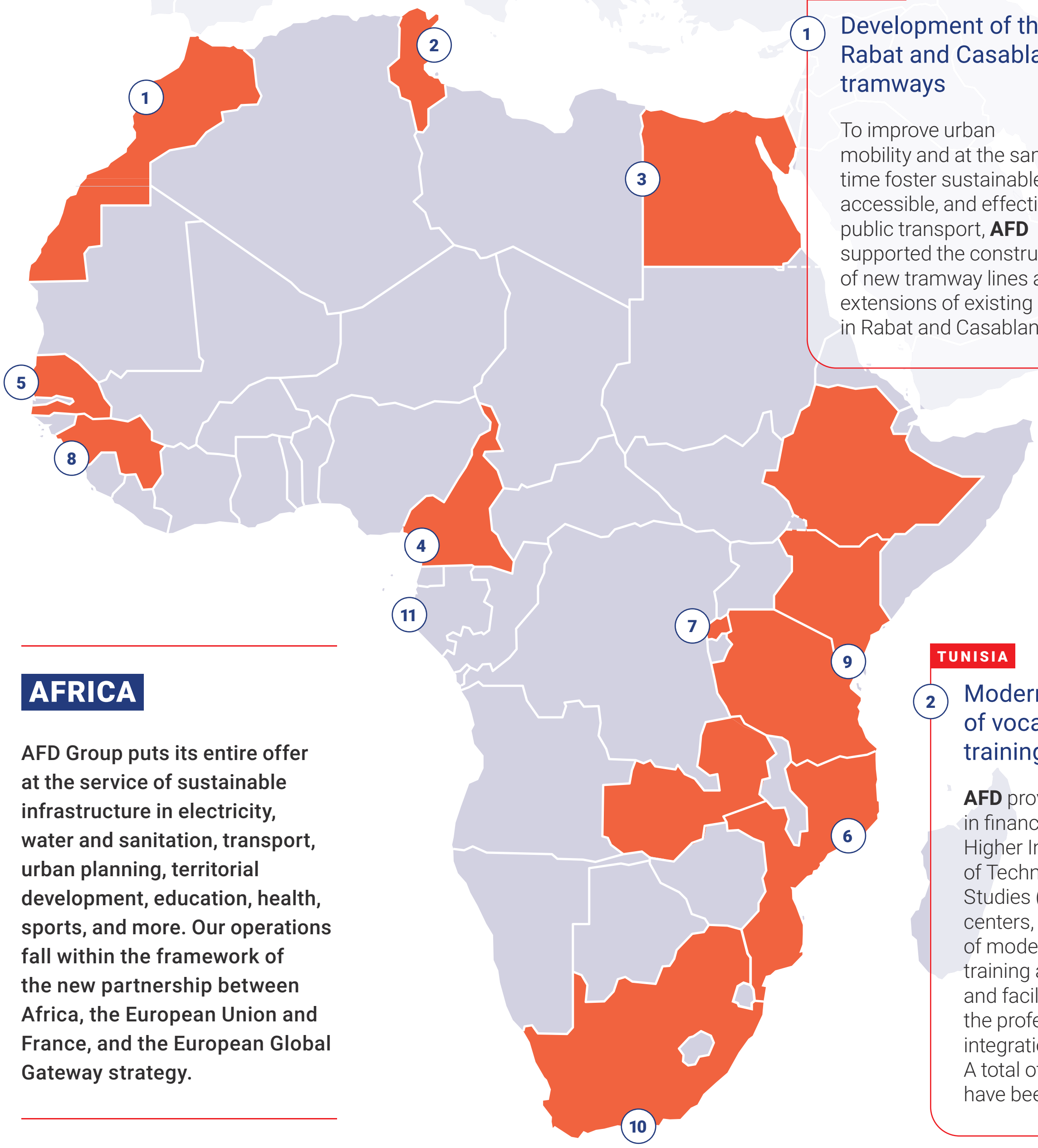
AFD, Expertise France, Proparco, and Digital Africa support the development of AI that's 100% pro SDG. To this end, they pay particular attention to controlling the environmental and social risks of increased inequalities, the dissemination of false information, and cultural biases of language models.

At the request of its clients and as part of the projects it supports, AFD Group mobilizes the expertise of French public players in the digital, geospatial, and AI fields, including that of the National Centre for Space Studies (CNES) and the Interministerial Digital Directorate (DINUM).

FOCUS

Action on five continents

AFD Group supports infrastructure development in all the countries where it operates. Its action, adapted to the requests of its partner countries and the needs of each area, can be illustrated by 22 emblematic projects.



AFRICA

AFD Group puts its entire offer at the service of sustainable infrastructure in electricity, water and sanitation, transport, urban planning, territorial development, education, health, sports, and more. Our operations fall within the framework of the new partnership between Africa, the European Union and France, and the European Global Gateway strategy.

MOROCCO

1 Development of the Rabat and Casablanca tramways

To improve urban mobility and at the same time foster sustainable, accessible, and effective public transport, **AFD** supported the construction of new tramway lines and extensions of existing lines in Rabat and Casablanca.

TUNISIA

2 Modernization of vocational training centers

AFD provided €10 M in financing to renovate Higher Institute of Technological Studies (ISET) training centers, with the goal of modernizing their training and operations and facilitating the professional integration of graduates. A total of 17 facilities have been renovated.

EGYPT

3 Extension of the Gabal El Afsar wastewater treatment plant

AFD and the **European Union** are supporting the expansion of the Gabal El Asfar wastewater treatment plant, east of Cairo. It is one of the largest wastewater treatment plants in Africa and will serve 17.5 M people through 2040.

CAMEROON

4 Construction of the Nachtigal hydroelectric power plant

The Nachtigal hydroelectric dam, completed in 2024 and financed by **STOA** and loans from **AFD** (€90 M) and **Proparco** (€60 M), provides 30% of the country's electricity. The French energy company EDF provides technical cooperation.

SENEGAL

5 Development of urban transport in Dakar

As part of co-financing with the French Treasury, AFD and Proparco provided loans to develop urban transport: **AFD** for the regional express train (€230 M) that connects Dakar to Diamniadio, and **Proparco** for the first bus rapid transit line (€45.9 M plus €6.6 M in EU funding).

MOZAMBIQUE

6 Construction of Beira General Hospital

AFD provided a loan of €23 M to finance the construction of the Beira General Hospital (in Sofala Province) to improve access to care, relieve congestion at the central hospital, and sustainably strengthen local healthcare capacities.

RWANDA

7 Digital and geospatial development

AFD is supporting Rwanda's digital transition through a loan (€37 M) and a grant (€1.2 M). Meanwhile, **Expertise France** is mobilizing French expertise to support the country in its digital transformation and support the development of the Rwandan space agency.

GUINEA

8 Rural development

AFD is financing the rehabilitation of 615 km of rural trails to facilitate access to rice and fish farming areas in Lower Guinea and Forest Guinea, and the development of 300 ha of irrigated areas, enabling the doubling of rice yields.

ETHIOPIA – KENYA
TANZANIA – ZAMBIA

9 Inter-country electricity connections

Along with other donors, **AFD** is providing €190 M in loans to finance the connection of electricity networks from Ethiopia to Zambia, via Kenya and Tanzania.

SOUTH AFRICA

10 Support for the just energy transition

In South Africa, **AFD** is supporting the just energy transition and the phase-out of coal in the form of public-policy loans (€700 M), thereby helping to reconcile the country's low-carbon trajectory with the mitigation of social impacts on the most vulnerable people.

GABON

11 Transition minerals

AFD, **Proparco**, and the **European Union** are supporting the development of the Transgabonais, the country's only railway, which serves the Moanda manganese mines (€280 M).

