



## AFD GROUP AND **Energy Transition Minerals**



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**x4**

The IEA estimates that, to achieve carbon neutrality, mineral demand will quadruple by 2040.

**15 years**

Average time needed to commission a new mine, hence the urgent need for action.

**€130<sub>M</sub>  
to €230<sub>M</sub>**

AFD Group's annual commitment target for transition minerals until 2026.

The energy transition relies on the deployment of low-carbon technologies (electric vehicles, renewable energies) that require substantial amounts of metals and minerals, including lithium, nickel, cobalt and copper.

Increasing mining and processing capacity for these minerals is therefore essential to the achievement of carbon neutrality. Securing critical minerals supply is also a strategic issue.

AFD Group's response is to resume operations in the sector. Its aim is to support the energy transition and a more responsible mining sector, in line with its SDG mandate and French and European strategies.

## Our main objectives

AFD Group mobilizes the expertise of its three entities (AFD, Proparco and Expertise France) for its integrated approach to supporting the sector. This strategy has four priority focuses:

- 1 To reduce the carbon footprint of mining activities**, by supporting renewable energy, transport, water and waste management projects.
- 2 To assist the implementation of responsible practices and intervention frameworks** by supporting governments and sector operators on key issues, including governance, capacity building, and environmental and social impacts.
- 3 To support local sectors and economic opportunities**, with a particular focus on recycling.
- 4 To provide selective support to mining and processing projects**, paying special attention to environmental and social risks.

## Our guiding principles

- **To prioritize critical energy transition minerals:** AFD Group's operations give priority to minerals that will be instrumental in the production of low-carbon technologies.
- **To apply high environmental and social (E&S) standards:** AFD Group applies E&S due diligence based on best practices, meaning it is highly selective in the projects it finances.
- **To systematically seek climate co-benefits:** building on AFD Group's climate methodologies, priority is given to mining projects that contribute to decarbonizing energy pathways.
- **To align our financing with the Paris Agreement:** as with all the projects it finances, AFD Group will ensure that mining-related operations are consistent with low-carbon and climate-resilient pathways.
- **To actively encourage co-financing** and partnership approaches: AFD Group promotes partnerships between funders and sector stakeholders to pool expertises and scale up impacts for the benefit of its partners and clients.

## Our projects

### FINANCING OF A DECARBONIZATION PROJECT

**Turkey: Proparco loan to the mining company Esan, 50 million USD**

**Objective:** Installation of more efficient equipment and renewable energies, with co-financing from the EBRD, to reduce annual greenhouse gas emissions by an estimated 28,000 tCO<sub>2</sub>.



### PRELIMINARY STUDIES FOR RESPONSIBLE LITHIUM MINING

**Argentina: AFD technical cooperation with BRGM, €800,000**

**Objective:** Technical cooperation between two provinces in Argentina and the French Geological Survey (BRGM) for a hydrogeological study to determine the conditions for sustainable lithium mining in the salars salt flats.



### SUPPORT FOR EXTRACTIVE INDUSTRY GOVERNANCE

**Senegal and the Republic of the Congo: technical assistance from Expertise France, €1 million**

**Objective:** Build the capacities of national committees and multi-stakeholder groups (administrations, companies, CSOs) to improve mining sector governance, in conjunction with the Extractive Industries Transparency Initiative (EITI).

