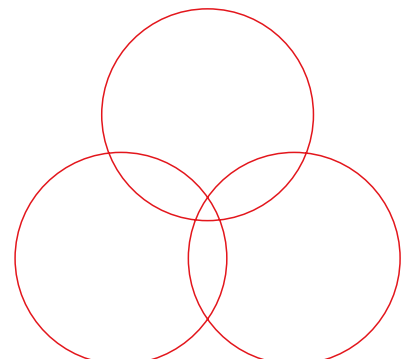
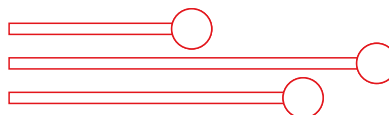
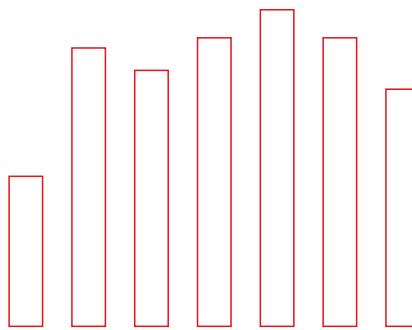
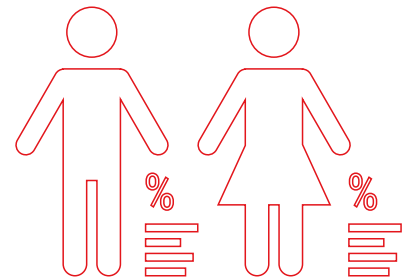
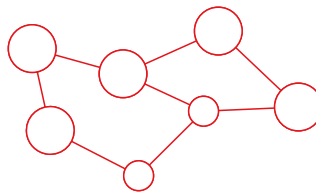
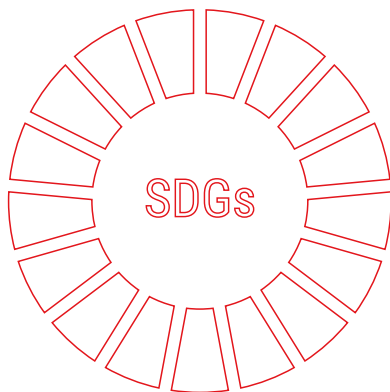
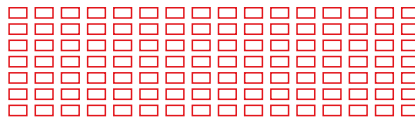
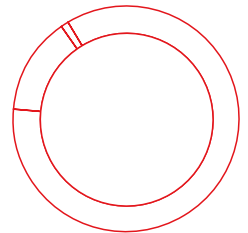
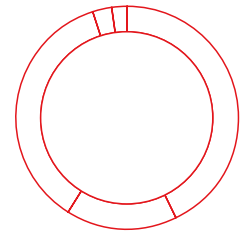
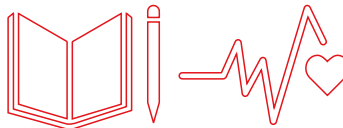


ACTIVITY AND CORPORATE SOCIAL RESPONSIBILITY

REPORT 2022





A group
committed to
the SDGs



Rémy RIOUX
AFD Group
Chief Executive

FORE- WORD

© Alexandre Salle de Chou

The year 2021, during which AFD celebrated its 80th anniversary, was marked by an unprecedented institutional strengthening of French development policy, with the French Parliament unanimously adopting the French planning law on inclusive development and the fight against global inequalities on 4 August 2021. This legislation ratifies the position of the international solidarity policy at the centre of France's international action, clarifying its goals and its priorities in terms of geography and themes. In line with the commitment made by the French President and the Government, the legislation provides for a historic increase in the funds allocated to official development assistance. Furthermore, it enables the integration of Expertise France into AFD Group, which can now offer its customers and partners a full range of financial and technical support. The law also establishes ambitious goals in terms of transparency and accountability, with the introduction of an independent commission for the evaluation of official development assistance under the auspices of the Court of Auditors.

This enhanced ambition for the French development policy, which notably includes a stepping up of bilateral action, is a source of pride for us and is also binding upon us. It requires us to be exemplary in terms of social and environmental responsibility both in our activity and our management.

This commitment is materialized by the alignment of our actions with the United Nations Sustainable Development Goals (SDG). This edition of the Activity and Corporate Social Responsibility Report reflects this: we are very proud to present a "100% SDG" report for the very first time. The Group's action is structured around the five pillars of the 2030 Agenda, namely **Planet, People, Peace, Prosperity and Partnership**, following on from the "100% Paris Agreement" and "100% social link" strategies adopted by AFD during the past five years. In 2021, AFD Group funded over 1,000 projects in 115 countries for the SDGs, for a total of €12.15 billion.

Our funding significantly contributed to France's international action for the planet. AFD Group committed €6 billion to fight climate change, of which €2 billion were dedicated to adaptation and €2 billion for biodiversity, in line with our strategic goal to be the leading 100% Paris Agreement funding agency and to dedicate 50% of our investments to the climate. On an internal level, we are particularly proud of our funding program, aligned with our ambitious policy for the planet: green and sustain-



able bond issuances thus represented almost 50% of AFD Group funding in 2021.

To strengthen the social link, AFD Group is resolutely committed to fighting all forms of discrimination.

AFD is a feminist agency, in accordance with the commitments made by France as part of its international strategy for gender equality (2018-2022) and its gender equality action plan (2019-2022). As such, 50% of the projects approved in 2021 included a gender co-benefit (DAC 1 or 2). 63 of these projects had a transformational, structuring purpose (according to the so-called OECD DAC 2 methodology) for a sum of €857 million, thus exceeding the target of €700 million set out in the contract between the French State and AFD. 2021 was also a landmark year in terms of workplace gender equality for the Group, with the signature in January 2021 of a new "workplace gender equality" agreement with the social partners and the award of AFNOR certification in this field in June 2021. This recognition acknowledges a very active human resources policy: over 50% of the managers in our Group are female, and equality has been achieved in the different levels of management, particularly in our executive committee and the management of our agencies in foreign countries. AFD was also granted AFNOR "Diversity" certification in 2021, recognizing and encouraging our company's efforts towards ever-increasing equality, inclusion and diversity.

AFD also funded practical peacebuilding measures in crisis and post-conflict situations. AFD's commitments in 2021 should benefit over 13 million people living in fragile areas, including over 5 million as part of the Minka Peace and Resilience funding. The Fund, founded in 2017, mobilized €210 million in 2021 corresponding to 43 projects, which exceeded the targets set for the Agency.

Our commitment for the private sector is materialized by the action of our subsidiary Proparco. Proparco committed €2.3 billion in 2021, €1.2 billion of which was in Africa through the *Choose Africa* initiative. This funding was deployed with entrepreneurs, companies and financial institutions working in sectors with a strong impact on development such as renewable energies, micro-finance and health in order to support job creation, gender equality and access to essential goods and services.

We do not carry out our SDG-orientated work alone. We always adopt a "partnership by design" approach to mobilize action on a large scale. Actions are first of all put together with local project managers, our cus-

tomers and beneficiaries and with all our French, European and international partners who want to cooperate with France to help local populations. Priority is given to non-sovereign stakeholders who represented 55% of our funding in 2021.

We work through "Team France" with the public institutions, local authorities, civil society organizations and all the French stakeholders who are committed, like us, to the Sustainable Development Goals. In 2021, the Group notably consolidated its cooperation with the stakeholders in the civil society organization ecosystem. As part of the "CSO Initiatives" mechanism alone, AFD Group funded 145 projects through 114 French CSOs for a global amount of €116 million. This funding indirectly supported almost 7,500 partner CSOs in the South and targeted over eight million ultimate recipients.

As a European agency, we work with our key partners in the European Union, the 27 Member States, and multi-lateral European organizations. The Group thus mobilized €431 million in delegated grants from the European Union in 2021.

At international level, the Group works closely with multi-lateral organizations, bilateral agencies in other countries and the 550 public development banks around the world. AFD has the honour of chairing the **International Development Finance Club (IDFC)** and the **Finance in Common (FiCS)** initiative which brings together public development banks from all over the world. These innovative coalitions of the key stakeholders in public investment enable the emergence of mechanisms and shared solutions to scale up and actively contribute to financial sector alignment with the United Nations Sustainable Development Goals (SDGs).

I would like to conclude by commending the commitment of the AFD Group teams who are fully mobilized to address the challenges of our times, such as climate change and the fight against inequalities worldwide, in a global environment weakened by the war in Ukraine and the COVID-19 crisis with collateral effects on purchasing power, energy sovereignty and food security. Backed by the personnel of AFD, Proparco and Expertise France, which officially joined the Group on 1 January 2022, and the unique diversity of its capabilities, the newly constituted AFD Group is more than ever ready to make its contribution in response to crises, for the SDGs and the Paris Agreement, for a world in common.





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© Ricci Shryock / AFD

© Kibuuka Mukisa Oscar



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A GROUP COMMITTED TO THE SDGS





1 OUR SDG APPROACH

In 2015, the 193 member states of the UN adopted 17 Sustainable Development Goals (SDGs) and undertook to fulfill the 2030 Agenda. This means achieving the targets set for each of the SDGs by 2030.

The SDGs identify what has to be done to tackle the global challenges we are facing, including poverty, inequality, climate change, loss of biodiversity and peacebuilding in order to create a prosperous, inclusive world. As a UN member state, France undertakes to participate in the global effort to achieve the SDGs, and has entrusted part of this mission to our Group.

Furthermore, in addition to contributing to the SDGs, AFD ensures at the same time that it does not negatively affect any of them. For this purpose, it has a sustainable development analysis and opinion mechanism which reviews all of its portfolio from the point of view of its impacts. An assessment of this mechanism is included in this document.



A group
committed to
the SDGs

AFD Group's contribution to the SDGs in 2021



13.9 million people
benefiting from improved
essential services



Over 2.4 million people
with new access
to sustainable electricity
services



Over 3.7 million tonnes
of CO₂ avoided or reduced



1.4 million people
whose capacities have
been strengthened thanks
to better access to services
in the agricultural sector



125,550 people
whose income-generating
activities or jobs will
be supported



Over 3.1 million km²
benefiting from biodiversity
conservation/restoration
programs



22.6 million people
with improved access
to care



450,200 people
benefiting from goods and
services developed thanks
to a local digital innovation



Over 22.1 million km²
benefiting from biodiversity
conservation/restoration
programs



**Over 12.6 million
girls** enrolled in primary
and secondary education



**Over 19.7 million
people**
with better social
protection



**Over 13.5 million
beneficiaries**
of our projects are
in fragile and/or
crisis areas



**Over 3.8 million
women** benefiting from
better social protection



Over 34.1 million
town inhabitants and users
whose quality of life has
improved



600 civil society partners,
both formal and informal,
involved in AFD Group
projects