BRAZIL

1 Operation of Line 6 of the São Paulo Metro

STOA has invested in Linha Uni, which is implementing the operation and maintenance concession for Line 6 of the São Paulo Metro. This line connects the center to the northwest of the city, crossing through several university districts.
Proparco has also granted a loan to Acciona, the project's sponsor (€123 M).

BRAZIL

2 Financing sustainable infrastructure in the Nordeste region

AFD is supporting Banco Do Nordeste with a loan of €150 M to finance infrastructure in the energy, water and sanitation, waste management, transport, and public lighting sectors.

UKRAINE

11 Mobilization of expertise to rebuild the country

The mAIDan project coordinated by **Expertise France** (€14.5 M) mobilizes expertise to support Ukraine in its emergency needs and for rebuilding the country. It focuses on projects on local governance, innovation, justice, and convergence toward European Union standards.

COLOMBIA

3 Improving basic services in Medellín

Through a loan of €780 M, **AFD** is helping to finance the Empresas Públicas de Medellín (EPM) investment plan, which is improving access to drinking water, sanitation, and energy services for the people of Medellín.

FRENCH GUIANA

4 Boosting digital connectivity with Europe and Brazil

As part of the Global Gateway strategy, **AFD** is providing €32 M in co-financing for the construction of a new undersea cable to connect French Guiana to the EllaLink transatlantic fiber-optic cable to Europe and its extension to the Amazon. This will provide access to reliable and fast Internet to 15 M people.

REUNION ISLAND

5 Construction of an urban cable car in Saint-Denis

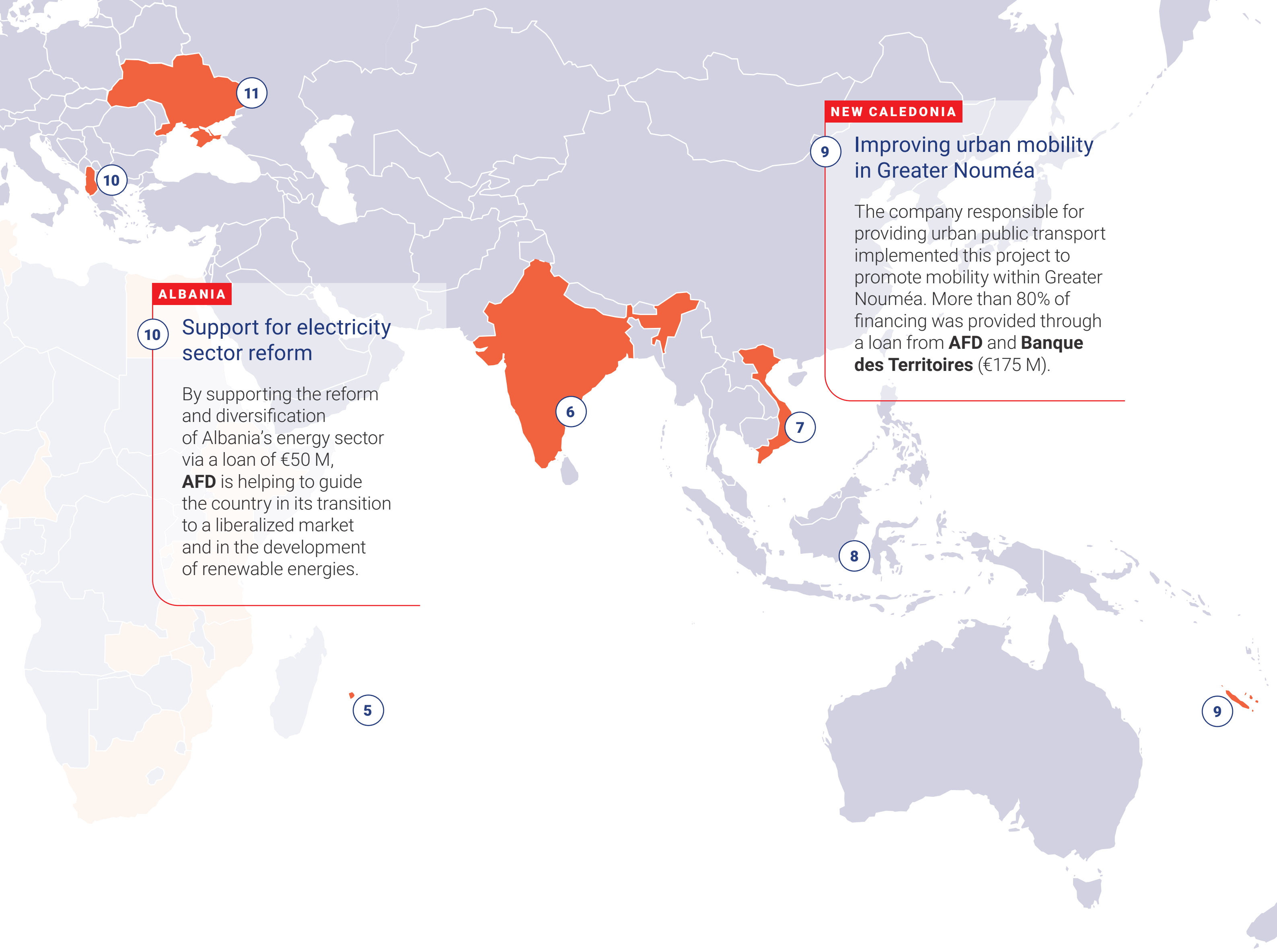
AFD provided €350 M in co-financing to build the Saint-Denis urban cable car ("Papang"), the island's first cableway, which serves several major hubs of the city and helps relieve road congestion.

LATIN AMERICA

In 10 years, AFD Group has become one of the main bilateral donors in the region. Alongside our European partners, we support the ecological transition, social justice, and people's access to renewable energy, urban mobility, and sustainable agriculture.

OVERSEAS FRANCE

AFD supports the development of critical infrastructure to serve the people of the French overseas departments and territories, the adaptation of that infrastructure to climate change, and its rebuilding when necessary. AFD also supports cooperation between these territories and their neighboring countries in the Pacific and Indian Ocean regions and in the Caribbean.



ALBANIA

10 Support for electricity sector reform

By supporting the reform and diversification of Albania's energy sector via a loan of €50 M, **AFD** is helping to guide the country in its transition to a liberalized market and in the development of renewable energies.

NEW CALEDONIA

9 Improving urban mobility in Greater Nouméa

The company responsible for providing urban public transport implemented this project to promote mobility within Greater Nouméa. More than 80% of financing was provided through a loan from **AFD** and **Banque des Territoires** (€175 M).

INDIA

6 Construction of two metro lines in Pune

AFD, in collaboration with the **European Investment Bank**, is supporting the public company Maha-Metro in building a metro line in Pune. The goal is to promote urban mobility and sustainable economic development.

VIET NAM

7 Construction of a metro line in Hanoi

AFD supported Hanoi's development of public transport to facilitate its residents' mobility and fight pollution. It provided financing for the construction of a pilot metro line linking Hanoi Station to Nhon.

INDONESIA

8 Fishing port modernization

AFD and the **European Union** are supporting the renovation of four major fishing ports through a loan (€98 M) and a grant (€3.5 M). These ports, which are environmentally responsible and better designed for fishers and consumers, will improve collection of fishing data.

EUROPEAN POLITICAL COMMUNITY

Alongside other European players, AFD Group supports projects that contribute to European convergence, in the fields of energy transition, sustainable cities, preservation of natural resources, governance, and others.

INDO-PACIFIC

This area accounts for more than half of the world's population, greenhouse gas emissions, and biodiversity. AFD Group pays special attention to the protection of global common goods, ocean issues, and the energy transition.

