




RÉPUBLIQUE  
FRANÇAISE

*Liberté  
Égalité  
Fraternité*



# Energy transition

ACTIVITY REPORT

2023

#WorldInCommon



**E**nergy policy is the keystone to achieving many of the Sustainable Development Goals (SDGs). That's why AFD, Proparco, and Expertise France mobilize their wide range of technical and financial tools to support energy transitions throughout the world, thereby promoting universal access to efficient and low-carbon energy services.

In 2023, AFD Group allocated €1.8 billion in financing to the energy sector, with a special focus on supporting renewable energies (solar and hydroelectric) and bolstering electricity grids. The year was also marked by the growing importance of the Program for the Energy Efficiency of Buildings (PEEB). With "PEEB Cool" and "PEEB Med" now in effect, the program is being scaled up and its actions are being diversified. Projects can now benefit from concessional financing in addition to technical assistance in preparing projects and monitoring their implementation.

The political momentum generated by Just Energy Transition Partnerships (JETP) is also continuing. AFD is working to fulfill the commitments France made as part of JETP agreements signed with South Africa (2021), Indonesia and Vietnam (2022), and Senegal (2023). It supports those countries' energy transition policies by limiting the negative consequences they may have on the poorest. Toward the middle of 2023, AFD Group also adopted action priorities on these social aspects of the transition, which will enable it to support many other countries on this critical issue.

To fuel reflection and initiate solutions, AFD has strengthened its partnerships with major international philanthropy organizations such as the Global Energy Alliance for People and Planet (GEAPP) and key institutions such as the International Energy Agency (IEA).

AFD Group has taken a strong stance on major international strategic issues, as was evident in its high-profile participation at a number of development events in 2023, notably at COP28 and the Africa Climate Summit.

# AFD Group's energy strategy

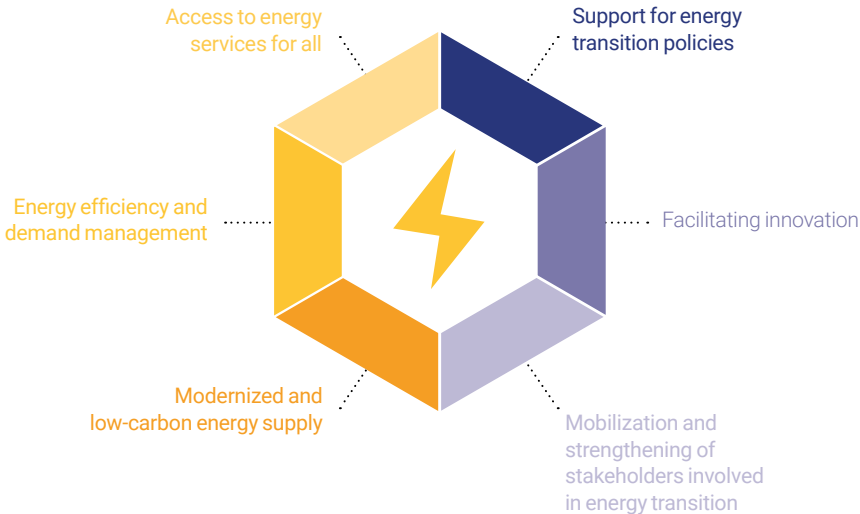
## Energy: a driver for development

The energy transition involves **far-reaching technological and societal changes** in industry, construction, mobility, urban planning, agriculture, and lifestyles. Developing and developed countries have both started up their transition, with the goal of **providing access to efficient, low-carbon energy services for all people**. With the help of technological developments, the energy transition can be an economic, social, and environmental opportunity for achieving the SDGs and the objectives of the Paris Climate Agreement.

AFD Group is taking action to implement a strategy with variations from country to country. It is based on **three action priorities** that make use of **three cross-functional levers**.