**Over 4.6 million
people** benefiting from
safe drinking water

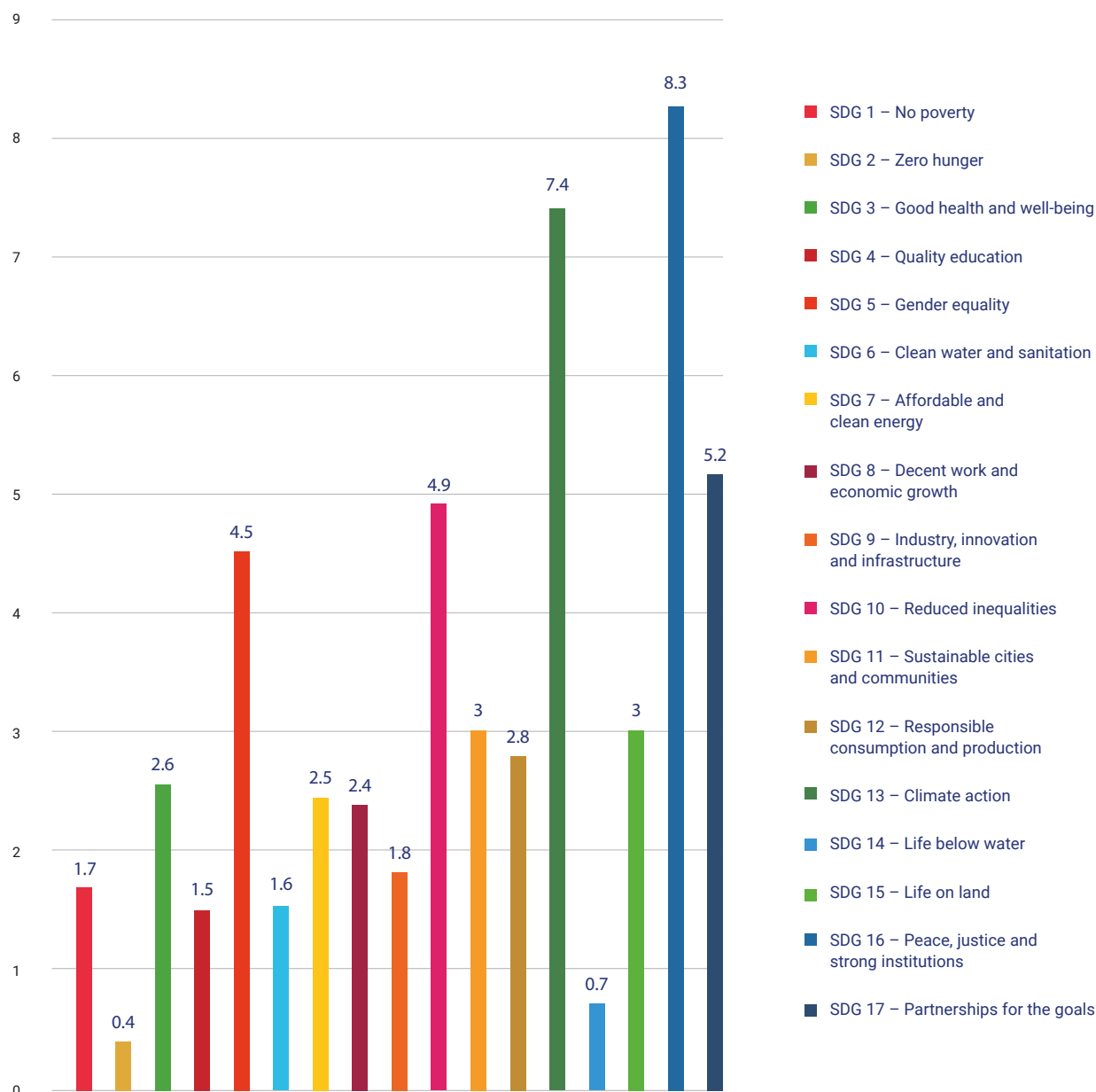


Over 35 million km²
benefiting from
sustainable management
programs for resources
and/or land



Contribution to the SDGs

2021 commitment authorizations in billions of €





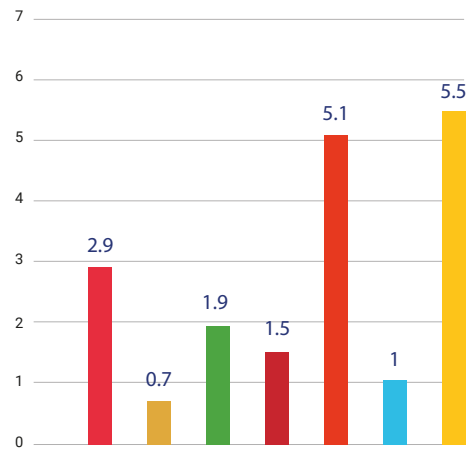
#POPULATIONS

01

100% LINK FOR POPULATIONS

Contribution to the SDGs

2021 signatures in billions of €



- SDG 1 – No poverty
- SDG 2 – Zero hunger
- SDG 3 – Good health and well-being
- SDG 4 – Quality education
- SDG 5 – Gender equality
- SDG 6 – Clean water and sanitation
- SDG 7 – Affordable and clean energy



© James Keogh/Wostak Press

The causes of poverty are multi-dimensional and cross-sectoral. This is why the response is manifold and has a role to play in all of the SDGs. With **1,062** new projects funded for a total of **€12.15 billion** of authorized commitments and historically high levels of disbursements, the Group proved its strong commitment to fight poverty in 2021.

By concentrating almost half of its commitments (€5.2 billion) in Africa, the continent with most of the least developed countries (LDC) and many priority countries for French aid, the Group once more focused on targeting the most disadvantaged populations.

Our Group thus contributed to the fight against poverty through recovery plans developed against the background of the health crisis. For example, AFD granted a €300 million loan in Polynesia to finance the region's recovery plan, focusing in particular on social security.

Over
84,000
people
supported,
including
almost 30,000
vulnerable
women



AFD Group is committed to zero hunger, particularly in the priority countries for international aid, poor countries and fragile countries. Through a differentiated approach adapted to the differing geography, the Group has mobilized partners (international and local: FFEM, KFW, IFAD, local CSOs, etc.) to pursue the dual objective of food and nutritional security and the improvement in living standards of rural populations, whilst at the same time preserving the natural resources, land, the coastal and marine ecosystems and biodiversity. The approach adopted by the Group therefore consists in combining the climate, biodiversity and food security issues in an integrated approach to the territorial dynamics.

In 2021, a year marked by an increase in levels of food insecurity (particularly in West Africa), the Group supported economic and social development by taking practical action in the fishing and agricultural sectors (especially livestock). Its commitments stand at **€500 million**, of which **€247 million** is destined for Africa, **€132 million** for the Middle East and **€92 million** for Latin America. Among others, this funding enabled AFD Group to support **868 local institutions**, integrate over **25 million hectares** of natural environments (forests, marine habitats, etc.) into biodiversity or conservation restoration programs, support over **84,000 people**, including almost **3,000 vulnerable women** and, through improved access to agricultural services, to increase the capacities of over **1,400,000 additional people**, including almost **70,000 women**.



© Chantal Regnault

71
projects
funded for
€808.5
million in the
fields of health and
social protection



Although the Group's activity in the field of health and well-being is not as robust as in 2020, an exceptional year due to the health crisis emergency, it remains fulsome, with **71** projects funded for a total of **€808.5 million** in the fields of health and social protection. This represents an increase of 48.3% in relation to 2019. AFD also funded **cross-sectoral** projects which included a health or social protection element.

In 2021, AFD renewed the **"Health in Common"** initiative in response to the global health crisis, with a target of €30 million in grants and €500 million in loans by 2025. This was largely achieved in 2021, with €37.8 million in grants and €576 million in loans. Targeting priority countries for French aid **in particular, the initiative** aims not only to address the new challenges **posed by the pandemic**, but also to strengthen the health systems in the long term. For example, AFD assisted the government of Rwanda in implementing vaccination plans (€60 million) and supported the purchase of vaccines in Africa and Latin America. Lastly, the Group increased support for local vaccine producers such as the Institut Pasteur in Dakar.

In a long-term support approach for health systems, AFD funded universal social protection reform in Morocco and supported the structuring of a social protection system in Togo.

As the health crisis has exacerbated gender inequality, it has undermined the protection of sexual and reproductive health rights. For this reason, AFD awarded **€2.5 million** in grants to NGOs fighting gynecological and obstetric violence in Senegal and Guinea. It also supported Panzi Hospital and the Panzi Foundation founded by the Nobel Peace Prize winner Dr Mukwege, to reduce sexual violence and reduce gender inequality in access to care through a donation of €8 million.

The Group has produced studies and organized events, in particular linked to the Generation Equality Forum chaired by France in June 2021 on the themes of gender and rights, and sexual and reproductive health. The Group has also forged new partnerships, including one with the French Blood Agency to reinforce the mobilization of French-speaking expertise in the field of blood transfusion.



© Souleymane Ag Anara

In 2021, AFD initiated **28** new projects in foreign countries in the education, training and youth employment sector for a total amount of **€284 million**. Africa is the main continent concerned (over 80% of funding), and the priority countries for French aid are particularly targeted (58%), as are French-speaking countries (68%). **€86 million** was allocated to basic education, i.e. primary and secondary education, and **€76 million** to higher education. For example, the REVE project in Niger will support the enrollment of 20,000 pupils in schools, including at least **12,000 girls**. The education projects have significantly contributed to other SDGs, such as gender equality and climate change, since 24%

of education projects offer a climate co-benefit and 99% have a gender goal. Moreover, AFD participated in the **World Summit for Education**, during which France renewed its commitment to education.

To summarize, AFD funding in 2021 was used as follows:

- **439,107 young people** were accepted on initial vocational training schemes supported by AFD
- **117 higher education establishments** were supported by AFD
- **3,427,028 children** were able to complete their primary school education
- **7,115,885 children** were enrolled in primary and secondary education



The REVE project in Niger will support **the enrollment of 20,000 pupils, including at least 12,000 girls**





© Charlie Kouagou – ACC / AFD

5 GENDER EQUALITY



100%
of the
Group's
projects
were analyzed
from a gender
point of view
and were scored
according to the
OECD DAC gender
markers



Through its Gender Equality Action Plan (2019-2022), the Group continues to pursue gender mainstreaming in its operations and is consistent with France's international strategy for gender equality (2018-2022), in line with the **Strategic Orientation Plan (SOP)**.

The Gender Equality Action Plan integrates gender into all the Group's areas of intervention, with Africa as a priority. It aims to defend the rights of women and girls, ensure equal access to resources and economic opportunities between girls and boys, pursue the campaign against gender-based inequalities and discrimination, and empower women and girls.

In 2021, 100% of the Group's projects were analyzed from a gender point of view and were scored according to the OECD DAC gender markers.

DAC, or Development Assistance Committee, is a 3-point scoring system that measures gender equality as being either the principal objective (DAC 2) of a policy, program or project; an important objective (DAC 1), or it's part of a program or project that does not target gender (DAC 0).¹

In 2021, 49.6% of AFD projects offered a gender co-benefit, and 63 projects with a key transformational purpose (DAC 2) were set up for a sum of €857 million, thus exceeding the targets set by **France's international strategy for gender equality**.

AFD met its targets by **better identifying technical and financial support needs**, and thanks to an **improved understanding of gender-related issues** as well as the tools used to assess them.

Furthermore, the Group has enabled **the role of public development banks** in the international gender agenda to be recognized by deploying the **Support Fund for Feminist Organizations**.

¹ <https://www.oecd.org/dac/gender-development/dac-gender-equality-marker.htm>



6 CLEAN WATER AND SANITATION



© Joseph Moura for AFD

Under the combined effects of climate change, the negative impacts of human activity and demographic pressure, water is becoming rare, generating multi-dimensional inequalities at the global level (an inequality leads to other inequalities): **2 billion people** do not have access to quality drinking water in their homes, and almost half of humanity (approximately **4 billion people**) do not have adequate sanitation.

AFD Group is committed to reducing global inequalities and has made access to clean water and sanitation one of the priorities of its mandate. Its “rights-based approach” has fully integrated the fact that access to drinking water and sanitation is a human right. For this purpose, the Group promotes a right of access to water and sanitation for all through its funding, its advocacy and its awareness-raising activities, etc.

