

ENCOURAGING GREEN FINANCE

AFD'S OFFER TO PUBLIC BANKS



#WorldInCommon



AFD

AGENCE FRANÇAISE
DE DÉVELOPPEMENT

AFD PRESENTATION



AFD is the world's oldest development institution, committed for almost 80 years to the development of emerging countries. It funds, supports and accelerates the transitions to a fairer and more sustainable world. Focusing on climate, biodiversity, peace, education, urban development, health and governance, our teams carry out more than 4,000 projects in France's overseas departments and territories and another 115 countries.

AFD is the first agency to be 100% in line with the Paris Agreement and to make strong commitments on climate financing by supporting the transformation of financial actors' practices and promoting sustainable financing.



14,1 billion
committed in 2019



more than
60%
of our funding have
climate co-benefit in Asia



2,650
employees



more than
800
finance commitments
each year: loans, grants,
guarantees...



**co-financing
partnership**

agreements with major actors,
such as the China Development
Bank, the Asian Development
Bank, the World Bank, the
European Union...

AFD's offer to promote a sustainable finance model

The **financing** of long-term loan projects through tailor-made credit lines that comply with project eligibility criteria as defined between AFD and the financial institution:

Loan amount (€)	Currency	Maturity
10,000,000 to 200,000,000	€ / \$	up to 15 years, including a grace period of up to 5 years

A **technical assistance** to complement the financing offer by answering your needs, build a strategic partnership through dialogue and scale up climate finance:

RISK MONITORING AND ANALYSIS

Provision of technical experts to implement training for the relationship manager and risk analyst; improvement of environmental and social (E&S) and legal monitoring procedures.

COMMERCIAL APPROACH

Financing of feasibility studies, support for project design, training in consultancy and support methods for these new projects.

MARKETING AND STRATEGY

Support for projects design and implementation, funding of surveys, implementation of new products, specific marketing strategy.

AFD has the possibility to mobilize European Union grant to finance this technical assistance.

AFD, a dedicated development finance institution with prominent networks, including:

ADFIAP

ADFIAP is the focal point of all development banks and other financial institutions engaged in the financing of development in the Asia-Pacific region. Its mission is to advance sustainable development through its members. Founded in 1976, ADFIAP has currently 131 member-institutions in 45 countries. ADFIAP is also a founding member of the World Federation of Development Financing Institutions composed of regional associations in Africa, Asia-Pacific, Latin America and the Middle East. ADFIAP is an NGO in consultative status with the United Nations' Economic and Social Council. The permanent Secretariat of ADFIAP is based in Makati City, Metro Manila, Philippines. Since 2019, the partnership relationship between ADFIAP and AFD has been built around climate finance issues.