### 3 areas of operation

### 3 acceleration levers

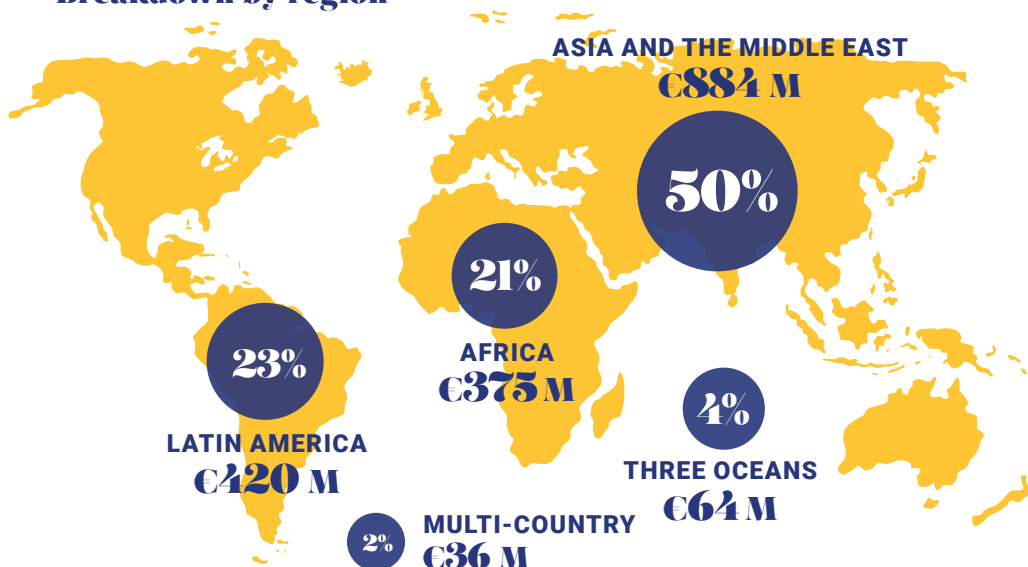


# AFD Group's energy commitments in 2023

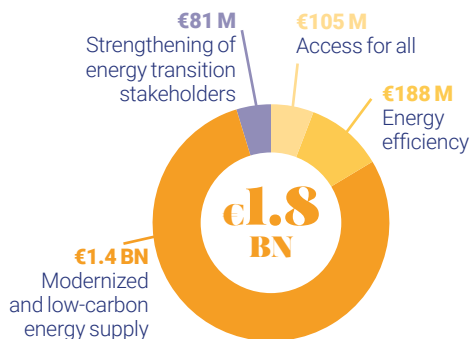
**1.8 BN**

committed to 71 projects,  
representing 13% of AFD Group's  
total commitments.

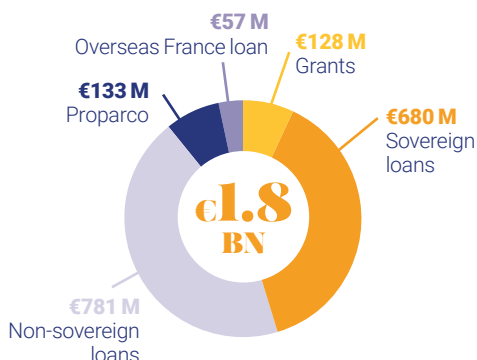
## Breakdown by region



## Breakdown by priority and strategic tool



## Breakdown by financial tool



# Our contribution to the SDGs

The energy commitments made in 2023 will help to meet 7 SDGs in a cross-cutting way.



**1.7 million**

people will obtain access to sustainable electricity services.



**200 GWh**

of energy consumption saved.



**39%**

representing €696 M of energy commitments, will have a positive impact on gender equality (OECD DAC 1 and 2 markers).



**1.7 million**

tonnes of CO<sub>2</sub> avoided, helping to reduce greenhouse gas emissions.



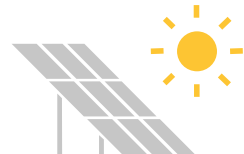
**1,189 MW**

of renewable energy generation capacity will be installed.



**€55 M**

in commitments to support public policies for energy transitions.



**14 million**

people will benefit from improved electricity service.



**€26 M**

for support and capacity building targeting local stakeholders.

# Our action priorities

1

**Pursue** universal access to energy services



**100% Africa**

**1.7million**

people will obtain access to sustainable electricity services



Mauritania

## Rural electrification project (*RIMDIR Énergie*)

Led by AFD with support from the EU, the World Bank and the African Development Bank, this program will establish 7 mini-grids to connect 47 localities in two rural provinces in southeast Mauritania. Ninety percent of the electricity will be generated by photovoltaic solar power and will benefit nearly 40,000 people and 700 businesses. *RIMDIR Énergie* will be the first public-private partnership in the energy sector in Mauritania.