AFD Group provides solutions that aim to satisfy both human and environmental needs, boosting both the resilience of regions and populations. Thus, in 2021, the Group granted **€1 billion** to the water

and sanitation sector in projects aiming to: reduce inequalities in terms of access to water and sanitation, reinforce climate and ecological resilience (at territorial level), preserve biodiversity and improve governance for more efficient, sustainable services. Asia (including the Middle East) is the area which has most benefited from water-related funding (**€398 million**), followed by Africa with **€376 million**, Latin America with **€226 million**, and the French Overseas Departments and Territories with **€5 million**.

This AFD funding has enabled infrastructure to be built (**74% of projects** with capacity-building), the development of nature-based solutions (**100%** of projects with a climate co-benefit) and the implementation of quality water and sanitation services and institutions to the benefit of all populations (**61% of projects** have a positive impact on gender), including the most vulnerable (**5.3 million people** benefiting from a basic drinking water supply).

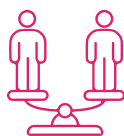
**In 2021,
the Group
granted
€1 billion
to the water
and sanitation
sector**





© Benjamin Petit / AFD

The fight against inequality in all areas a priority for its action as part of its 100% social link commitment



AFD Group has made fighting inequalities in all areas a priority as part of its 100% social link commitment.

The Group's commitment to reducing inequalities is more relevant than ever, as vulnerable populations have suffered the most from the COVID-19 pandemic. It is against this background that AFD and the European Union launched the **Research Facility on Inequalities**, a program that aims to better understand economic and social inequalities in low- and middle-income countries in order to develop more targeted public policies. The second phase of the program was launched in 2021 and will operate in South Africa, Colombia, Indonesia and Mexico. In **Colombia**, one of the most unequal countries in the world, particular emphasis will be placed on fiscal policy and

public spending. In **Indonesia**, the fight against climate change and the development of marine protected areas (MPA) should enable economic, access, gender and health inequalities to be tackled, given that the archipelago depends heavily on fishing and its marine ecosystem, which is increasingly threatened by climate change. In **Mexico**, research will focus on the links between inequality, the human services system, and environmental taxation. Lastly, in **South Africa** is the most unequal country on the planet,¹ the first step in the fight will be an overview of the well-being of the population, and by an assessment of the externalities of grants and public employment programs implemented in response to the health crisis.

¹ <https://www.worldbank.org/en/news/press-release/2022/03/09/new-world-bank-report-assesses-sources-of-inequality-in-five-countries-in-southern-africa>



An iconic
project

#POPULATIONS

THE NENGO project



CENTRAL AFRICAN
REPUBLIC



GRANT OF
€10 MILLION



© Ibrahima Kebe Diallo

THROUGH THIS PROJECT, INAUGURATED IN 2019, VICTIMS OF GENDER-BASED AND SEXUAL VIOLENCE IN THE CENTRAL AFRICAN REPUBLIC RECEIVE HOLISTIC CARE (MEDICAL, PSYCHOLOGICAL AND LEGAL SUPPORT, TRAINING AND REINSERTION).

The assessment of the project particularly noted the excellent implementation and efficiency of the program: 945 survivors benefited from support in 2021. The project will be extended to 7,875 beneficiaries thanks to additional funding of €6 million.

The Nengo project has strengthened the capacities of healthcare workers and lawyers at the Amitié Sino-Centrafricaine University Hospital and the Association of Women Lawyers of the Central African Republic. This is thanks to support from the Pierre Fabre Foundation in partnership with the Francophone Institute for Justice and Democracy as well as from Dr. Denis Mukwege's Panzi Foundation in the Democratic Republic of the Congo. Based on a South-South transfer of skills between Congolese and Central African stakeholders, it is an example of the development of a normative, sustainable approach.



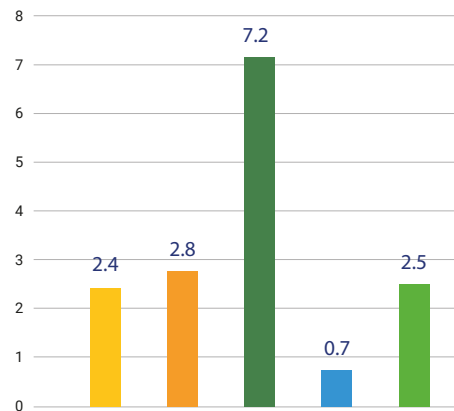
#PLANET

02

100% PARIS AGREEMENT, ACTING FOR THE PLANET

Contribution to the SDGs

2021 signatures in billions of €



- SDG 7 – Affordable and clean energy
- SDG 11 – Sustainable cities and communities
- SDG 13 – Climate action
- SDG 14 – Life below water
- SDG 15 – Life on land



© Didier Gentilhomme

AFD is committed to accelerating the energy transition of developing countries through its **new Energy strategy** (2019-2022) which aims to make energy services more accessible, efficient and low carbon. To do so, AFD works to support energy transition policies, mobilize and strengthen the transition stakeholders and support innovation.

With a total of **€2.2 billion** in funding, €2 billion of which is provided by AFD and €0.2 billion by Proparco¹, activity in the energy sector is back to its average level after the year 2020 was marked by a drop in activity due to the outbreak of the Covid pandemic. Commitments in favor of renewable energies and networks have almost doubled, with close to €1.1 million granted over a wide variety of technologies, countries and financial tools.

In the **energy efficiency** sector, the Program for Energy Efficiency in Buildings (PEEB) continues to be successfully implemented and has maintained a good level of commitment of **€245 million** in projects for buildings with high standards of energy performance. The PEEB Med, European funding of €30 million, has enabled this approach to be extended to the Mediterranean area.

Thanks to the increase in public policy budgetary funding (€726 million in 2021), AFD Group stepped up its efforts with regard to **public policy dialogue** and

support for long-term strategies. Finally, the development of access to energy benefited from €85 million in funding.

The region of Asia, Eurasia, and Eastern Europe has become the main area of operation in the sector (approximately 41% of grants), as activity in Eurasia has significantly increased. Activity in Latin America has also increased (35% of grants).

This year, the mid-term review of the **Energy Transition Strategy** has enabled the Group's climate commitments to be increased, and the total cessation of funding for gas makes AFD Group a pioneer in this area.

2021 was also the year of **partnership by design**: the Group supported international alliances – such as the International Solar Alliance – and local alliances – such as the Sahel Alliance or the South East Asia Energy Transitions Partnership. AFD also actively participated in the preparation for COP26, and continued its collaboration with the French Environment and Energy Management Agency (ADEME).

To summarize, in 2021, AFD enabled:

- **4.6 million** people to gain access to sustainable electricity
- **5.5 million** tonnes CO₂ equivalent to be avoided
- **5.6 million** people to see the quality of their energy service improve
- **75 MW** of renewable energy capacity to be installed in the G5 Sahel countries

In 2021,
AFD enabled
4.6 million
people to gain
access to
sustainable
electricity



¹ Funding in the energy sector includes credit lines dedicated to energy classified in the productive sector.



11 SUSTAINABLE CITIES AND COMMUNITIES



© Cyril Le Tourneur d'Ison

Almost
11 million
city
inhabitants
and users in all
geographical
areas to see their
quality of life
improved



In 2030, over half (60%) of humanity will live in more or less “developed” towns and cities with all that this entails in terms of urban concentration, mass exodus from rural areas, reduction in farming activities, increase in urban pollution, exacerbation of social tensions and inequalities, degradation of the standard of living, especially for vulnerable people, security risks (including health, food, etc.), and in terms of the growing complexity of implementing urban public policies, etc. For AFD Group, the issue of sustainable cities must be addressed in terms of complexity and transversality: the **sustainable city** is both an intended purpose, and also a process of co-design, of producing **innovative solutions**, and of managing transitions, with partners, territorial stakeholders and populations, towards a more sustainable world.

In its “sustainable cities” strategy, the Group has three strategic objectives through a cross-cutting “cities and climate” approach: improve city dwellers’ quality

of life, promote **sustainable urban development** within territories and strengthen the local stakeholders in charge of cities. In 2021, **AFD Group’s commitments for the sustainable city stood at close to €2.1 billion** (+31% in relation to commitments in 2020 – €1.6 billion). 42% of these commitments are focused on projects in the region of Asia and Eurasia (and Eastern Europe) (€872 million), 32% in the Three Oceans (€660 million), 19% in Africa (€400 million) and 7% in Latin America (€152 million). This funding helped to reinforce the technical/financial capacities of over **1,560 structures** in the urban sector and enabled almost **11 million city inhabitants** and users in all geographical areas to see their quality of life improved, as compared to 6.6 million people in 2020. The Group has worked in highly pressurized situations and enabled **3,300 people to see their living conditions secured** in post-crisis situations.



5.5 million tonnes of CO² equivalent saved each year thanks to the mitigation efforts throughout the life time of the projects

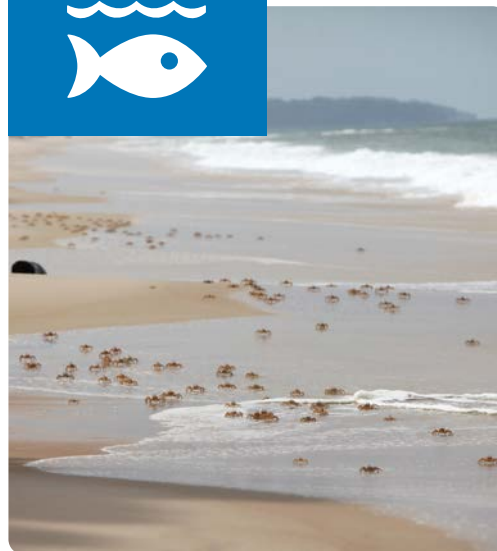


In 2021, AFD provided **€5.76 billion** in funding for activities with climate co-benefits abroad, which represents **57%** of its commitments. The amount of funding for Proparco stands at €677 million, which represents **34%** of its annual commitments. Furthermore, AFD achieved the goal of at least 30% of its climate funding being biodiversity-friendly. Asia and Eurasia (and Eastern Europe) saw the highest amount of climate commitments, followed by Africa, Latin America and finally the Three Oceans region.

Climate funding dedicated to **adaptation** stood at **€2.04 billion** in 2021 and funding linked to **mitigation** at €3.96 billion, a sharp rise compared to 2020. Mitigation efforts will save **5.5 million tonnes CO₂ equivalent** each year throughout the life time of the projects.

As part of its commitment to increased accountability, the Group worked to measure the carbon footprint of its operations more accurately. Relative emissions therefore represented -2.92 MtCO₂eq/year, and absolute emissions 3.87 MtCO₂eq/year. The avoided emissions represented -5.53 MtCO₂eq/year. The Group also continued its efforts to integrate **the physical risks** by preparing a transition risk analysis tool which will be deployed in 2022.

Finally, the Group maintained its cooperation efforts, as shown by renewed collaboration with the Green Climate Fund, and its participation at the second Finance in Common Summit (FICS), which aimed to speed up investments in renewable energy and biodiversity.



© Pierre Terdjman / AFD

Convinced that the **conservation and development of ecosystems** are key to achieving the SDGs and the co-construction of a desirable future, AFD Group implements France's commitment to mitigate and bring to an end the destruction of global biodiversity through a mandate which is differentiated according to the regions and their respective contexts.

As part of the partnership between France and the IUCN, AFD provides a financial contribution. One of the four specific aims of this is to promote blue economies and the long-term conservation of marine protected areas



In 2021, the total funding dedicated by AFD Group to biodiversity stood at **€589 million**, with **€100 million** for nature conservation projects



As part of its **biodiversity strategy**, the Group has made a commitment to follow a growth trajectory for its financial resources dedicated to biodiversity, with the goal of reaching €1 billion by 2025. Moreover, it is committed to a greater mobilization of nature and ecosystem services to solve the climate crisis, with the goal to succeed in 30% of the Group's climate funding having a positive impact on biodiversity in 2022. Lastly, the Group is committed to the **preservation of over 20 millions hectares between 2020 and 2022, at a rate of 7 million hectares per year.**

In 2021, the total funding dedicated by AFD Group to biodiversity stood at €589 million, with €100 million for nature conservation projects. This corresponds to 5.2% of the total volume of the Group's commitments for the same

period, broken down as follows: €252 million in Africa, €158 million in the region of Asia and Eurasia (and Eastern Europe), €138 million in Latin America, and €32 million in the Three Oceans region.