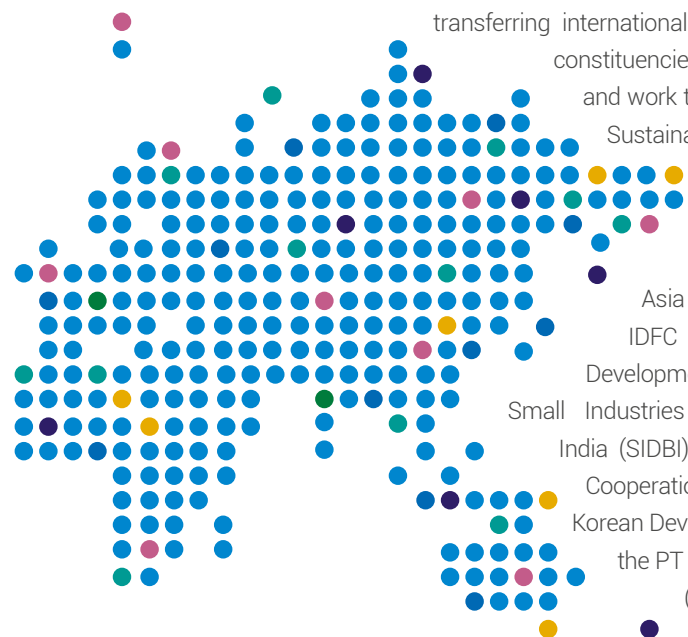
IDFC

The International Development Finance Club (IDFC), created in 2011, is the leading group of 26 national and regional development banks from all over the world, a majority of which are active in emerging markets. IDFC is the largest provider of public development and climate finance globally, with USD 4 trillion in combined assets and annual commitments above USD 600 billion, including USD 150 billion per year of climate finance. IDFC is chaired since October 2017 by AFD and the IDFC Secretariat is currently located in Paris, France.

IDFC members have the unique function of supporting domestic policies while transferring international priorities into their own constituencies. They are aligned with and work together to implement the Sustainable Development Goals (SDGs) and the Paris Climate Agreement agendas.

Asia alone accounts for 5 IDFC members: the China Development Bank (CDB), the Small Industries Development Bank of India (SIDBI), the Japan International Cooperation Agency (JICA), the Korean Development Bank (KDB) and the PT Sarana Multi Infrastruktur (PT SMI, Indonesia).

Through IDFC, and in close partnership with other development bank networks, members join forces as a platform to promote and leverage sustainable development investment worldwide. More information on: www.idfc.org





US\$100M non-sovereign loan



12 projects supported



€5M of technical assistance granted by the European Union



In partnership with **PT SMI**



Promoting renewable energy and climate investments

AFD's support to PT SMI

AFD has partnered with PT SMI, the Indonesian state-owned Infrastructure Finance Company, to support credits dedicated to renewable energy, water and sanitation, public transport and any other climate and Sustainable Development Goals (SDG) related investments. The support finances projects representing US\$300 million in investments and a reduction in greenhouse gas emissions equivalent to 250,000 tons of CO₂ per year. More than one million people in urban areas will also benefit from better access to water through water supply projects.



Transforming biomass to energy: the example of PT PN XI's project

PT PN XI, a public company producing sugar mainly in Java, had a plan to modernize 2 sugar old factories (Assembagoes and Djatiroto) with aims to increase their capacity and to reduce energy consumption in both mills by fitting co-generation plants (waste are burned in a boiler and turbines moved by the produced water steam, which generate electricity). Electricity generated by the co-gen plants is to be used to power the sugar factories, and excess to be sold to PLN (state owned utility company).

Our partnership with AFD has enabled us to take important steps towards becoming Indonesia's development finance institution. AFD has provided us with a variety of support, not only financial, but also in the form of expertise, tools and methodologies to help PT SMI explore new frontiers, particularly in the renewable energy sector.

Darwin Trisna Djajawinata,
Project Development & Advisory Director
PT SMI.

CHINA

TURBINE
GENERATOR
UNIT NO.4



€180M sovereign loan



89 projects in 22 provinces



€900k of technical assistance



In partnership with :

- **SPDB**
- **China Merchant Bank**
- **Huaxia Bank**



Green finance for a sustainable future in China

AFD's support to partner banks

This support, deployed with the SPD Bank, the China Merchants Bank and the Huaxia Bank, took the form of:

- A pilot mechanism that encourages the wide dissemination of financing solutions to companies investing in renewable energy and energy efficiency;
- A tool to develop capacity building in green finance in the Chinese banking sector by building on the high-level Sino-French partnership;
- Specific advice to guide companies in their technical choices, with the contribution of high-level French experts in this field.



Energy efficiency in a thermal power plant: the example of Shandong Zhonghua Power Company's project

This project, financed by SPDB, has enabled the Shandong Zhonghua Power Company Ltd to improve the energy efficiency of electricity production and to reduce the heat consumption of the power plant. Moreover, sophisticated technologies have been used for the renovation of turbines.