Our solutions for sustainable infrastructure

AFD Group's expertise and financing solutions benefit all stakeholders committed to sustainable infrastructure. These include public players, private investors, and civil society organizations.

Energy: Together with the French Treasury and European development partners, AFD supports the RISED program in Ethiopia to modernize and digitize the electricity transmission network operated by the state-owned utility EEP. Drawing on the expertise of the French transmission system operator RTE, the project will strengthen renewable energy generation and integration while improving access to electricity for 4 million people by 2030.

AFD Group develops technical and financial solutions for its partner countries, to support their central and local governments, businesses, and civil society in designing, implementing, and evaluating their infrastructure projects.

STAKEHOLDER SUPPORT

Support for public policies

Sustainable infrastructure development requires appropriate public policies and regulations. These include public investment priorities, public-private partnership frameworks, public procurement rules, renewable energy purchase prices, balance subsidies for public transport, waste management solutions, funds for natural disaster response, etc. AFD Group supports central governments, local authorities, and public companies in developing or reforming public policies, regulatory frameworks, and their investment plans. The objective is to promote the development of the service offer for as many people as possible, by ensuring a balance between financing by users and financing by taxpayers.

AFD and Expertise France help by providing experts and conducting long-term studies, in particular through dedicated facilities (*see Annex*). These studies help in improving pricing policies and infrastructure planning, including for sustainable mobility systems, transport master plans, urban development plans, watershed development systems, and others.

To help guide public-policy reforms related to infrastructure, particularly to deal with climate change, AFD provides planning authorities (ministries, central banks, etc.) with tools for modeling and analyzing the risks of long-term transitions. It's with this in mind that, in 2018, AFD created the Trajectoires 2050 facility to finance long-term studies on the climate transition. For example, this facility enables coal-producing countries (e.g., South Africa and Indonesia) to better anticipate the effects of reduced global demand on their coal industry, their financial system, and their government revenues from now to 2050. At the end of 2018, AFD also developed GEMMES (short for General Monetary and Multisectoral Macrodynamics for the Ecological Shift). This economic and environmental modeling tool is used to simulate the impacts of public policies and climate change on the development trajectories of Brazil, Viet Nam, Colombia, Côte d'Ivoire, Morocco, Tunisia, and South Africa.

Capacity-building

AFD Group supports its clients in boosting their institutional, operational, and financial capacities. This support focuses on the services and personnel responsible for planning, design, and construction, but also includes those working on infrastructure management and maintenance.

AFD finances the improvement of vocational training schemes for its partner country managers, particularly in the water, energy,

AFD Group support for sustainable infrastructure

	OUR SUPPORT				
PROJECT LIFE CYCLE	**Capacity-building**	**Support for public-policy preparation**	**Financing**	**Mobilization of co-financing**	**TOOLS MOBILIZED**
Strategic planning	✓	✓			‣ Public-policy loans ‣ Financing of studies ‣ Making experts available
Project identification	✓	✓	✓	✓	‣ Funds for project preparation ‣ Grants ‣ Technical assistance
Project design	✓		✓	✓	‣ Funds for project preparation ‣ Grants ‣ Technical assistance
Project implementation	✓		✓	✓	‣ Guarantees, loans, grants ‣ Credit lines ‣ Equity investment ‣ Procurement training ‣ Evaluations
Operation and maintenance	✓		✓		‣ Technical assistance ‣ Credit lines ‣ Equity investment
Decommissioning	✓	✓			‣ Impact studies

and transport sectors. For example, it has supported Tunisia since the 1990s in creating 28 training centers, including the welding and metal construction center in Medenine. It also provides support for restructuring the aeronautical training center in Greater Tunis and building the National School of Engineering in Bizerte. AFD supports innovative schemes – involving both training institutions and corporate foundations – to enhance the skills of company executives and municipal water authorities.

> AFD Group helps guide central governments, local authorities, businesses, and civil society throughout project life cycles

As part of the projects it supports, AFD finances continuing training for government officials and company and public bank managers. This training has included the design and monitoring of feasibility and credit studies, procurement, construction work monitoring, and other topics. AFD experts have also contributed directly to upskilling public-sector managers, through the "Financing the Sustainable City of Tomorrow" training offered by Campus Group AFD, the WaterForAll partnership with AgroParisTech and Suez, and the "Leaders in Urban Transport Planning" training organized with the World Bank, etc.

AFD promotes peer exchanges by financing partnerships between French institutions and institutions in emerging and developing countries. Examples are the partnerships established between EDF and electricity operators in Indonesia, Viet Nam, and Mexico; between SNCF and RATP on the one hand and the Dakar Regional Express Train operator on the other; and between Institut Curie and the Aga Khan Foundation's hospital network in East Africa to improve cancer screening and treatment in Tanzanian hospitals.

Public-policy financing

AFD offers tools for financing public-policy budgets, to support governments that are committed to sustainable infrastructure reform and that have advanced budget management capacities. Such financing is based on a set of actions that work toward reforms, including studies and the introduction of legislation and regulations. These actions are determined together with the countries and are grouped together in a public-policy matrix that includes commitments and the associated performance indicators.

This public-policy financing tool is accompanied by the deployment of expertise and is a powerful lever for transformation. For example, AFD is able to support energy sector reform in several countries:

- in South Africa, as part of the Just Energy Transition Partnership, to limit the effects of the coal phase-out on the people and areas concerned;
- in Albania, to boost the sustainability of electricity networks, diversify the energy mix, and support convergence toward European Union standards;
- in Bangladesh, to promote the transition to renewable energy, improve energy efficiency, and develop green infrastructure;
- in Mexico, to improve the efficiency of hydroelectric power plants.

In partnership with the World Bank and Germany's KfW, AFD is also supporting Serbia in implementing its climate roadmap through a multiyear and multisectoral reform program. This financing will help implement green budgeting, track climate investments, develop renewable energies, boost energy efficiency, and combat energy poverty.

FINANCING INVESTMENT PROJECTS

AFD Group makes use of all the financial tools of a public development bank to support public and private investment in sustainable infrastructure.

Public infrastructure financing

AFD provides support to its clients in determining and planning for medium- and long-term infrastructure needs. It finances studies to forecast needs related to economic growth, improve the income of people or businesses, and adapt to climate change. The studies may cover national energy demand, food production and demand, the need for agricultural product

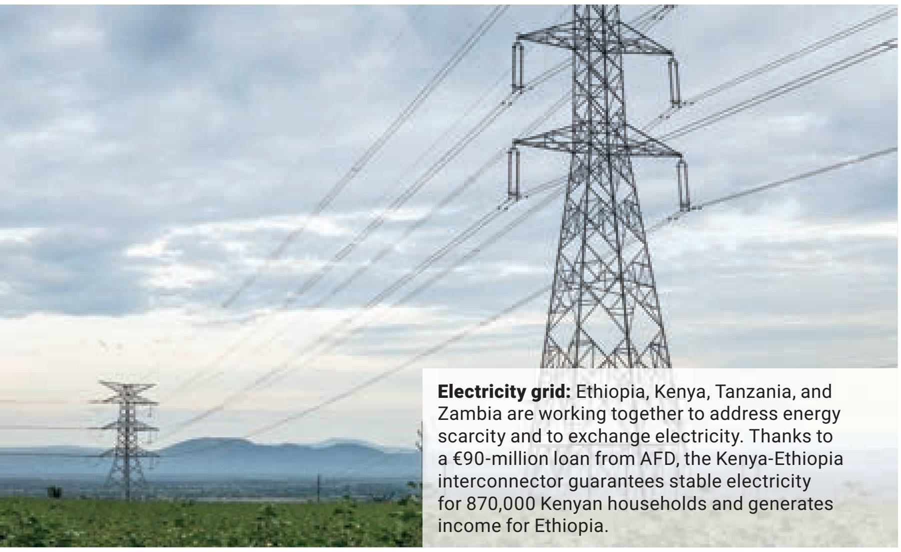
Supporting public operators in water and sanitation, electricity, and transport

In many countries, public companies are responsible for developing and providing basic services such as drinking water, electricity, transport, and urban development. They play a key role in implementing public policies. However, many of these public companies face technical, financial, or institutional difficulties in team training, management and maintenance organization, investment financing, financial balance, internal governance, and coordination with the State and users, etc.