In these regions, the Group has funded and/or supported a range of pro-nature projects: for marine and terrestrial protected areas in Senegal, Gambia, Guinea, etc.; to fight coastal erosion in Ca Mau province in Vietnam (total funding of €23.8 million); for the ecological restoration of Lake Shi in China (€70 million sovereign loan); to assist the support program for the Forests of Morocco 2020-2030 strategy (€100 million in sovereign loan and €3 million in grants).

AFD Group is actively developing partnerships, integrating networks and/or programs, continuing to strengthen dialogue with its peers, promoting French expertise, combining South-North expertise and financing research programs (ECOPRONAT program for the development of a pro-nature economy). It is also seeking synergies with its partners, including public bodies (French Biodiversity Agency (OFB); French Federation of Regional Natural Parks, etc.), international NGOs (WWF France, Critical Ecosystem Partnership Fund-CEPF, Wildlife Conservation Society with which the Group signed a framework agreement in 2021), and networks of stakeholders (the International Union for the Conservation of Nature-IUCN which will benefit from AFD funding for a total of €7 million for the period 2021-2024).



© Srishti Bhardwaj



An iconic
project

#PLANET

SOUTH
AMERICA

GRANT OF
€10 MILLION

“SOY BARRANQUILLA”



© Thibault Hatton

SINCE 2020, THE GROUP HAS BEEN SUPPORTING THE COLOMBIAN CITY OF BARRANQUILLA IN IMPLEMENTING ITS 2020-2023 DEVELOPMENT PLAN “I AM BARRANQUILLA”, IN PARTICULAR VIA A LOAN FOR THE EQUIVALENT OF €120 MILLION IN COLOMBIAN PESOS TO SUPPORT THE GOALS OF ADAPTATION TO CLIMATE CHANGE, RESTORATION AND PROTECTION OF BIODIVERSITY AND THE ENVIRONMENT, MANAGEMENT OF THE RISKS OF NATURAL DISASTER AND SOCIAL INCLUSION OF VULNERABLE POPULATIONS.

This operation is a first, both in that this is the first loan granted to the city of Barranquilla by AFD, and also the first loan in local currency in one of the countries of South America where we operate.

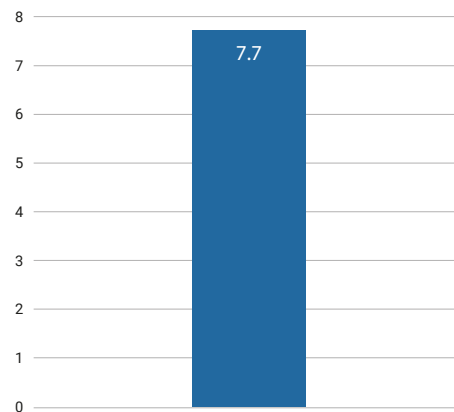


03 #PEACE

"3D" DEVELOPMENT THINKING: DIPLOMACY, DEFENSE, DEVELOPMENT, ACTING FOR PEACE

Contribution to the SDGs

2021 signatures in billions of €



■ SDG 16 – Peace, justice and strong institutions



© Karkara Gouré / AFD

AFD's commitments in 2021 should benefit **over 13 million people** living in fragile areas, including **over 5 million** as part of the Minka Peace and Resilience Fund. The Fund, created in 2017, mobilized **€209.8 million** in 2021 for 43 projects. This was higher than in 2020, in line with the goal set by the French Interministerial Committee for International Cooperation and Development (CICID) (€200 million/year by 2021).

The Minka Fund supports four regional response initiatives in the crisis areas of the Sahel, the Lake Chad region, the Central African Republic and the Middle East. In order to promote solid, efficient institutions, 22% of Minka funding benefits partner governments. Although support to civil organizations remains paramount, local stakeholders are playing an increasingly important role in the resolution of conflicts and crises. Moreover, the Group has strengthened its expertise on the issue of peacebuilding by structuring a **"Fragilities" network of experts**. These research projects improve AFD's knowledge capital and support the preparation of peace-building projects, in line with the **"Do No Harm" approach**. Governance expertise, delegated to the Group in 2016, also aims to achieve fair, inclusive societies. AFD's Governance activity achieved an unprecedented level of **€1 billion** in 2021. **Financial governance**, which involves ensuring or bringing about the proper management of the public resource, benefited from funding of €905 million in 2021, for example in Burkina Faso, to incite the government to invest in the most vulnerable areas and in public services.

AFD also continued to invest in **responsible public action** through **State Reform projects (€51.72 million in 2021)**. For example, AFD contributed to bolstering the ability of Tunisia to anticipate and react to the risks of natural disaster in order to better protect the populations and the Tunisian economic capital.

In the field of **Justice** (€21.52 million granted in 2021), AFD worked to guarantee the **respect of economic, social and environmental rights**. A €2 million multi-country project in Mexico, Costa Rica, Ecuador and Bolivia should therefore boost the effectiveness of the justice system and the exercise of citizenship in terms of the environment and climate. In the field of **Democratic processes and the Media** (€20.74 million in 2021), AFD allocated a grant of €3 million to set up a Civil Society Innovation Fund (CSIF) in Ethiopia to support the development of a pluralistic civil society by strengthening the capacities of three Ethiopian Civil Society Organization (CSO) consortia in the fields of human rights, gender and the media.

In the field of **Migrations** (€5.04 million in 2021), AFD supports the migratory policies of its partner countries to make migration a development factor and combat the vulnerability resulting from forced migration.

In 2021, AFD's commitments should benefit over **13 million people** living in fragile areas, including over **5 million** as part of the Minka Peace and Resilience Fund





A group
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the SDGs

An iconic
project

#PEACE

THE NEXUS PROJECT

*Humanitarian Development
Peace (HDP)*



NIGER



GRANT OF
€10 MILLION



© Olivier Girard

IN 2021, THE WORSENING SECURITY SITUATION IN NIGER LED TO THE INTERNAL DISPLACEMENT OF ALMOST 260,000 PEOPLE WHO WERE ALREADY VULNERABLE TO CLIMATE-RELATED SHOCKS IN THE REGIONS OF TILLABÉRI, TAHOUA, DIFFA AND MARADI ALONE.

The situation is particularly alarming in the border area of three neighboring countries: Burkina Faso, Mali and Niger. The Nexus HDP project targets 10 municipalities in the

"three borders" area to develop a pilot initiative for the implementation of the Nexus humanitarian-development-peace approach in the field of food security. It will support the local and regional authorities in delivering key operations – services to farmers, agro-pastoral investments, prevention of conflicts – and will strengthen the crisis response in the region, where almost 600,000 people are in a situation of food insecurity.



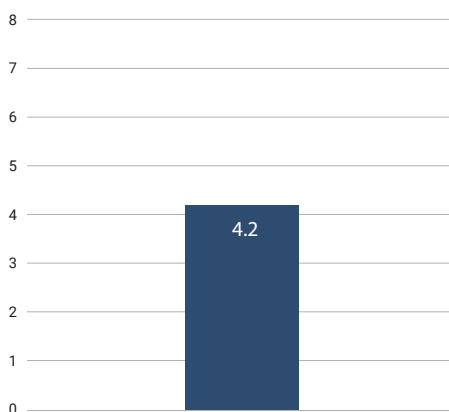
04

#PARTNERSHIPS

PARTNERSHIP BY DESIGN, ACTING WITH OTHERS FOR GREATER IMPACT

Contribution to the SDGs

2021 signatures in billions of €



■ SDG 17 – Partnerships for the goals



A group
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the SDGs



To achieve its ambition of being a “100% SGD Group” and “100% Paris Agreement”, AFD Group does not act alone. On the contrary, it has fully incorporated the importance of SDG 17 in its strategy and has included “partnership by design” in its approach. Thanks to this, it implements its actions through many and varied partnerships. The Group acts hand-in-hand with French, European (EU, European national stakeholders, etc.), international and local partners in the various partner countries in which it operates.

In 2021, the Group initiated meetings with the main international CSO networks (FORUS, FIDH, Groupe Initiatives, IECD, MDM, HI, GRET). It consolidated still further its cooperation with the stakeholders in the civil society organization ecosystem – French CSOs, in particular by renewing several multi-annual partnership agreements – CPP (with CCFD-Terre Solidaire, IECD and AVSF) and by signing a new CPP with the Secours Catholique.

During this year, AFD Group mobilized almost €375 million for CSOs. As part of the “CSO Initiatives mechanism” alone, AFD Group funded 145 projects through 114 French CSOs for a global amount close to €116 million. This funding indirectly supported almost **7,500 partner CSOs in the South and targeted over eight million ultimate recipients.**

The iconic projects (supported by the CSOs) funded by the Group include a grant of €2.1 million to Acting for Life for its program to strengthen the transition of agricultural and food systems in Benin, Burkina Faso, Togo, Colombia

and Peru. The Group awarded a grant of €0.32 million to “Santé Sud” to support its initiative to promote health, sexual and reproductive rights and child health in the rural areas of Analamanga (Madagascar). The NGO “*La voix de l’enfant*” (Voice of the Child) benefited from a grant of €1.6 million for its project to improve access to civil status certificates for the children of North Kivu (Democratic Republic of the Congo).

Cooperation with CSOs also involves knowledge production and closer strategic dialogue with them. Thus, in 2021, the Group held multiple meetings and high-level dialogues with the CSOs (Coordination Sud, OXFAM, C2A, ACF, RSF, etc.) on varied themes (climate, biodiversity, education, development financing, Human Rights, Sahel, etc.) and organized a major conference on human rights and various issues.

In 2021, the Group continued its work building ties in the regions. It resumed meetings with the local authorities, their communities and stakeholders operating in the field of regional cooperation in order to consolidate and extend the existing links, meet new local executives and continue its advocacy work for the External Action of Local and Regional Authorities – AECT. Through DCOL, a mechanism to support the international action of local and regional authorities created by Cités Unies France, and the FICOL, (the French local authorities financing facility), the Group ramped up and strengthened its actions to mobilize and support external initiatives of French local and regional authorities towards the SDGs. In 2021,

In 2021
AFD Group
mobilized
almost
€375
million
for CSOs





AFD committed €9 million for 82 projects led by 60 local and regional authorities. Furthermore, the Group worked towards key partnerships with certain French public establishments (CIRAD, IRD, CFI, CNES, ADEME, etc.) and dialogue with the French economic stakeholders (Business France, Medef International, Syntec Ingénierie, etc.).

At the European level, AFD Group further consolidated its European foothold by stepping up dialogue with the European Commission on the European Fund for Sustainable Development Plus (EFSD+) and on climate finance issues, and through the double alignment with the 2030 Agenda and the Paris Agreement, led by the International Development Finance Club – IDFC presided by AFD. It was able to mobilize €274 million, which was entrusted to AFD and Proparco by the Commission, and

€157 million in contracts signed with Expertise France. Backed by its dynamic partnerships, the Group successfully finalized the renewal of its accreditation with the EU.

