

## GOVERNANCE

## SECTOR OVERVIEW 2025



# Strong momentum to strengthen institutions and advance transitions

In 2025, AFD Group reaffirmed the role of governance in making development more effective. Its activity grew, driven by work on public finance reform, the green economy, security, and migration, to support stronger, more effective, and more inclusive institutions.

### 2025 trends

- Our Governance activity remained steady, thanks to growth in sovereign lending and non-concessional operations.
- AFD Group's commitment to this sector is growing with an offering that combines AFD financing and technical cooperation from Expertise France.
- Most of our Governance-related activity focused on Asia and Africa, but it also increased in Latin America.

### # Key figures

#### AFD Group

**€874 M**

in commitments in 2025

**135**

ongoing projects, of which **90** by AFD and **45** by Expertise France

**41**

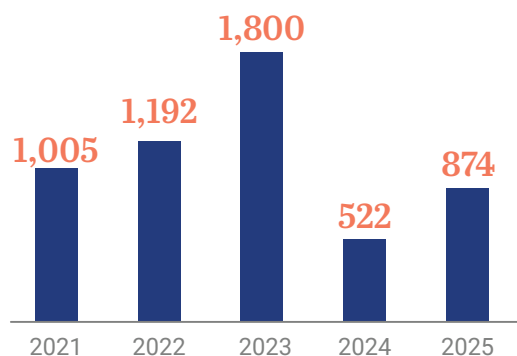
countries and territories

**82**

new projects committed to, of which **68** by AFD and **14** by Expertise France

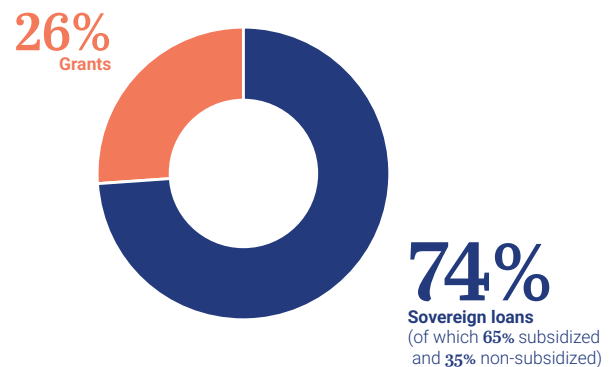
## AFD Group's commitments

5-YEAR TREND (IN € MILLIONS)



What the overall decline in activity does not show is a change in financing structure: since 2020, loans have been growing steadily in our Governance portfolio, mainly via operations to support public finance.

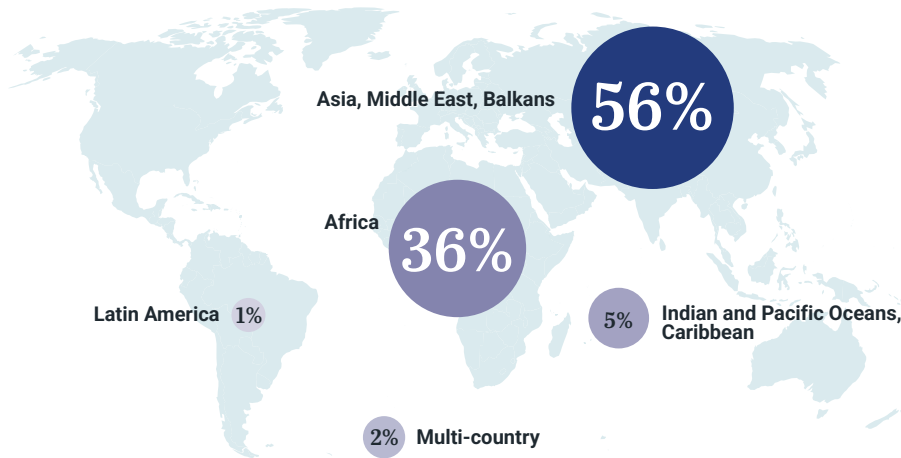
BREAKDOWN BY FINANCIAL TOOL



At 74%, most of AFD Group's new commitments in 2025 consist of sovereign loans, of which 65% are subsidized loans. The remaining 26% are made up of grants, nearly half of which are implemented by Expertise France.

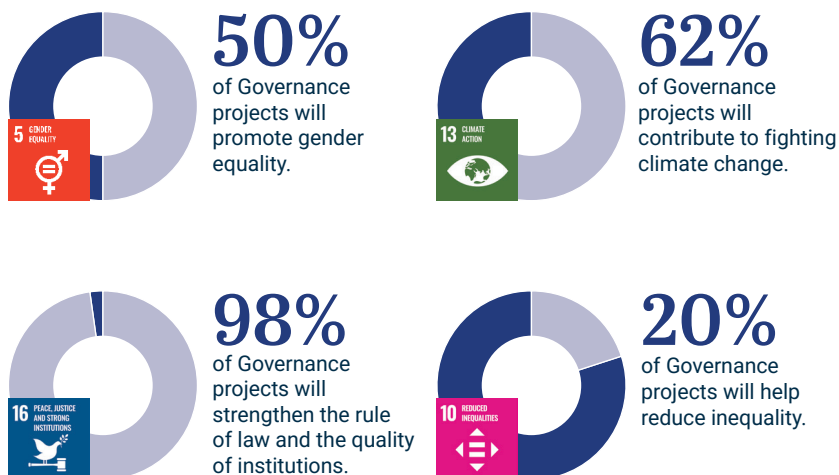
## On the ground

GEOGRAPHICAL BREAKDOWN OF COMMITMENTS IN 2025



Our activity remains heavily concentrated in Asia, the Middle East, and the Balkans (56%), with significant sovereign loans to support public finance reforms. Africa accounted for 36% of operations, with operations combining support for decentralization, civil protection, and ecological and democratic transitions. The Indian and Pacific Oceans and the Caribbean, meanwhile, accounted for 5% of operations.

EXPECTED IMPACTS ON THE SDGS OF PROJECTS LAUNCHED IN 2025



## Uzbekistan's green economy

This program supports the decarbonization of the Uzbek economy by providing several budget loans (2021–2026). It supports reduction in the country's carbon intensity (now 40% lower than in 2017) and provides a significant window of opportunity for European influence by promoting the adoption of European standards, with support from the European Union and Expertise France.

## Public finances in the DRC

A €70 million budget support loan aims to improve tax revenue collection and strengthen transparency. It seeks to raise public revenue from 11.5% to 19% of GDP, the level the IMF estimates the country could achieve.

## Strengthening civil protection in Benin

AFD is providing €8 M in capacity-building funding for the Beninese Civil Protection Agency (ABPC), in close partnership with the French Security and Defense Cooperation Directorate (DCSD). Actions include establishing a national emergency telephone number, restoring emergency response capacity in several departments, and raising public awareness of risks, particularly in the northern part of the country.

### Did you know?

AFD Group is playing a major role in implementing France's interministerial "Migration and Development" strategy (2023–2030). In 2025, its investments reached a record high, with €187.6 M committed, nearly 60% of which was financed with French public funds. Of particular note: €96 million was committed to addressing forced displacement, and the first "migration" loan (€16 million) was granted to Tunisia to support labor mobility.