AFD offers financing solutions to improve their performance. They are adapted to each sector and situation and include grants, loans granted to the central government then relent to the company, loans to the company guaranteed by its government, or direct loans without guarantee when the company shows good financial strength.

This support may finance a specific project, an investment program, or a comprehensive transformation of public operators.

AFD rounds out this support with peer exchanges involving French expertise from players such as EDF, RTE, the Energy Regulation Commission, the Agency for Ecological Transition (ADEME), and the French Geological Survey (BRGM) in the energy sector; RATP, SNCF, Cerema, local authorities, and major French seaports in the transport sector; and water agencies.



Electricity grid: Ethiopia, Kenya, Tanzania, and Zambia are working together to address energy scarcity and to exchange electricity. Thanks to a €90-million loan from AFD, the Kenya-Ethiopia interconnector guarantees stable electricity for 870,000 Kenyan households and generates income for Ethiopia.

storage and transport, or urban growth and development needs. The study analyses aid in working out master plans, development frameworks, and investment plans that enable local or national authorities to determine the nature, location, cost, and financing of the infrastructure under consideration. For instance, AFD used the Cities and Climate in Africa Facility (CICLIA) between 2016 and 2024 to support 40 cities, including 10 capitals and 30 intermediate cities, in drafting urban development and investment plans. Total financing was €1.4 billion. AFD has also contributed to developing 32 local urban mobility plans and 9 national mobility policy plans.

AFD finances the construction and commissioning of public infrastructure. Achieving the SDGs requires massive investment in infrastructure, especially for projects that have proven impact but whose financial return is too spread out or slow to materialize to attract private investment. This kind of infrastructure requiring public financing concerns not only large-scale projects, but any type of infrastructure that meets the country's development priorities. This is why AFD finances public infrastructure at all scales, from gabion dams to major irrigation systems, from small independent electricity networks to electricity interconnections between countries, and from drinking-water standpipes in disadvantaged districts of secondary cities to large-scale wastewater treatment plants in capital cities.

AFD finances public infrastructure mainly in the form of loans adapted to long-term investments

In view of the high cost and the profitability of sustainable infrastructure, AFD finances public infrastructure mainly in the form of loans adapted to long-term investments. These are loans with reduced interest rates and deferral periods for repaying the principal of up to 7 years for building the infrastructure and a total repayment period of 10 to 20 years for achieving its economic and financial impacts.

For central governments and local authorities in the least developed countries, AFD provides grants to fund all or part of the projects. This funding can be used to (i) carry out detailed engineering studies, especially for very large-scale infrastructure; (ii) work with companies that have the skills for the project; and (iii) provide technical assistance for project management and construction supervision. The keys to success of AFD financing include construction work and construction site monitoring by stakeholders of the target country, risk management and compliance with the best environmental and social standards, the implementation of anti-corruption measures, and the effectiveness of public action.

To boost public investment without indebting governments, AFD directly finances local authorities and public companies. To be eligible for such financing, they must have solid governance and the financial and legal capacities to repay a loan without having to obtain State financing or guarantees. In this way, AFD can finance – as part of a specific project or larger investment program – a city's infrastructure project, a public electricity operator, a public transport company, or a water treatment company.

AFD also guides its public clients in their comprehensive transformation initiatives, which can include improving governance and financial management, decarbonizing assets, and taking into account risks related to climate change. Beyond the usual due diligence (covering evaluation of technical studies, institutional and operational organization of the project, environmental and social risks, etc.), AFD assesses the borrower's financial risk based on its own analyses or those of independent rating agencies.

Seed funds, expertise funds, theme-based funds: preparing investment projects

Preparing bankable infrastructure projects remains the biggest hurdle for investment in emerging and developing countries. It requires significant time and resources, especially in terms of expertise such as technical studies, financial structuring, and institutional organization.

To speed up the preparation of the projects it finances, AFD provides its clients with specific financing and experts with international experience. For the past 10 years, it has offered them the benefit of French expertise through the Fund for Technical Expertise and Experience Transfers (FEXTE), created with the French Ministry of the Economy and Finance. More than 200 studies in the energy, transport, and water and sanitation sectors carried out via FEXTE have made it possible to finance projects.

Energy efficiency of buildings: AFD works alongside Vakifbank to encourage the financing and purchase of green housing by Turkish households in Istanbul, Turkey.

Support for project preparation

AFD has also created or helped create some 15 theme-based facilities for mobilizing expertise, totaling €350 million. They have supported project preparation for numerous sustainable infrastructure projects for AFD clients. Examples include: urban development in Africa with the Cities and Climate in Africa (CICLIA) facility, social housing with the Sustainable Housing Initiative (SHI) facility, sustainable mobility with MobiliseYourCity, renewable energies with Africa Renewable Energy (ARE) Scale-up in Africa and the Southeast Asia Energy Transition Partnership (ETP), and energy efficiency in buildings with the Partnership for Energy Efficiency in Buildings (PEEB).

Putting international technical expertise into action

Because the facilities have dedicated financial resources and can mobilize experts quickly, they make it possible to prepare investments well in advance via the study of long-term development trajectories, investment planning, pre-feasibility and detailed project feasibility studies, and technical assistance for implementation, etc. Seed funds are also available to conduct pre-feasibility studies for each project.

AFD also contributes to project preparation funds created by other donors. All these tools enable AFD to draw on recognized international expertise and provide a quick and effective response to client requests to prepare well-designed infrastructure projects ready for implementation.

Supporting and securing private investments

Proparco, AFD Group's subsidiary dedicated to the private sector, supports private investment in sustainable infrastructure in Africa, Asia, Latin America, and the Middle East. It works to promote renewable energies, digital technology, transport, agribusiness, water and sanitation, sustainable cities, and social infrastructure for education and healthcare. Backed by its comprehensive range of financial instruments (loans, equity, convertible bonds, and guarantees), Proparco is able to meet most financing needs that would not be covered by local lenders.

One of the key services Proparco offers to companies and financial institutions is providing loans in hard currency and local currency. These loans run for long periods of up to 20 years and provide for capital repayment deferral to enable the infrastructure's construction and commercial implementation. Proparco also works closely with the companies it finances, especially to support them in determining their strategy, improving their governance, and accessing international professional networks.

To strengthen AFD Group's work to mobilize the private sector, AFD and Caisse des Dépôts et Consignations created the STOA investment fund in 2017 (*see box opposite*). STOA finances projects to build, expand, or develop infrastructure in five key sectors (energy, transport and logistics, telecommunications, environment, and health) in Africa, Latin America, and Asia. It makes equity investments in companies but remains a minority shareholder: its holdings are between €10 million and €50 million per operation.

AFD Group also develops tools to secure private investments. For countries or projects considered a risk, AFD may offer a public payment guarantee, which helps mitigate the risk of default by public entities. AFD is also involved in GuarantCo, a company that specifically targets the financing of sustainable infrastructure in Africa and Asia. It also supports the implementation of the SOURCE platform in several partner countries (including South Africa, Angola, Tanzania, Egypt, and Brazil) to facilitate the emergence of bankable infrastructure projects.