With European national stakeholders, AFD Group continued its cooperation with the Foreign Commonwealth and Development Office – FCDO (providing them with an AFD climate expert to support the preparations for COP26) and strengthened its relationship with the GIZ and KfW (on the European aid architecture). It actively participated in the operationalization of the EU External Investment Plan (EIP) and was involved in the “Team Europe” initiatives programming, particularly through the implementation of a common co-funding mechanism in conjunction with three other European bilateral stakeholders (KfW, Cassa Depositi e Prestiti (CDP) and the Spanish Agency for International Development Cooperation (AECID).

In its desire to build on its existing partnerships with the main international stakeholders and its search for new partners able to play a key role in the reorientation of the financial flows and stocks used to achieve the SDGs, the Group continued its cooperation with:

- **The multilateral and regional development banks:** renewal in August 2021 of the co-funding framework agreement with the World Bank Group (WBG), AFD Group’s main financial partner
- **the IMF:** high-level dialogue between the respective managements of the IMF and AFD Group, and joint preparation of a document on the role of the public development banks in strengthening resilience and the transition to sustainable development

- **The United Nations agencies:** AFD Group strengthened its collaboration with the United Nations agencies (UNDP, UNICEF, UNESCO, BIT, UN Women, etc.) who participated in force at the Finance in Common Summit
- **International NGOs and philanthropic foundations:** 2021 saw the first exchange of personnel between the Group and the International Committee of the Red Cross (ICRC), and joint operations took place in Iraq and Chad



© Paul Kabre for AFD



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#PARTNERSHIPS

ACTING FOR LIFE



BENIN, BURKINA FASO, TOGO,
COLOMBIA AND PERU



GRANT OF
€2.1 MILLION



© Alzar Ralides / AFD

STRENGTHENING THE TRANSITION OF AGRICULTURAL AND FOOD SYSTEMS IN BENIN, BURKINA FASO, TOGO, COLOMBIA AND PERU.

The 1st phase of this program agreement will strengthen the farming and food systems by better control of the downstream part of the sector. It will take place in five countries (Benin, Burkina Faso, Togo, Colombia and Peru) with eight local partners.

The project focuses its approach on a better coordination of family farming with local markets, quality food produced locally to better address consumers' needs, a greater professionalization of the stakeholders in the various sectors and more sustainable, fairer partnerships. The project targets 14,200 beneficiaries, including producers, associations of processors, traders and consumers.



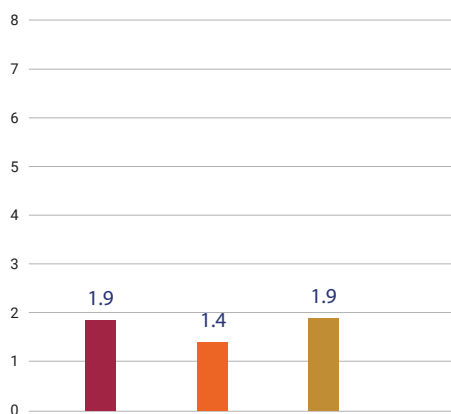
05

#PROSPERITY

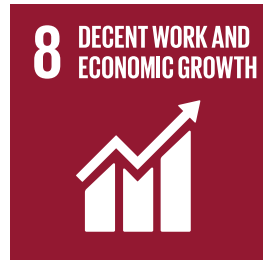
DECENT WORK, RESPONSIBLE CONSUMPTION ACTING FOR PROSPERITY

Contribution to the SDGs

2021 signatures in billions of €



- SDG 8 – Decent work and economic growth
- SDG 9 – Industry, innovation and infrastructure
- SDG 12 – Responsible consumption and production



¹
Not in Education,
Employment or Training.

In 2021, AFD committed **€96 million** in grants to vocational training projects aiming to improve the employability of young people, and to the transitions, in particular the energy transition and the agricultural and rural transitions, via skills development.

A study launched in 2021 aimed to analyze the difficulties experienced by women graduating from vocational training and higher education in entering the labor market in four countries in Central Africa. After drawing up a diagnosis, it plans the implementation of future support for female entrepreneurship among graduates in Central Africa.

In Tunisia, AFD granted €4 million to the **Nouvelle Chance** scheme, a program focusing on the employability, training and professional integration of young people aged between 18 and 30 who are failing at school (NEET¹). This three-year project offers individualized programs alternating between internships/work experience in companies and personalized support. It will directly benefit **1,000** young people. A pilot scheme will also be set up for young people left on the sidelines of the world of work.

€96 million
in grants
to vocational
training
projects aiming
to improve the
employability
of young people



© Ibrahima Kebe Diallo



© Ricci Shryock

CHOOSE AFRICA:

€3 billion
committed by AFD
Group for the benefit
of 26,000 START-UPS,
AND MSME

Four years after the Ouagadougou speech, during which Emmanuel Macron, the French President, confirmed France's commitment to supporting the entrepreneurship revolution in Africa, AFD Group has exceeded the initial objective of the Choose Africa initiative, with €3 billion committed at the end of December 2021. Close to 250 local partners contribute to the success of this initiative across the whole of Africa. Launched in 2018 with a goal of €2.5 billion to be deployed before the end of 2022, the Choose Africa initiative materializes the reinforcement of France's commitment to African start-ups, micro, small and medium-sized enterprises. AFD and Proparco, its private sector financing arm, provided their expertise and their financing and support tools to these companies which play a pivotal role in the creation of jobs and access to essential goods and services on the continent.

Out of the €3 billion committed by AFD Group on 31 December 2021:

- €2.5 billion are in the form of loans or bonds for local financial institutions to increase access to credit for micro, small and medium-sized enterprises
- €470 million are capital investments
- €45 million are in the form of technical support

This funding is deployed by almost 250 local partners – banks, investment funds, micro-finance institutions and incubators – for the benefit of over 26,000 micro, small and medium-sized enterprises and tens of thousands of micro-entrepreneurs. In total, over 1.5 million jobs will be supported through this initiative. Almost 2,500 companies will also benefit from technical support.

The initiative was strengthened in 2020 in response to the pandemic, and excellent results were achieved thanks to the support of the French government and the funding granted under the "Resilience" component of Choose Africa, launched in November 2020. This component supplemented the AFD Group offer with tools adapted to the needs of affected micro, small and medium-enterprises. €780 million were deployed for the "Resilience" component.

This French effort acted as a catalyst for European and international mobilization for African entrepreneurship. This materialized in Paris in November 2020 during the first Finance in Common Summit. Around twenty development financing institutions, including Proparco, committed to supporting African micro, small and medium-sized enterprises to enable a sustainable and inclusive economic recovery.



A group
committed to
the SDGs



© Marc Le Chêlard

¹
Agency for the Safety of Air
Navigation in Africa and
Madagascar.

Promoting
sustainable
industrial-
ization and
encouraging
innovation are
at the heart
of our priorities



²
[https://github.com/Siggg/
digital_decarbonation](https://github.com/Siggg/digital_decarbonation)

As part of the Digital and technological transition, AFD supports numerous projects in the fields of **transport, energy** and **new technologies**. Promoting sustainable industrialization and encouraging innovation are at the heart of our priorities.

Having slowed down considerably since 2020 as a result of the Covid-19 pandemic, the field of transport and mobility has now begun to pick up. Despite some lingering constraints, the sector has seen some **€967 million** in commitments. **76%** of these projects offer a climate co-benefit, and **62%** of these projects contribute to reducing gender inequality. Furthermore, the Group is continuing its **Mobility and Transport** strategy adopted in 2019 which aims to achieve inclusive, low-carbon, efficient, safe mobility systems.

The Group first wishes to promote “**liveable**” and **inclusive cities** by contributing to reducing the level of greenhouse gases. In 2021, it funded high-capacity public transport projects, such as the Turkish underground railways and tramways. Moreover, the Group aims to **develop the social and economic potential of territories** at national level through a network of national and rural roads, maintenance and security policies and support for the rail network. Lastly, AFD aims to **integrate savings into the world trade game**, by improving efficiency and energy consumption in the port and airport sectors.

In 2021, AFD thus approved a project in the air sector in Africa in partnership with ASECNA¹.

In the digital sector, activity remained stable in relation to 2020. This sector covers a wide range of activities, from **hardware and software enabling access to digital services**, to support for **digital entrepreneurial innovation**. Also, more services that are essential to the transition to the **digital modernization** of operations are going online.

This year, new project opportunities have been identified in the fields of international connectivity between countries, cross-border networks, telecommunications infrastructures and equipment in computer networks in administrations.

In this context, this year AFD developed a **tool for measuring its projects’ carbon footprint**, enabling digital infrastructure projects to prove their ability to significantly mitigate greenhouse gas emissions in a given area². This methodology enabled a reduction in carbon-based travel between home and work, and also, most importantly, to reduce the need for office real estate thanks to the promotion of office sharing (“flex office”). In rural areas, the modeling will enable the agro-ecological transition to be stepped up.



An iconic
project

#PROSPERITY



CAMEROON



€66 MILLION
OF FUNDING ON C2D
(DEBT REDUCTION-
DEVELOPMENT CONTRACT)

THE YAOUNDÉ CITY CENTRE PROJECT



© Rodrig Mbock

IN YAOUNDÉ (3.3 MILLION INHABITANTS), PEOPLE MAINLY USE COLLECTIVE TAXIS (40% OF JOURNEYS) OR WALK (33%). HOWEVER, THE FACILITIES ON THE STREETS FOR PEDESTRIANS AND PUBLIC TRANSPORT USERS ARE VERY LIMITED, WHICH MAKES THE ROADS EXTREMELY UNSAFE: THREE PEOPLE DIE EVERY DAY IN THE CITY, AND ANOTHER FIFTEEN ARE INJURED. IN LINE WITH THE URBAN MOBILITY PLAN DEVELOPED THANKS TO THE MOBILISEYOURCITY PARTNERSHIP, THIS PROJECT WILL IMPROVE THE CORE MOBILITY INFRASTRUCTURE AND MAKE IT SAFER: REDESIGN OF SIX CROSSROADS, TWO BUS STATIONS AND PEDESTRIAN ROUTES (PAVEMENTS AND JUNCTIONS).

The emphasis on active modes – particularly walking – is innovative from the point of view of the urban community of Yaoundé. Another innovation is that the project includes a participatory element with an “urban fabric” to design the public spaces.

By facilitating the use of public transport and walking, the project improves the daily lives of the Yaoundé population, in particular the most vulnerable, and increases the city's economic productivity by supporting a sustainable, inclusive transport policy. Through this project, around 430,000 people thus gain improved access to sustainable transport. The impacts also include: safer, more comfortable bus stations, reduced congestion, improved air quality and a reduction in greenhouse gas emissions of 8,000 tCO₂eq/year.



2 SUSTAINABLE DEVELOPMENT ANALYSIS AND OPINION MECHANISM

In order to improve the inclusion of sustainable development in the projects funded and to guarantee that they are aligned with the strategies adopted, AFD acquired the "Sustainable Development Analysis and Opinion mechanism" in 2014. This mechanism takes the form of a sustainable development analysis prepared by the project team during the examination of the project, based on a qualitative assessment of the expected impacts of the project (positive, neutral or negative) on each of the sustainable development dimensions (biodiversity, climate, social cohesion, gender, economy and governance). The Sustainable Development Analysis and Opinion unit of the Department in charge of Strategy then issues an independent opinion on the project to confirm its alignment with sustainable development. This opinion may be favorable, favorable with recommendations, reserved, negative or issued in the form of a certificate after identification. It is a decision-support tool which appears in the notes sent to the AFD decision-making meetings.