The project of green credit lines financed by AFD offers us an opportunity to better understand the concept of "green credit" designed to finance programs on energy efficiency and sustainable development, and places us at the forefront of Chinese commercial banks in the supply of "green credits" service.

JIA Hongrui,
Vice Department Director
Shanghai Pudong Development Bank (SPDB)



€100M non-sovereign loan



19 projects supported



€300k of technical assistance



In partnership with **IREDA**



Developing india's energy mix

AFD's support to IREDA

IREDA (Indian Renewable Energy Development Agency) is a public financial institution dedicated to the renewable energy development and energy efficiency projects. It was set up by the government of India to support the achievement of high ambitions: reaching 40% of the country's power generation capacity through non-fossil resources by 2030.

After a first funding awarded to IREDA in 2010 which resulted in the increase of the renewable energy installed capacity, ranging from biomass to small-scale hydroelectricity, wind farms, and solar photovoltaic projects, AFD and IREDA decided to renew and extend the scope of their cooperation. In 2013, AFD allocated a new credit line to IREDA, along with a technical assistance program, with a focus on the development of solar power plants. This second phase resulted into the generation of 233 MW.



Promoting solar energy: the example of TN Urja's project

This project contributed to diversify India's energy mix by increasing the share of renewable energy sources. AFD and IREDA supported for instance the construction of a 50 MW solar power house managed by TN Urja Private Limited which saves approximately 72.31 million kg CO₂ equivalent a year.

India being the world's third largest greenhouse gas-emitter, and having one of the highest emission growth rates in the world, AFD considered it crucial to support IREDA's growing activity in the renewable energy field. Progressively, IREDA became a central actor in that field and inspired by its exemplarity the rest of the industry stakeholders.

AFD's office in Delhi

THAILAND

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€20M non-sovereign loan



7.7 MW installed



€300k of technical assistance



In partnership with
Kasikorn Bank



Promoting renewable energy in Thailand

AFD's support to Kasikorn

AFD and KASIKORNBANK (KBank) have joined hand to set up a credit facility aiming at promoting Energy Efficiency and Renewable Energy projects in commercial buildings in Thailand.

In addition to the credit line, the Technical Assistance aims at supporting the implementation of the Building Retrofit Credit Facility through 3 components:

- Support to K-Bank in Energy Service Company (ESCO) and suppliers evaluation, appraisal of energy projects in buildings and standard documentation use;
- Awareness raising amongst the building owners and providing them with technical support for ESCO proposals evaluation;
- Exchange of best practices between Thai and French public institutions and companies.



Renewable energy projects in commercial buildings: the example of Boonthavorn Ceramic

This credit line played a significant role and accelerated Boonthavorn Ceramic and its subsidiary to equip 13 sites with solar panels. The bank's final beneficiary benefited from a technical assistance team comprised of international and local experts who gave advices to assess the technical and financial viability of the Energy Efficiency and Renewable projects and coordinate with Kasikorn Bank to finance them.

Our partnership with AFD has strengthened Kasikornbank's capacity to fulfill our policy on Green and sustainability financing whereby Kasikornbank's main objective is to ensure utmost benefits to customers and impact to environment as a whole, rather than financial outcome.

Ittiporn INTARAVISIT
Intravisit Head of Green Financing,
Kasikornbank



The Agence Française de Développement (AFD) Group is a public entity which finances, supports and expedites transitions towards a more just and sustainable world.

As a French overseas aid platform for sustainable development and investment, we and our partners create shared solutions, with and for the people of the global South.

Active in more than 4,000 projects in the French overseas departments and some 115 countries, our teams strive to promote health, education and gender equality, and are working to protect our common resources – peace, education, health, biodiversity and a stable climate.

It's our way of honouring the commitment France and the French people have made to fulfil the Sustainable Development Goals. Towards a world in common.

www.afd.fr



AGENCE FRANCAISE DE DEVELOPPEMENT
REGIONAL OFFICE FOR SOUTHEAST ASIA

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