> Proparco, AFD Group's subsidiary dedicated to the private sector, supports private investment in sustainable infrastructure

Development of local financing offers

Local banks and financial institutions play a key role in financing infrastructure. AFD Group uses several instruments to boost their contribution. AFD provides public, national, and regional financial institutions (public development banks, commercial banks, specialized banks, etc.) with financing tools adapted to their objectives. For example, long-term credit lines spread over 10 to 20 years include a deferral period, making it possible to finance loans for infrastructure investment. Meanwhile, grants can be made available to help those institutions better mainstream the SDGs by training loan officers, improving climate risk analysis systems, and decarbonizing credit portfolios, etc.

Proparco supports local financial institutions and private banks, in particular for financing investments by small and medium-sized enterprises.

Supporting and securing private investors: the STOA fund

Caisse des Dépôts et Consignations and AFD created the STOA investment fund in 2017. Its purpose is to support large-scale infrastructure projects by private investors.

As a high-impact investment fund, STOA finances and helps guide the creation and development of critical infrastructure in Africa, Latin America, and Asia. With €900 million in capital, it invests in projects that are profitable but that require long-term investments; show proven impact on people and the climate; and meet the highest international environmental, social, and governance standards.

Securing private investment

Since its creation, STOA has taken a financial stake in more than 20 major infrastructure projects. Among other projects, it has invested in the Nachtigal hydroelectric dam in Cameroon; Line 6 of the São Paulo Metro in Brazil, which will transport more than 600,000 passengers per day; fiber-optic networks in South Africa, which will make digital connection reality for 300,000 people; and the Ventos Serra do Mel III wind farm in Brazil, which will help prevent 90,000 metric tons of CO_2 emissions per year.

Hydroelectricity: The Nachtigal dam in Cameroon, with a cost of €1.2 billion, is the biggest dam project ever developed in Africa in terms of project financing. With a capacity of 420 megawatts, it will generate nearly 30% of the country's electricity production, serving more than 8 million people.

Serving future generations

STOA has contributed more than €600 million, 57% of which targets Africa, to a total of more than €6 billion in investments to emerging and developing countries. Its investments are working to achieve the SDGs, in particular SDGs 3 (Good health and well-being), 5 (Gender equality), 7 (Affordable and clean energy), 8 (Decent work and economic growth), 9 (Industry, innovation, and infrastructure), 11 (Sustainable cities and communities), and 13 (Climate action). Among other things, they are helping prevent 2.8 million metric tons of CO_2 emissions per year. STOA also has the goal of devoting 75% of its investments to projects with climate co-benefits.

In its ongoing development, STOA has set the target of mobilizing up to €12 billion in investments in sustainable infrastructure projects by 2028.

Support for civil society organizations

AFD Group also supports infrastructure projects initiated by civil society organizations (CSOs) based in France and partner countries. AFD, for example, helps strengthen small-scale infrastructure developed and managed by local communities, typically projects such as schools, dispensaries, hillside dams, latrines, etc. AFD support can take various forms:

- backing innovation through the Sector Innovation Facility for NGOs (FISONG), the French Facility for Global Environment (FFEM), or the Fund for Innovation in Development (FID);
- financing actions in fragile contexts, as part of calls for projects in countries experiencing crisis or conflict situations;
- guiding civil society initiatives through the CSO Initiatives mechanism.

MOBILIZING OUR TECHNICAL AND FINANCIAL PARTNERS

The financing and capacity-building challenges associated with infrastructure in emerging and developing countries exceed the capabilities of AFD Group alone and require a collective approach. AFD works to mobilize French, European, and international partners to support its clients.

Promoting co-financing

AFD Group works alongside other European and international donors to prepare and co-finance major infrastructure projects. We help implement the European Union's Global Gateway strategy for infrastructure in Africa and around the world. Our three entities are also accredited to receive and manage European funds: between 2014 and 2022, the European Commission delegated them a total of over €3 billion in grants for the preparation and support of more than 350 projects in 74 countries.

AFD's accreditation by the Green Climate Fund since 2015 has enabled it to mobilize more than €350 million to support integrated water management, irrigation, and agricultural adaptation to climate change, as well as energy efficiency in buildings and electric mobility.

To promote project co-financing at the European level, AFD, Germany's KfW, Italy's CDP, and Spain's AECID – which are members of the Joint European Financiers for International Cooperation (JEFIC) – signed a framework agreement in March 2023.

AFD Group also co-finances the preparation and implementation of many infrastructure projects with multilateral banks, among which the World Bank, the African Development Bank, the Asian Development Bank, the European Investment Bank, the Inter-American Development Bank, the European Bank for Reconstruction and Development, and the Andean Development Corporation. This co-financing enables participation in projects with higher impact.

Creating coalitions with other public development banks

Public development banks, whether national, regional or international, play a key role in financing sustainable infrastructure. They have a public mandate and manage a total of more than $23 trillion in assets. Their investment capacity represents more than 10% of global investment. As part of the Finance in Common (FICS) initiative, AFD and other public development banks are members of coalitions to promote greater sharing of experiences, tools, and financing solutions for infrastructure related to agriculture, water, cities, and oceans.

Working alongside philanthropic institutions

AFD forms partnerships with philanthropic institutions to foster infrastructure. In the field of energy, in Southeast Asia several international institutions including AFD have joined forces with the Children's Investment Fund Foundation (CIFF) and the IKEA Foundation to create the Southeast Asia Energy Transition Partnership, a technical assistance platform that helps guide Vietnam, Indonesia, and the Philippines in transitioning their energy policies. Its partnership with the Global Energy Alliance for People and Planet (GEAPP) is moreover mobilizing local public and private banks to promote access to electricity and clean cooking in Africa.

Mobilizing French expertise for more sustainable infrastructure

As part of the operations it supports, AFD Group calls on the skills and experience of French sustainable development players: local authorities, public actors, private companies.

Public actors' expertise

Thanks to the FICOL facility created in 2014, AFD has supported more than 60 French local governments and granted €65 million dedicated specifically to their cooperation projects with partner local governments (for such projects as improved management of urban sanitation, spatial planning, sustainable waste management, and others). AFD also supports the mobilization of French professional associations that bring together public and private players (CODATU for transport and pS-Eau for water and sanitation, etc.).

At the request of partner countries, AFD and Expertise France mobilize the skills of public agencies and institutions with recognized experience, to engage in peer exchanges, capacity-building, and technical assistance actions: EDF, RTE, CRE, ADEME, SNCF, RATP, AirParif, water agencies, CIRAD, IRD, Institut Pasteur, ParisTech, and others.

100 % French public financing offer

Alongside the French Directorate-General of the Treasury and BPI France, AFD has been stepping up joint financing since 2025 for infrastructure projects such as the Rabat tramway, the Dakar regional express train, and the Hanoi metro. By better linking export credit instruments, tied financing, and untied financing, France is bolstering its offer for the development of major infrastructure projects in emerging and developing countries.

PRISME: an instrument dedicated to the expertise of French companies

In 2026, AFD launched the PRISME program for strengthening inclusive and sustainable investment via the mobilization of French companies, in order to meet digital-sovereignty and crisis-anticipation needs.

PRISME, which targets a limited number of strategic sectors with high technological added value, is a dedicated instrument for mobilizing French companies. It promotes the deployment of French expertise in key areas such as the use of satellite images for development, smart networks, management and security of health data, biometrics solutions, and other innovative digital technologies.

OUR PRINCIPLES: A RESPONSIBLE APPROACH AND SUSTAINABLE PARTNERSHIPS

AFD Group is attentive to its clients. We work by their side to develop the solutions best suited to their needs. The basis for this support is a responsible, close, and long-term approach.