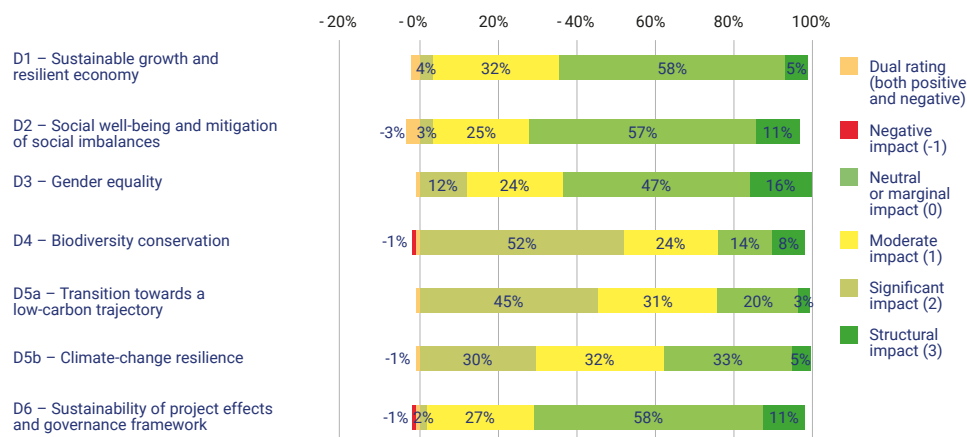


© Alexander Schuecke

In 2021, 186 projects were the subject of a sustainable development opinion, representing a volume of €7.4 billion.

Although all AFD-funded projects undergo a sustainable development analysis, not all are the subject of an independent sustainable development opinion. The scope of the sustainable development opinion concerns AFD operations in foreign states and in French Overseas Departments and Territories.

2021 was marked by the application of the analysis and opinion mechanism reform adopted in October 2020. This development consisted in particular



of implementing a differentiated approach for the issuing of opinions according to the sustainable issues covered by the projects in question. A certificate was introduced at the identification stage for projects where there is a high likelihood that they are aligned with the sustainable development issues. In 2021, 50 projects, or 27% of the projects examined, which represented almost €1 billion, received a certificates during identification. These certificates were issued for projects in a variety of sectors (transport, education, energy, water and sanitation, agriculture, etc.) and regions. In the second part of the reform concerning the alert system, one negative opinion was issued in 2021.

In 2021, 60% of projects received a favorable opinion or a certificate, of which 33% were favorable opinions and 27% certificates. This means that for these 112 projects, the sustainable development issues were deemed to be properly treated when the project was examined. This figure is stable in relation to 2020.

In 2021, 36% of projects received a favorable opinion with recommendations. Once again, this figure is relatively stable in relation to 2020. The proportion of reserved and negative opinions is 4%, consisting of six reserved opinions and one negative opinion. This figure is stable in relation to 2020 but up as compared to the period 2014-2019.

The seven projects which received a reserved or negative opinion in 2021 each concern a different sector: sanitation and rainwater drainage, digital innovations, energy production, biodiversity conservation, integrated development of municipalities, habitat policy and improvement of the care offer.

In 2021, the sustainable development opinion developed positively in approximately 31% of projects between the provisional and the definitive stage.



3 ALIGNING OUR ORGANIZATION WITH THE SDGs

Developing sustainable finance



In 2020, AFD published its new Sustainable Development Goals Bond Issuance Framework. This new reference document reflects the entire loan activity of AFD Group. The Framework was prepared in accordance with the *Green and Social Bond Principles* and the *Sustainability Bond Guidelines*^{*}. It was reviewed by the non-financial rating agency Vigeo Eiris as a Second Party Opinion. It gave AFD the possibility to issue three types of bond: sustainable bonds, climate bonds and social bonds. After a presentation of the Framework in autumn 2020, an inaugural sustainable bond issue followed, generating €5.6 billion of interest from investors for a final volume of €2 billion. This issue supplemented the climate bond issuance of €1 billion in the first half of 2020, taking the volume of sustainable loans in the wide sense to 30% of the total loans for the year. In 2021, 48% of AFD group's financial emissions program was carried out within a sustainability linked framework¹.

AFD Group integrates corporate social responsibility into its governance system

and its activities. In this context, it takes measures intended to assess and control the environmental and social risks (E&S) of the operations it funds. It sets up procedures to identify, prevent or mitigate the environmental and social damage and the human rights abuse likely to result from these activities. This E&S risk management approach is applied at all stages of the project cycle, from identification and approval of the funding to monitoring and assessment *ex post*.

This approach is supplemented by the existence of **two mechanisms to handle environmental and social complaints**, respectively for AFD and for Proparco (see *below*). These contribute to managing an operational risk. If harmful or unexpected environmental and social impacts could not be avoided, reduced or compensated according to the measures of the E&S management plans for the projects whose funding is implemented by AFD or Proparco, these mechanisms are used to find avenues for remediation².

2021 was also marked by the second Finance in Common Summit (*FiCS*), co-organized with the *Italian Cassa Depositi e Prestiti* (CDP). Now a key common thread running through AFD Group's partnership actions, the preparation of the second edition held in October 2021 gave rise to very regular dialogue with our international partners, including within the G20 "Finance" sector. For the first time, the final

* <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/>

¹ <https://www.afd.fr/fr/actualites/communiquede-presse/afd-lance-nouvelle-obligation-durable-eu2-milliards-0125-maturite-29-septembre-2031>

² The pages on the AFD and Proparco websites dedicated to these schemes are available at the following addresses:
For AFD: <https://www.afd.fr/fr/dispositif-de-gestion-des-reclamations-environnementales-et-sociales>
For Proparco: <https://www.proparco.fr/fr/icm>



© Kibuuka Mukisa Oscar

communiqué from the Finance Ministers and the governors of the central banks recognized the role of the global coalition of public development banks in alignment with the Paris Agreement and achieving the SDGs. With this mandate, the coalition is now able to step up its contributions to the various key international tenets of sustainable development.

Acting for gender equality, diversity and inclusion



Gender equality in the workplace

is a major issue in the AFD Group human resources policy, which aims to promote diversity and equal opportunities. It is rooted in the Group's values and is an integral part of its corporate social responsibility approach. A new "gender equality in the workplace" agreement, signed with the management and



¹
<https://certification.afnor.org/ressources-humaines/label-egalite-professionnelle-entre-les-femmes-et-les-hommes>

²
<https://certification.afnor.org/ressources-humaines/label-diversite>

employee representative bodies, has been in force since January, 2021. Guaranteeing gender equality at work, developing gender diversity in employment at all levels and in the various posts and promoting gender parity represent a source of progress and global performance, both in economic and social terms. This approach aims to be consistent with the approach initiated by the Group with regard to its operations, making gender a lever to achieve the SDGs.

A new agreement concerning gender equality in the workplace

The new agreement, applicable from 2021 to 2023, identifies the following workplace gender equality priorities within the Group: access to employment; promotion and career development; equal pay; work organization, the work-life balance; training and awareness of workplace gender equality; action in the context of domestic violence. AFD's objectives as concerns gender equality are increasingly ambi-

tious, and range from the recruitment of female engineers to the promotion of women to senior positions. In addition to maintaining its previous commitments, AFD is innovating with the introduction of a support system for family carers. Training in recruitment without discrimination has become mandatory for managers. In 2021, a system to prevent and combat domestic violence was set up. AFD signed the commitment charter against domestic violence in the presence of the minister Elisabeth Moreno. Through a partnership with the inter-company collective OneInThreeWomen, supported by the Agir contre l'exclusion foundation, AFD benefits from an online training module dedicated to domestic violence, and the human resources managers have received more in-depth training. A communication campaign informed all employees of useful contacts and the social assistance which can be obtained in case of domestic violence.



© Isabelle Bonfilio / AFD

AFD's efforts concerning gender equality at work were recognized this year by the **award of the AFNOR "Égalité Professionnelle" (Gender equality in the workplace) label¹**.

AFD published its gender equality index on 1st March, 2021 in accordance with the French Act for the freedom to choose one's future career (2018). This index achieves 92 points out of 100.

The issue of diversity is at the heart of AFD Group's action and human resources policy, with 85 agencies and offices, and 17 regional divisions around the world. The teams at the head office and on the ground are diverse, plural, multi-cultural and multi-generational. AFD began a key approach to foster diversity and inclusion in 2019. This commitment was recognized by the **award of the AFNOR "Diversité" (Diversity) label²** in 2021. AFD continued its actions: awareness-raising, training, the use of an external counseling service, participation in an inclusion barometer. In October 2021, AFD organized its first diversity and inclusion week. On this occasion, employees' awareness was raised during conferences of the inclusion of LGBT+ professionals, racism and age and disability discrimination. Sessions presenting the diversity policy were organized in the divisions, the aim being for all the teams to be informed of AFD's commitments. The group of diversity representatives celebrated its first anniversary and a working group for the inclusion of LGBT+ people at AFD was created. The management training program includes a sequence dedicated to discrimination, diversity and inclusion. At the end of 2021, 38% of managers had completed the "Recruiting without discrimination" online training course.



Testimony of

**Cyril
Cosar**

**external psychologist for
the network**

"AFD has set up a system for the prevention of psycho-social risks and the improvement of the quality of life at work (Psycholab). In this context, Psycholab's task is to provide backup and support for the staff throughout the network in the form of interviews, support, and backup with psychologists and psychiatrists. These interviews are available remotely in French, English, Spanish or Arabic, either in video or audio mode, depending on the technical possibilities. The Psycholab team consists of two clinical psychologists and two psychiatrists who are all experienced in the field of international solidarity and remote support. We are neutral, external, confidential specialists. We specialize in expatriation, interculturality and psychological balance in these types of situation. We work in different ways. For expatriates, before expatriation, we are present in the various preparations for expatriation and have an individual interview with each person leaving. During activity, we are present for all staff, and can be approached directly in order to set out the situation and discuss individually. We can also provide collective services remotely, offering groups and discussions, and support groups for specific situations, or on-site in case of more dramatic incidents or events to work directly with the victims or people affected. This support is available for all the personnel in the AFD network, both expatriates and local operators."



Controlling our carbon footprint

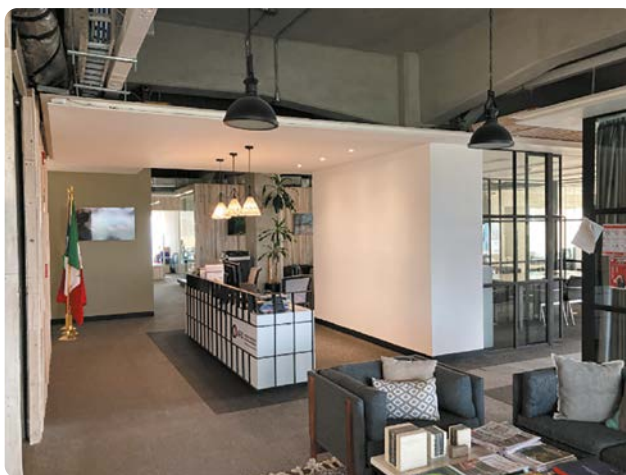


Within AFD Group and its value chain, the low-carbon trajectory takes the form of operational measures to reduce the impact of its activity. In this way AFD Group is working to **control its direct greenhouse gas (GHG) emissions** by simultaneously reducing these emissions and compensating them by actions contributing to the SDGs. The annual assessment of the Group's carbon footprint allows its strengths and vulnerabilities to be identified.

The assessment reveals a slight reduction in the head office's global GHG emissions of 8% between 2020 (21,388 Teq CO₂, which represents 12.2 Teq CO₂ per agent) and 2021 (19,707 Teq CO₂, or 11.2 Teq CO₂ per agent). The continued application of international restrictions on mobility and working from home explain to a large extent this relative stability in AFD Group head office GHG emissions. However, it conceals some quite important developments: emissions linked to travel, immobilizations and freight respectively fell by 20, 30 and 25% whereas those specific to inputs, mainly the purchase of intellectual services, increased by 2%. This increase on the largest item (it counts for 66% of the total) is sufficient to offset the various reductions and explains the low change in volume of Teq CO₂ emitted.