€7 M investment grant and a €17 M EU delegated grant



Burundi

## Universal Electricity Access Program (UEAP)

Only 11% of Burundians have access to electricity, one of the lowest rates in the world. The UEAP program seeks to refurbish Bujumbura's electricity network and then spread it within the country. Strengthening and expanding the network will help improve people's living conditions, especially in the fields of health, education, food, and communications.

€10 M investment grant

2

## Promote energy efficiency



**200 GWh**

of energy consumption saved

Multi-country

### Program for Energy Efficiency in Buildings (PEEB Med)

This program co-financed by the EU supports the following seven Mediterranean countries in transforming their building and construction sectors: Algeria, Egypt, Jordan, Lebanon, Morocco, Palestinian Territories, and Tunisia. To do so, it promotes the design, construction, and operation of resilient, energy-efficient buildings that offer better thermal comfort. A reduction of 20ktCO<sub>2</sub>/year is expected by the end of the program.

**€30 M delegated EU grant, for a total of €380 M in financing**

3

## Encourage sustainable energies and reduce dependence on fossil fuels

**1,189 MW**

of renewable energy generation capacity to be installed



**5,499 km**

of high-voltage lines already installed



Turkey

### Construction of a photovoltaic solar power plant

Proparco is supporting the growth of Galata Wind Enerji, a Turkish company entirely dedicated to the development of renewable energies. A Proparco loan will help finance the construction of a 43 MWp photovoltaic solar power plant near Bursa, in northwest Turkey. The project will help avoid the equivalent of 21 ktCO<sub>2</sub> per year and will help to create or maintain 1,380 jobs over the long term.

**€23 M loan**

# Levers to promote the energy transition

## 1 Support for public policies

In 2023, AFD signed a new financing agreement to provide budget support for public policies. AFD's technical cooperation activities also helped to accelerate the deployment of renewable energies and raise ambitions for energy efficiency.



### “Energy Climate” public policy budget support

This program in Moldova supports energy sector reform, covering renewable energies, energy efficiency, consumer protection, climate change, and infrastructure. Its six phases between 2023 and 2028 are supporting the country's efforts to decarbonize its economy, to align it with EU standards.

The technical assistance to support these reforms will be managed by Expertise France.

**€40 M sovereign loan and a €5 M EU delegated technical assistance grant**



### Drawing up an energy transition plan

In its goal to become an upper-middle-income country by 2040, Uganda is carrying out an economic transformation that includes universal access to energy and the adoption of a low-carbon trajectory. In collaboration with the International Energy Agency (IEA) and in partnership with the Ministry of Energy and Mineral Development, AFD financed an energy transition plan and a strategic roadmap aimed at providing a framework for the sector's trajectory.

**Technical assistance grant of €286 K**

2

## Innovation and knowledge production for the energy transition

AFD Group promotes innovation by identifying breakthrough ideas that could take on concrete form and be replicated on a larger scale.



### Construction of a photovoltaic solar power plant

Mexico

To increase Mexico's capacity to generate electricity from renewable sources, this project is supporting the Comisión Federal de Electricidad (CFE) in building a 120 MWp floating solar power plant. It is also helping to guide the CFE's Gender and Inclusion Unit in developing its internal policy on professional equality, training its staff, and mainstreaming gender equality into its operational activities.

€150 M non-sovereign loan, €109 K gender-equality grant, and €1.5 M Fexte grant

3

## Mobilizing and strengthening stakeholders to support the energy transition

A big part of AFD Group's energy transition strategy is devoted to mobilizing technical and financial partners and to strengthening stakeholders in the Global South. In 2023, this culminated in new co-financing operations for projects, stronger collaborations and new partnerships.