Close dialogue

Within the framework of French government priorities, AFD Group supports the development of infrastructure that its clients deem as important, in line with their country's long-term sustainable development strategies. Through our network of field offices around the world, we remain attentive to the requests of our clients and partners, with whom we maintain ongoing and close dialogue, from project identification to the closure of financial assistance.

Building suitable solutions

By drawing on our experience in 160 countries, AFD Group develops financing and support solutions adapted to the situation and needs of each client. Designing infrastructure projects and determining how they will be financed are the subject of in-depth discussions with clients on precise objectives, expected impacts, planned activities and achievements, implementation methods, costs and financing plans, organization of project management, procurement plans, environmental and social risk management, and other topics.

Responsibility of national stakeholders

The implementation of AFD financing is based on the responsibility of local project managers. They are the sole owners of the infrastructure and in charge of its management, within the framework of a financing agreement signed between the client and its funder.

The contracting authority selects, contracts, and monitors the companies, intellectual service providers, and suppliers of equipment and public works in compliance with the best international procurement standards applicable in the country. As AFD financing is untied, the selection of companies is based on rigorous and transparent competition between the best companies. All the contract-related disbursements are made by the contracting authority or by AFD at the latter's request. AFD supports its clients at every stage of these processes.

Sustainable debt

As a public group, AFD Group pays special attention to the sustainable debt of the States, local authorities, companies, and financial institutions it supports. Sovereign financing of public infrastructure takes the form of grants in the least developed countries, concessional loans in middle-income countries, and loans on market terms in countries considered to be very large emerging countries. In line with the French doctrine of responsible debt, AFD does not allocate loans to countries whose risk of over-indebtedness is not considered sustainable by the International Monetary Fund. The financial situation and repayment capacities of local authorities, companies, and financial institutions are analyzed before any financing is granted.

Risk management

AFD helps guide its clients in managing the technical, financial, and institutional risks of their projects, from design studies and sustainable infrastructure management (sizing, technologies, financial balance, maintenance, and accessibility, etc.) to their implementation (procurement and construction supervision). In particular, AFD supports project managers in dealing with the inherent risks in the construction and operation of infrastructure; these include pollution, natural habitat degradation, population displacement, climate hazards, and others. The risks are determined based on precise environmental and social studies that cover carbon footprint, impact, and climate vulnerability.

Company selection based on transparency, fairness, and quality

AFD supports project owners in selecting the most qualified companies to design, build, and, where appropriate, operate the infrastructure it finances.

Whether or not the desired development impacts of the AFD-financed projects can be achieved depends largely on the ability to select the most competent companies at the best price. As part of its mission, AFD ensures that the competitive bidding of companies is fair and free from fraud, corruption, and misrepresentation, in accordance with the country's national regulations and the best international standards of transparency, fairness, and efficiency.

Alongside its partners, who act as project owners, AFD closely monitors whether company selection, contract implementation, and contract payment are carried out properly and smoothly.

AFD supports project owners in developing procurement strategies that attract the most qualified companies. It also provides them with standard bidding documents that incorporate quality, technical performance, and investment sustainability criteria. All international procurement opportunities for contracts financed by AFD are published internationally.

EQUIP: for high-quality contractor selection

EQUIP uses rated and weighted evaluation criteria for construction and equipment contracts exceeding €20 million. This helps project owners attract companies that offer guarantees of high quality. As part of this initiative, AFD will also strengthen the procedures for assessing whether tenders comply with administrative and technical criteria. It will continue to promote new methods of evaluating tenders to better enhance investment sustainability, particularly with design-build and design-build-operate contracts and architect competitions. EQUIP will also heighten vigilance regarding the participation of public companies in calls for tenders, particularly with regard to issues of competition with private players and the risks of anti-competitive agreements.

With EQUIP, AFD is continuing to step up operational risk management in its financing and is meeting client demand to select companies that prioritize quality and sustainability in the projects they work on.

An approach based on **outcomes and impacts**

AFD Group's approach is focused on achieving outcomes and impacts. It is an integral part of the entire life cycle of projects, including their design, their monitoring, and their evaluation.


Urban transport: AFD financed the construction of several tramway lines in Rabat-Salé and Casablanca, Morocco, making a long-term contribution to the mobility of the residents of these two cities.

A rigorous approach starting from project preparation is key to achieving outcomes and impacts. Upstream of the financing, AFD uses its analysis tools to determine the expected economic, social, and environmental outcomes and impacts of the infrastructure financed. Once the financing has been granted, a monitoring system makes it possible to measure progress and optimize effectiveness.

UPSTREAM ANALYSIS OF OUTCOMES AND IMPACTS

As part of its support for project preparation, AFD works with its clients to evaluate the expected outcomes and impacts of the infrastructure to be financed. These may include increased income, the number of end beneficiaries, the amount of greenhouse gas emissions avoided, improvement in service performance, and others. AFD's financing decision is ultimately based on the analysis of the expected outcomes and impacts of each operation. It relies on the Sustainable Development Analysis and Opinion mechanism to ensure that projects contribute positively to sustainable development and avoid negative impacts (*see Annex*).

MONITORING AND EVALUATION TO IMPROVE THE ACTION

AFD Group makes use of monitoring and evaluation mechanisms to guarantee the relevance and effectiveness of its actions. These mechanisms play an essential role of not only measuring project outcomes, but also of guiding their implementation.

- **Project appraisal** is based on an intervention logic built with the stakeholders. AFD, the client, and the stakeholders together determine the key components of the project; the actions to be carried out; the expected outcomes; and the indicators to use to quantify, characterize, and consolidate them. These discussions make it possible to design a monitoring system that is realistic and, above all, adapted to the means and capacities of AFD Group's partners.

- **Monitoring** consists of regularly collecting data on a project: its achievements, its outcomes, its impacts, and its contribution to the SDGs, as well as certain conditions necessary for it to run smoothly. Because projects often take place within changing contexts, these data also help project managers make informed decisions as part of a results-oriented dialogue between AFD Group and its clients.

- **Evaluation** differs from monitoring in that it focuses on the relevance of the action. It also strives to identify clear causal links between the resources mobilized as part of a project, the outcomes, and the impacts. The knowledge produced and the lessons learned from the evaluations help to adjust projects, strategies, and operational tools via a continuous learning approach. AFD conducts three main types of evaluations: **project evaluations** to fuel discussions with stakeholders on the outcomes

The impact AFD Group seeks from sustainable infrastructure[19]

	SOCIAL LINK	PLANET	CITIZENS AND INSTITUTIONS
ISSUES	**Reducing inequalities in access to basic services**	**Promoting co-benefits for the planet**	**Strengthening infrastructure governance**
FINANCIAL ACTIVITY	▸ Expanding or rehabilitating drinking water networks ▸ Support for hospital and educational infrastructure ▸ Support for green energy access networks	▸ Expanding or rehabilitating wastewater treatment networks and plants ▸ Developing renewable energy production ▸ Applying nature-based solutions	▸ Enhancing the capacities of infrastructure management operators ▸ Supporting citizen participation in and gender-equal governance of infrastructure
OUTCOMES AND IMPACTS	☑ Increased access to water, electricity, education, and healthcare ☑ Improved use efficiency and reduced losses ☑ Improved quality and safer services	☑ Reducing greenhouse gas emissions ☑ Protecting people from natural disasters ☑ Quantifying the value of nature to better protect it ☑ Improved use efficiency and reduction of losses	☑ Strengthening the capacity of institutions in sustainable infrastructure management ☑ Citizen participation in infrastructure design and management ☑ Improved quality and safety of services

and promote mutual learning; **broad-scope evaluations** to cover a specific theme, sector, geographic area, or financial instrument; and **impact evaluations** to measure the effects of an action on people or ecosystems and analyze the causal link between the intervention and those effects.