The 2020 carbon assessment (**Bilan Carbone®**) for the Group's network could not be calculated before the end of 2021 due to a change of service provider and tool. In 2020, the impact of the health measures in the global pandemic began to bite, as most of the network's locations were subject to varying degrees of restric-

tions, mainly with regard to travel. This led to a drop of 23% in GHG emissions in 2020 in relation to 2019, falling from 12,600 Teq CO₂ in 2019 to 9,700 Teq CO₂ in 2020, which is approximately 9 Teq CO₂ per network agent in 2020. This drop is explained by a significant reduction of 35% in emissions linked to travel in 2020 against a rise of 15% of emissions for the purchase of items linked to the service industry.



© Mexico field office – AFD

Towards a low-carbon trajectory

A global approach to GHG emissions, taking the form of a "Low-carbon trajectory" project, was launched at the end of 2020 to define the avenues and action plans to adopt to reinforce still further our exemplary record in this area and the practices already in place. Firstly, the aim is to improve the energy efficiency of our real estate, optimizing usage and using renewable energy. Therefore, at the head office, at the Barthes and Mistral sites, all of the electricity consumed is produced by renewable energy sources, including *on-site* by photovoltaic modules on the building in rue Roland Barthes which produced 11,195 kWh in 2021. This dynamic is gradually extending across the network. In 2021, the N'Djamena field office in Chad and Accra field office



© Marie Tihon – AFD

in Ghana produced most of their energy needs from photovoltaic panels.

Since the end of 2020, a **Forfait Mobilité Durable (FMD)** or Sustainable Mobility Package has been set up for employees working at the head office who use their bikes to commute between home and work at least 100 days per year, offering them a gross financial compensation of €650 per year. A study conducted in 2017 indicated that 15% of AFD employees traveled by bike. At the end of 2021, 161 employees subscribed to the FMD. To facilitate the use of bikes, more bike racks were installed at all the AFD and Proparco sites in mainland France. The future head office of AFD Group will enable even more of this type of infrastructure to be installed. Furthermore, bike maintenance workshops are regularly organized, particularly during European Mobility Week. Five socially distanced workshops in line with COVID regulations were held in 2021, during which 100 bikes were checked over and repaired. Initiatives are also encouraged at local level. For example, the Phnom Penh office provides a fleet of bikes for short trips. Many field offices, such as Tunis, organize car-shar-

ing between employees. The Mexico office has set up a responsible purchasing policy, carried out thermal insulation work, deployed low-energy lighting, created a garden with local plant species and introduced a fleet of fully hybrid vehicles. In addition, a new **“Responsible consumption” plan** aims to bring in new measures with regard to the reduction of paper, better waste sorting and recycling, the extension of product life times, optimized air travel and a “Green IT” action plan intended in the same way to reduce the carbon footprint and environmental impact of our digital practices in the long term.

Finally, AFD Group has been compensating for its residual CO₂ emissions every year since 2007. Due to the change of carbon assessment (Bilan Carbone®) service provider and data collection and processing tools in 2021, the call for tenders to select compensation projects located in the countries where AFD Group works will be launched at the start of 2022.



Acting for responsible purchasing



AFD Group is working to control its carbon footprint and environmental impact. AFD Group has therefore adopted **responsible purchasing** as one of the three major avenues of its new purchasing policy. The Group is thus committed to reducing the environmental footprint of its purchases, to bolstering their social responsibility and supporting local development. The Group expresses its desire to adopt an exemplary purchasing approach. In particular, this policy sets itself the goals of integrating environmental criteria into the Group's strategic purchases, thinking in terms of global cost over the life cycle, increasing the share of solidarity-based purchases from stakeholders in the social and solidarity economy (SSE), including stricter environmental or social clauses in contracts and fostering access for micro, small and medium-sized enterprises and local stakeholders in the countries where we have offices.

Among the significant actions, in January, 2022, the Group trained all of the purchasers from the head office, Proparco and Expertise France in the issues of responsible purchasing, with a risk analysis-based approach. This training enabled the teams to develop their skills and improve their professionalism on aspects of social responsibility, providing advice and added value during consultations.

The Group also acquired an app to **map the environmental** and social **risks** to be taken into account in the procurement process, depending on the type of purchase. This tool, launched during the first quarter of 2022, will evolve in line with the current regulations. It will establish a score for the CSR risks and will facilitate the decision to include CSR criteria in the assessment of offers.

Lastly, think-tank workshops were begun in 2021 with AFD's main business lines in order to co-construct a future action plan for sustainable purchasing per need category. This project is very much part of the road map for the social responsibility performance aims which the Group Purchasing division is currently preparing. Moreover, in 2021, AFD Group continued actions for the **integration of people with disabilities**, updating a directory of companies in the sheltered and adapted employment sector (supporting people with disabilities towards sustainable social and professional integration). It also conducted a study of the categories of purchases which can be placed with the sheltered and adapted employment sector and raised the awareness of decision-makers to the clauses and social criteria to be inserted into contracts before publication.



© Stéphane Brabant

Acting for strong local ties around our locations



As a stakeholder in the Quartier des deux rives district of Paris and as part of the circular economy approach, AFD Group reaffirmed its commitments through its signature of the **City of Paris “Paris Action Climat” charter** which brings together the public and private stakeholders in the Paris area around climate issues. Solidarity initiatives at the head office and in the network also contribute to this desire to collaborate with the regions where AFD is located: the offices in the Vivacity premises benefit from greenery thanks to plants hired from a company in the sheltered and adapted employment sector

which supports people with disabilities in their professional lives. The Libreville office in Gabon called in a local association to produce reusable bags and pouches for its employees’ computers. Furthermore, in 2021, eight AFD Group employees were able to share their skills through the Pro Bono Factory system. This year, the theme of the Paris event focused on SDG 4 – Access to quality education. For two half-days, the eight employees supported eight associations based in the Île-de-France area working to help young people in the City’s priority neighbourhoods find employment.



Art

as a catalyst for impact at the local level

THE METIS FUND AIMS TO USE ART AND INVOLVE ARTISTS TO INCREASE THE IMPACT OF DEVELOPMENT PROJECTS FUNDED BY AFD AT THE LOCAL LEVEL IN THE TARGET REGIONS AND WITH THEIR INHABITANTS. DESIGNED AND IMPLEMENTED AS A CATALYST FOR IMPACT, METIS STRIVES TO “CONVEY EMOTIONS AND BE TRANSFORMATIVE”.



© Ajay Boodhoo

“I make music and create recycled objects from waste. It’s a way for me to raise awareness of pollution and our way of life which generates a great deal of wastage. I try to link art and messages about the environment.”

KAN CHAN KIN
ACTIVIST AND MUSICIAN



Painting, music, dance, theatre, poetry and more. **The arts educate, liberate and raise awareness. They create relations which transcend social, cultural, religious and political differences.** They expose, criticize, call into question and build. They show and express feelings. They engage each individual in a specific, contextual manner. They give meaning and make sense through the use of imagination and symbols. The arts enrich our individual and collective intelligence. They are powerful catalysts for the changes necessary for the constant transformation of our societies – transformations which the development projects also strive to support.

In 2021, ten pilot projects were funded for a global budget of €210,000. All of them resulted in exciting experiences. They brought together many partners around AFD, including the Instituts Français and Alliances Françaises, in connection with the embassies and cultural services.

Depending on the needs of the field offices, Metis offers agile funding which is linked to an AFD theme or area of action. This funding can be deployed at any moment in the project cycle based on a meeting between the field office, a local artist and the populations/beneficiaries concerned. For example, theatre is used to tackle violence and insecurity in Haiti.

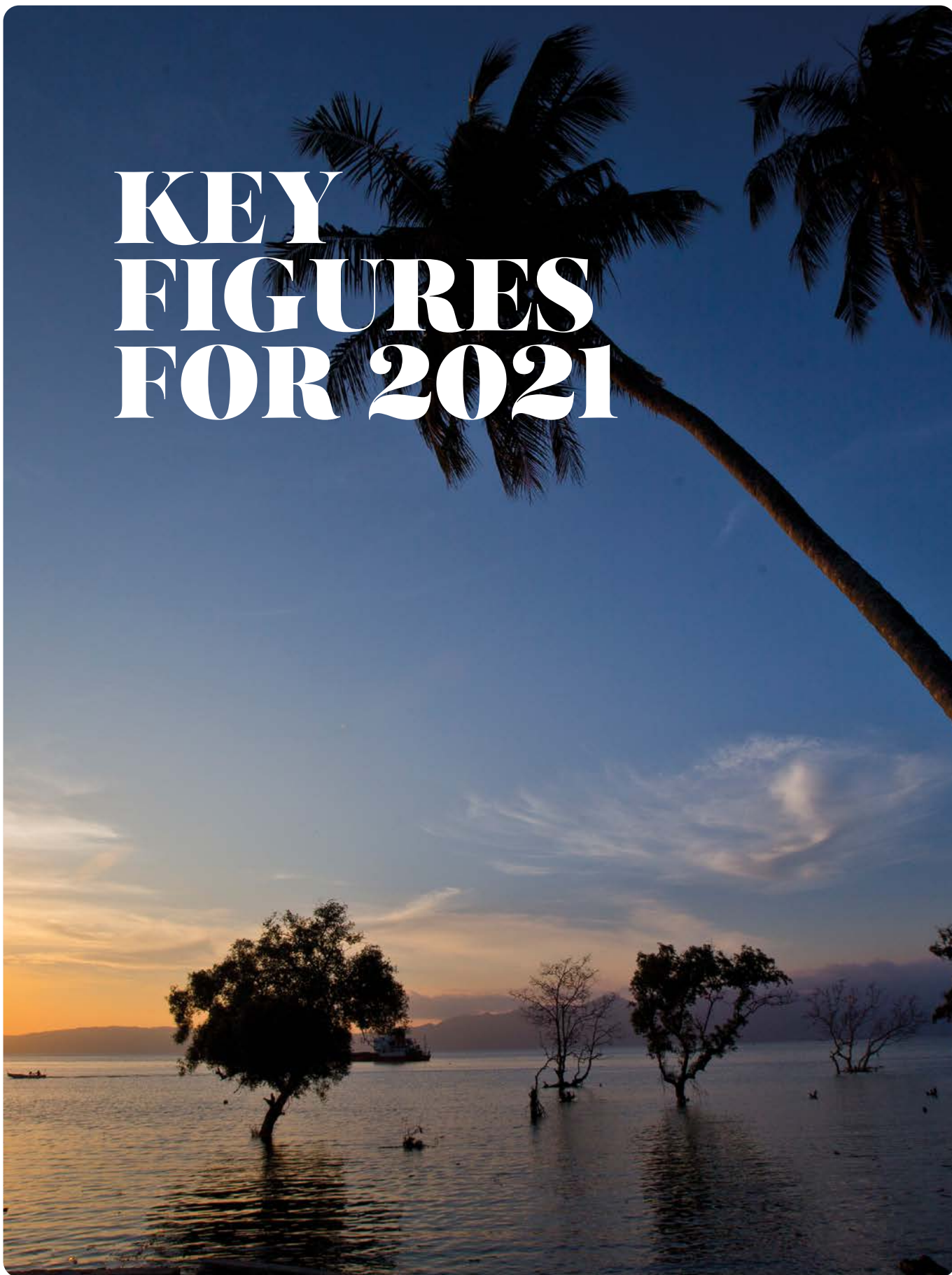


© Reginald Louissaint Junior / Kolektif 2D

“Words can bring relief. Art can attempt to transcend the violence that young people experience on a daily basis and provide a tool for resistance. Words are strong. It is our responsibility to listen to them.”