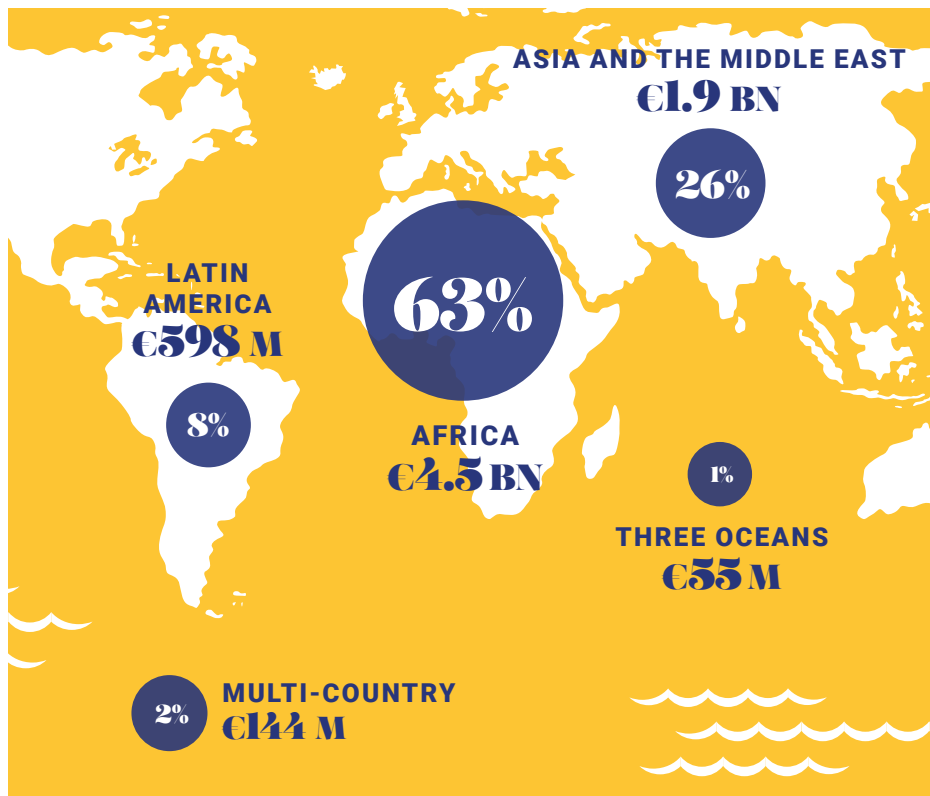


### Partnership with the Global Energy Alliance for People & Planet (GEAPP)

AFD and GEAPP — an alliance working to unlock green energy across the Global South — signed a partnership agreement at the Summit for a New Global Financial Pact in Paris in June 2023. As part of this agreement, GEAPP and AFD will seek to promote universal access to energy and a just energy transition in Africa, Asia, Latin America, and the Caribbean, by identifying co-financing opportunities and working on program-type approaches.

# Portfolio of projects in progress

**Breakdown by region** (% of total commitments in 2023)



**215**

**projects in progress**  
as of December 31, 2023,  
within AFD's Energy Division



**Total financing of**

**€7.2 BN**

of which €4.7 BN  
is yet to be disbursed.

# Impact of projects completed in 2023\*



**203,400**  
additional people have  
access to sustainable  
electricity services



**164,600**  
million people enjoy  
improved access to  
electricity



**3,000 MW**  
of new renewable  
energy capacity  
installed



**430 GWh/year**  
of energy saved  
over the year

\* These figures concern the AFD Energy Division only.

## Noteworthy achievements in 2023

### French Polynesia



#### Hospital air conditioning

The SWAC project is particularly innovative, as it uses a technology that covers all the hospital's cooling requirements and cuts its electricity consumption by half. It works by exploiting cold deep-sea water to air-condition the main hospital in Tahiti. This will enable nearly 2.5% of Tahiti's electricity production to be replaced by a renewable energy source.

**€50 M loan**

### Côte d'Ivoire



#### Distribution of renewable electricity

This project co-financed by the EU has strengthened the Ivorian distribution network in more than 350 localities. It has provided 50,000 connections for low-income households as part of the Electricity for All Program (PEPT), which plans to set up a revolving fund to finance more connections.

**€120 M loan**

**and €34 M EU grant**

## Towards a world in common

Agence Française de Développement (AFD) Group finances, supports and accelerates the transitions necessary for a more just and resilient world. It thus contributes to implementing France's policy on sustainable development and international solidarity.

It is with and for communities that we build, with our partners, solutions in more than 160 countries, as well as in 11 French over-seas departments and territories.

Our objective: To reconcile economic development with the pre-servation of common goods: the climate, biodiversity, peace, gender equality, education and health. Our teams are involved in more than 3,600 projects in the field, which are part of the commitment of France and the French people to fulfilling the Sustainable Development Goals. For a world in common.



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