THREE MAIN STRATEGIC OBJECTIVES

Beyond the intrinsic qualities of the infrastructure supported, AFD financing generates sustainable benefits for societies and the planet. It lays the foundations for more resilient and inclusive economic growth while maintaining an environmental and social sustainability approach. The three major objectives sought by AFD in terms of impact are shown in the above diagram.

Promoting social link

By helping to reduce inequalities, AFD-financed infrastructure benefits societies as a whole. For example, facilitating expansion of drinking water networks not only reduces inequalities in access to water, but also prevents diseases stemming from unsanitary conditions. These improvements have a direct impact on economic development. They reduce the time people spend looking for water or on managing preventable health problems, and they lower the costs associated with frequent medical care or with limited access to education. In this way, they increase the ability of individuals to participate fully in economic activity.

Similarly, green electrification projects in rural and urban areas help support local

(19) This diagram offers a simplified overview of the impact sought by AFD. It does not fully reflect the real situation, in particular synergies between pillars and interactions with various contextual factors.

entrepreneurship and develop economic opportunities, as well as reduce dependence on imported fossil fuels.

Protecting the planet

AFD supports the development of adapted infrastructure that meets environmental challenges at the same time that it stimulates local economies. Financing the extension or modernization of sewage networks, for example, helps preserve water resources, create local jobs, and improve sanitary conditions, thereby indirectly boosting economic productivity. Similarly, support for renewable energy production reduces greenhouse gas emissions and enhances partner countries' energy independence. All these points are a step forward in building a solid foundation for economic growth that is more resilient to climate crises.

Strengthening citizens and institutions

AFD works to bolster infrastructure governance to ensure its sustainability and its contribution to economic development. By funding training programs for operators, it supports the professionalization of local stakeholders. It also promotes citizen participation in infrastructure design and management to enhance its social acceptability and efficiency. These operations help not only reduce economic losses associated with poor planning or social conflict, but also build trust between people and public institutions.

Outcomes achieved by AFD in 2024

The AFD-financed sustainable infrastructure projects completed in 2024 have enabled significant progress for local people. These outcomes confirm AFD's role as a public bank with impact.

362,000
people
have been connected to the **electricity grid** or receive better service

10.8 M
people
enjoy safe **drinking water** and **sanitation services**

1 M
people
enjoy improved access to **transport networks**

11.2 M
city dwellers
have a better **quality of life**

OUR IMPACT IN THE COMING YEARS

Water and sanitation

Financing committed to the sector in 2024 will enable 7.5 million people in the coming years to benefit from a reliable sanitation service and 9 million people to benefit from a safely managed drinking water supply service. Of the 310 projects under implementation at the end of 2024, 44% were in Africa.

Health

The allocated financing will enable more than 500,000 additional people to be served by health facilities and services. The targeting of certain projects will help reduce the vulnerabilities of disadvantaged people and ease social tensions.

Transport

In the coming years, AFD Group financing should enable more than 9 million people to benefit from improved access to sustainable urban transport. More than 2 million passengers on average will use public transport each day on the transport sections financed.

Energy

AFD's commitments in 2023 will give more than 2 million people access to sustainable electricity services. One project in particular, currently under implementation, should enable more than 460,000 people to access a more developed and more resilient electricity network.

Urban transport: AFD financed two cableway metro lines in Medellín, Colombia, via a €250 million loan. This project connects peripheral neighborhoods, where 300,000 people live, to the city center and helps reintegrate them into the urban dynamics.

AFD financing lays the foundations for more resilient and inclusive economic growth while maintaining an environmental and social sustainability approach

Sustainable cities

AFD's commitments in 2023 to urban development and support to local authorities will improve basic services for more than 2 million people in the coming years. They will also provide technical or financial capacity-building to 508 entities, including local authorities, ministries, government agencies, public services, local project management units, non-profit organizations, and urban service operators.

Other examples of AFD actions for sustainable cities include:

- financing allocated in 2023 will help provide secure urban living conditions following crises for more than 630,000 people;
- in a country experiencing internal and external armed conflicts and a difficult socioeconomic situation, sports are being promoted as a lever for inclusion and economic and social development at the local level;
- elsewhere, dialogue between public players and civil society will be maintained and civic participation by city residents stimulated, thanks to AFD financing of infrastructure management, training for qualified personnel, and facilitation of a network of local partnerships.

Geospatial technology to support monitoring and evaluation

Geospatial data provide opportunities for monitoring and evaluating infrastructure projects. AFD began using such data in 2018 to assess the effects of forest management methods on deforestation in the Congo Basin. Other use examples include agricultural yields in irrigation systems, urban sprawl, and water resource management. AFD has since partnered with the French Space Agency (CNES) to examine whether these data can be used at all stages of a project. The pilot experiments have proven to be positive, giving new impetus to this partnership.

Similarly, geolocation data from mobile phones – already used to measure people's mobility in cities and to help size public transport networks – can help assess the impacts of transport infrastructure. In the long term, artificial intelligence could also revolutionize infrastructure monitoring and evaluation tools.

An evaluation example: drinking water supply in Cambodia

AFD has been supporting the improvement of the drinking water supply in Cambodia's urban areas since 2002. A cross-evaluation of three projects – two in Phnom Penh and one in Siem Reap – was completed in 2023.

The evaluation noted that the facilities established in the two cities are producing quality water: 182 million liters per day in Phnom Penh and 15 million in Siem Reap. The number of users has increased: 130,000 new connections were recorded in Phnom Penh and 5,120 in Siem Reap. Users are generally satisfied with the service.

Urban services: Rehabilitation and extension of the Chamcar Morn water treatment plant in Phnom Penh, Cambodia.

Socioeconomic impacts

Consumption has increased in Phnom Penh. As the local water authority's network is used almost exclusively for domestic purposes, AFD's support has enabled savings in time and energy as well as improved hygiene.

In Siem Reap, connection to the drinking water supply has transformed daily habits. However, private boreholes are still sometimes used as a supplementary source, and 11% of the population not connected to the network refuses to be connected, mostly for cost reasons.

Users can benefit from water fees on a sliding scale depending on their consumption and social category. They consider the fees affordable overall. Social policies and communication campaigns on the importance of running water have had a positive influence.

Sustainability of the actions

The projects have upskilled water authority staff in various services, including technical operations, management, and finance. Other public authorities consider this approach as a model to follow. Training needs remain significant, especially given that the Covid-19 emergency led to the cancellation of several training sessions.

AFD's added value

These operations demonstrate AFD's ability to mobilize funds in a short space of time for large-scale projects. AFD has established lasting and trusted partnerships with local water authorities. It is viewed as a flexible partner that understands the issues and challenges facing the sector.

In Siem Reap, efforts have been made to ensure consistency and complementarity with the interventions of the Japan International Cooperation Agency and the Asian Development Bank. However, the evaluation did reveal some conflicting technical approaches and a lack of coordination.

FOCUS

Our facilities supporting sustainable infrastructure

The Cities and Climate in Africa Facility (CICLIA) was created by AFD in 2016 to support African cities in preparing low-carbon and resilient urban projects. CICLIA is the missing link between the implementation of international and national climate strategies and the concrete needs of cities. It funds studies and technical assistance in all areas of urban sustainability.

FIND OUT MORE:
bit.ly/ciclia-africa-facility

The Sustainable Housing Initiative (SHI) is a multi-country facility launched by AFD in 2021. It makes expertise available to support housing authorities in analyzing and strengthening their public policies. In particular, its goal is to increase access to affordable housing and to mainstream climate-change adaptation issues.