GAËLLE LETILLY
AFD DIRECTOR, HAITI

KEY FIGURES FOR 2021

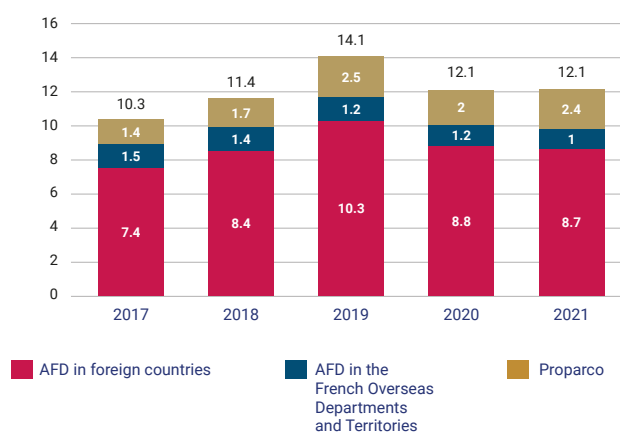




AFD Group's overall funding in 2021 stood at €12.1 billion. The commitments signed amounted to €10.6 billion, which is down after an exceptional year in 2020 linked to COVID funding (€12.4 billion). Payments amounted to €8.7 billion, a level of payments which is stable in relation to 2020 (€8.7 billion).

AFD Group financing approvals in foreign countries and the French Overseas Departments and Territories

In billions of €



Financing approvals in foreign states and the French Overseas Departments and Territories was €12.1 billion, like in 2020.

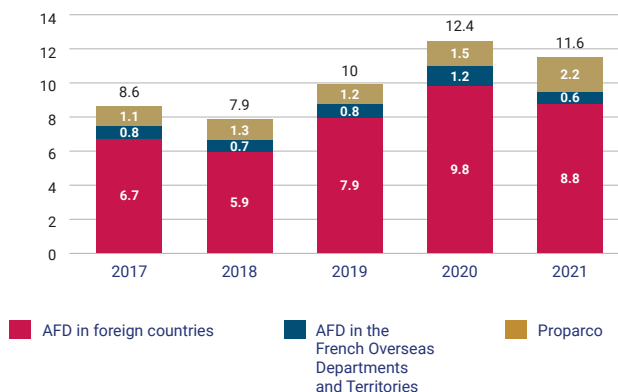
2021 was marked by a stabilization in the Group's commitments at €12 billion. Activity in foreign states fell slightly with €8.6 billion for AFD (€8.8 billion in 2020) and increased for Proparco with €2.3 billion in 2021 as compared to €2 billion in 2020. AFD activity in the French Overseas Departments and Territories fell slightly to €1.1 billion in 2021 against €1.2 billion in 2020.



Key figures for 2021

AFD Group signatures in foreign countries and the French Overseas Departments and Territories

In billions of €

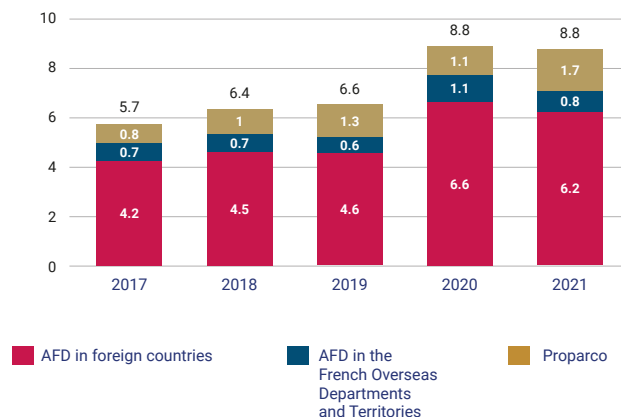


The volume of commitments signed for 2021 was €11.5 billion for the Group, down by 7% in relation to 2020.

This drop is explained on the one hand by the exceptional volume of signatures (€12.4 billion) in immediate response to the health crisis in 2020, and on the other hand by the capping of the Group's commitments at €12 billion.

AFD Group payments in foreign countries and the French Overseas Departments and Territories

In billions of €



The Group's payments amounted to €8.7 billion

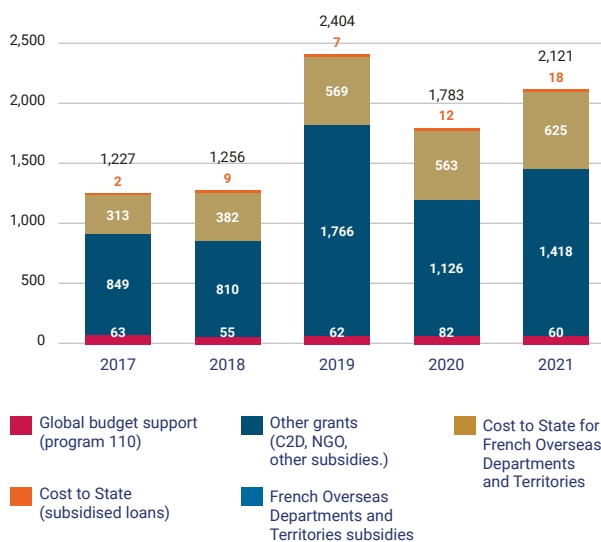
in 2021, a level which is stable in relation to 2020 (€8.8 billion). The volume of payments made by AFD recorded a slight drop at €6.2 billion in 2021 against €6.6 billion in 2020. This drop is also explained on the one hand by the very high volume of disbursements in 2020 (particularly the 2019 and 2020 grants), and on the other hand by the capping of the Group's commitments at €12 billion since 2020.



AFD benefited from €2.1 billion of financial effort¹ from the State in 2021 (+23.5% as compared to 2020). The level of financial effort was up in relation to 2020, with €1.4 billion of resources in donations and €0.6 billion for loan subsidies.

State financing effort implemented by AFD Group

In millions of €

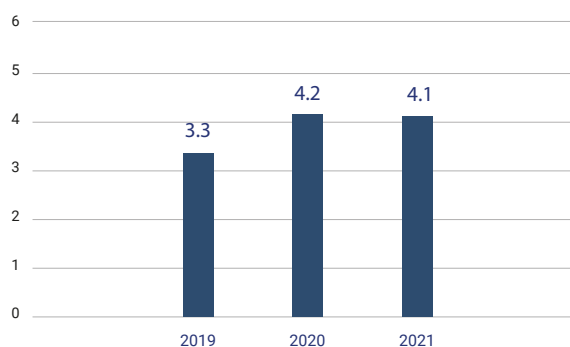


¹ Including the French Global Environment Facility.

In 2021, AFD Group contributed €4.1 billion (€4.2 billion in 2020) to French development aid according to the grant equivalent method (-3% in relation to 2020).

Contribution of AFD Group activity to French ODA

In billions of € (grant equivalent)



Key figures
for 2021

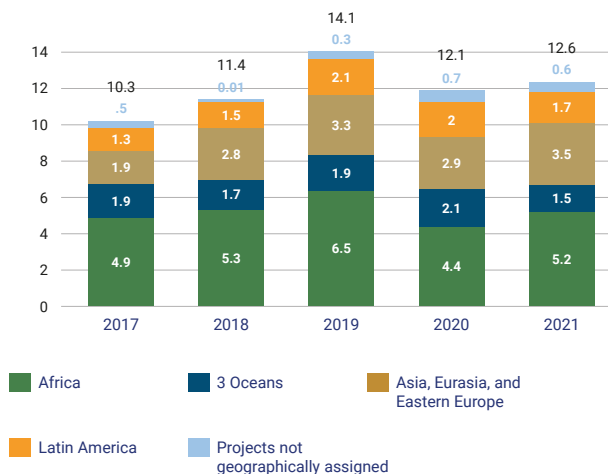
Priority for Africa maintained

In 2021, AFD financing approvals in Africa (Sub-Saharan Africa and North Africa) stood at €5.2 billion (excluding the Indian Ocean²), representing 43% of the Group's activity and making it the main region where the Group operates.

² By adding activity in the Indian Ocean (Comoros, Madagascar, Mauritius) included the Three Oceans region, activity in Africa reached €5.4 billion in 2021 (€4.93 billion in 2020).

AFD Group financing approvals

Distribution per geographical area, in billions of €



The upturn in activity in Africa is explained by the improvement in the health situation, which has enabled some projects to restart and new ones to be examined.

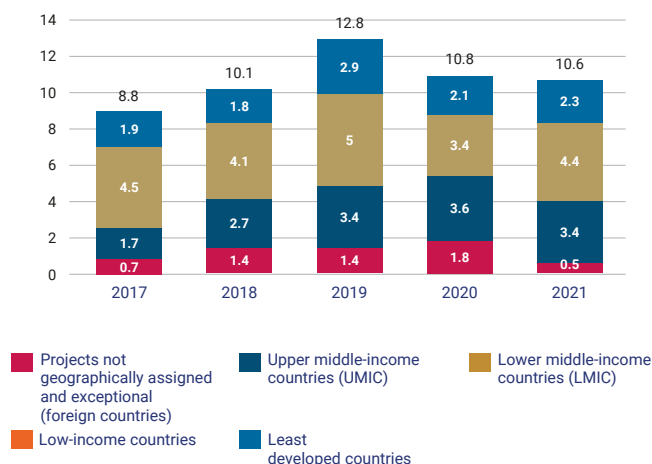
AFD financing approvals in the region of Asia, Eurasia (and Eastern Europe) stood at €3.5 billion in 2021, corresponding to 29% of AFD Group activity. Activity in Latin America amounted to €1.6 billion, representing 13% of the Group's activity.



In 2021, AFD funding commitments in the Three Oceans region reached €1.4 billion, representing 12% of the Group's overall activity. 36% of AFD Group's activity in foreign countries was conducted in lower middle-income countries, whereas those in the upper middle-income bracket represented 28%.

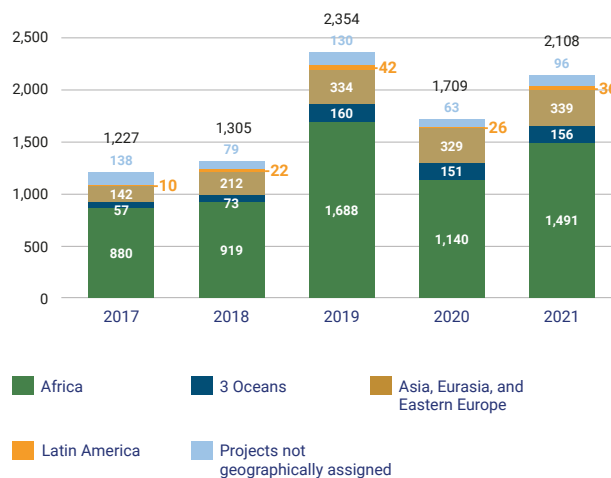
Distribution of AFD Group financing approvals

By country income level, in billions of €



Geographical distribution of State financial effort

In millions of €



Towards a world in common.

AFD Group implements France's policy in the areas of development and international solidarity. The Group includes Agence Française de Développement (AFD), which finances the public sector and NGOs, as well as research and education in sustainable development; its subsidiary Proparco, which is dedicated to private sector financing; and Expertise France, a technical cooperation agency. The Group finances, supports and accelerates transitions towards a fairer, more resilient world.

With our partners, we are building shared solutions with and for the people of the Global South. Our teams are at work on more than 4,000 projects in the field, in the French Overseas Departments and Territories, in 115 countries and in regions in crisis. We strive to protect global public goods – promoting a stable climate, biodiversity and peace, as well as gender equality, education and healthcare. In this way, we contribute to the commitment of France and the French people to achieve the Sustainable Development Goals (SDGs). Towards a world in common.



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