FIND OUT MORE:
bit.ly/shi-facility

MobiliseYourCity is an international partnership for sustainable urban mobility. Launched at COP21 in Paris in 2015, it currently brings together nearly 100 partners around the world in 79 cities and 16 countries. Its actions include support for strategic and participatory planning as well as the preparation of sustainable transport projects in developing and emerging economies. AFD is a financial partner of MobiliseYourCity and contributes to its implementation.

FIND OUT MORE:
bit.ly/mobilise-your-city-facility

The AdaptAction facility was created by AFD in 2017 to support particularly vulnerable countries and regional organizations in implementing their strategy for adaptation to climate change. It proposes technical assistance and capacity-building activities to consolidate climate governance, better mainstream adaptation into public policies, and develop meaningful projects.

FIND OUT MORE:
bit.ly/adapt-action-facility

The Covenant of Mayors in Sub-Saharan Africa (CoM SSA) was launched in 2015 by the European Union to back up African cities in the energy and climate transitions they have committed to internationally. CoM SSA supports those cities in urban planning, access to energy, reduction of greenhouse gas emissions, and adaptation to climate change. AFD Group helps implement this support.

FIND OUT MORE:
bit.ly/comssa-facility

The Digital Energy Facility (DEF) is an EU-funded program implemented by AFD since 2019. It supports energy sector modernization and digitalization. By financing innovative projects and products, DEF contributes to incorporating renewable energies into electricity grids, enhancing access to energy, and improving electric power plant efficiency, etc.

FIND OUT MORE:
bit.ly/digital-energy-facility

Studies, technical assistance, capacity-building, and financing are among the many kinds of support AFD Group offers or participates in when it comes to implementing the many facilities for sustainable infrastructure.

PEEB PROGRAMME FOR ENERGY EFFICIENCY IN BUILDINGS

Since 2018, the Partnership for Energy Efficiency in Buildings (PEEB) has been supporting the transition of the building and construction sectors toward better energy and environmental efficiency and climate resilience. PEEB support includes policy implementation, training, knowledge sharing, technical assistance, and investment.

FIND OUT MORE:
bit.ly/peeb-facility

FACILITÉ 2050

AFD created the Trajectoires 2050 facility in 2018 to help guide governments in creating their development strategies through technical cooperation and capacity-building actions. In particular, Trajectoires 2050 helps governments determine realistic objectives that combine long-term trajectories and greenhouse gas emission reduction targets as well as identify their public and private investment priorities.

FIND OUT MORE:
bit.ly/2050-facility

AFRICA RENEWABLE ENERGY SCALE UP

The African Renewable Energy Scale-up facility supports renewable energy development in Africa. Launched in 2017, it is co-financed by the European Commission and AFD Group. It seeks to increase access to electricity, particularly for people not covered by grids, and to implement grid-connected renewable solutions by mobilizing public and private players.

FIND OUT MORE:
bit.ly/are-scale-up-facility

Cap Compétences

Cap Compétences, initiated in 2020, is an AFD Group expertise facility implemented by Expertise France. It helps guide AFD financing arrangements for vocational training and higher education in Africa and around the world.

FIND OUT MORE:
bit.ly/cap-competences-facility

E-Motion

This facility was created in 2022 to accelerate the use of electric vehicles and stimulate the regional transition to ecomobility in Latin America (Argentina, Brazil, Colombia, Costa Rica, Dominican Republic, Mexico, and Peru). E-motion combines technical assistance and investment in electric buses and recharging infrastructure in order to reduce the investment risks for public and private players.

FIND OUT MORE:
bit.ly/e-motion-facility

UPFI Urban Projects Finance Initiative

UPFI was launched in 2014 under the aegis of the Union for the Mediterranean and is led by AFD and the European Investment Bank (with funding from the European Union). This facility provides support for the preparation and financing of integrated urban projects in the southern Mediterranean and the Balkans. It targets public project promoters, providing them with technical and financial support to create more sustainable cities.

FIND OUT MORE:
bit.ly/upfi-facility

FOCUS

The Sustainable Development Analysis and Opinion mechanism

Since 2014, every financing project envisaged by AFD has been analyzed in the light of six key sustainable development themes. Each dimension has specific exclusion criteria to avoid financing any harmful initiatives.

→ **CLIMATE:** The project must support low-carbon transitions and climate resilience. Any project likely to significantly increase greenhouse gas emissions or harm climate adaptation is excluded.

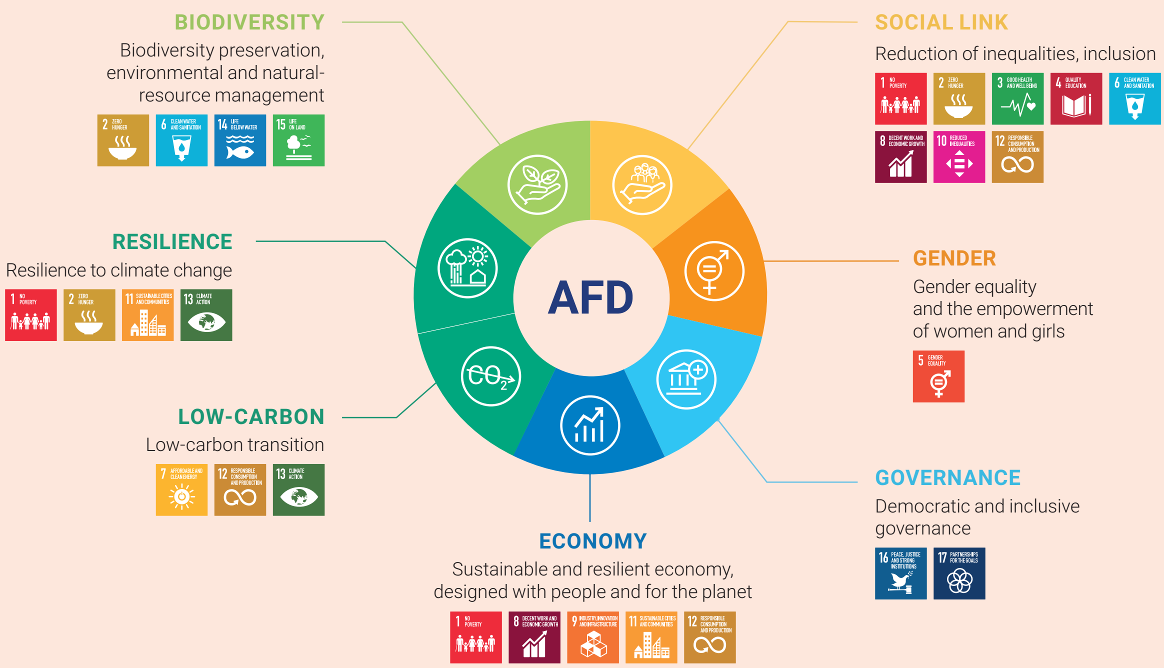
→ **BIODIVERSITY:** The project must protect and improve biodiversity. Projects that threaten critical habitats or endangered species are excluded.

→ **SOCIAL LINK:** The project must promote social cohesion and inclusion. Projects that lead to forced displacement or significant disruption to communities are excluded.

→ **GENDER:** The project must promote gender equality. Any project that perpetuates gender discrimination or that does not consider harm caused with respect to gender issues is excluded.

→ **ECONOMY:** The project must contribute to sustainable growth. Projects that cause significant economic damage or that do not promote fair economic practices are excluded.

→ **GOVERNANCE:** The project must strengthen governance and institutional capacity. Projects that may support corruption or undermine governance structures are excluded.



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For 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 and Departments, 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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