



Corporate Social Responsibility & Activity
REPORT

2023





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Rémy Rioux
Chief Executive
Officer (CEO)
AFD Group

Accordingly, the Group invested €12.3 billion to support more than a thousand projects, and reached an unprecedented cash outflow of over €9 billion. This total, which represents nearly 30% of France's official development assistance, helped to take this policy to an unprecedented level: 0.56% of our gross national income.

Our action was supported by the vitality of both the Group's subsidiaries. Proparco, with €2.3 billion committed, 53% of which in Africa, supported the "Choose Africa" initiative, which has supported some 40,000 start-ups and SMEs, and several hundred thousand micro-businesses in Africa to withstand the crisis and pursue their growth. For AFD Group, the year was also marked by growth in its technical cooperation offering, with the arrival on 1 January 2022 of its new subsidiary "Expertise France" (EF). With nearly €400 million worth of projects signed in 2022, EF has tripled in size since 2015, and employs nearly 1,000 experts on 380 projects, generating 65% of its sales on the African continent.

These results were obtained whilst reinforcing the Group's financial solidity and limiting its risks. Thus, for the first time, in 2022 AFD went beyond the €1 billion mark in net banking income (NBI), and achieved a net income of +€456 million.

Rémy Rioux, Chief Executive Officer of AFD Group: "2022: in its first year, AFD Group has achieved its objectives for the benefit of a development policy that has reached historic levels, and with the support of our fellow citizens".

How would you assess the first year of operation of the extended AFD Group, with the arrival of Expertise France?

2022 was marked by the return of war on the European continent and the resulting impact on growth, financial stability and food security, particularly in Africa. It was also a year of unprecedented heatwaves. Both these phenomena bring us directly into "the age of consequences".

In this context, AFD Group has maintained a high level of ambition for financing social investments around the world – in more than 150 countries and 11 French Overseas Departments and Territories.

In a fractured world threatened by the consequences of climate change, should we pull together to forge ahead?

Working together is the key, and our fellow citizens confirm it loud and clear: 80% of them are aware of the interdependence between what happens in emerging and developing countries, and their daily lives, with an increasing concern for protecting the planet. The young people in our country, who express a strong desire to commit to sustainable development at an international level, remind us that we have to work together.

The first partner of the World Bank in terms of number of common projects, and the first in terms of delegated funds by the European Commission, the AFD Group works with a large number of partner institutions. It also supports an ever-increasing number of players, working directly in the field, and local populations: 275 French and international civil society organizations received direct support in 2022. In addition, through the international cooperation it promotes among French local authorities, the Group helps to forge concrete ties between our territories and the rest of the world. Finally, 8% of French middle and high school students have been made aware of development challenges, and more than 3.5 million young people have been reached via social media, particularly through Tilt!, the special media run by AFD.

As part of this effort, AFD Group took part in all the major international events last year: COP27 in Egypt, the One Forest Summit in Libreville, and COP15 in Montreal. The Group also contributes to building #TeamEurope with all its partners on the JEFIC, EDFI and Practioners Network platforms. Recently, AFD contributed to the preparation of the Summit for a new global financing pact held in Paris on 22 and 23 June 2023, by mobilizing all of the world's 530 public development banks which, since 2020, have attended the Finance in Common Summit (FICS); and the development of a "sustainable development city" in Paris. AFD Group is also an official partner of Paris 2024, to make sport a driver of sustainable development.

AFD Group aims to align itself with the United Nations Sustainable Development Goals (SDGs). What impact does this have on its activities?

A specific and unique system was implemented from 2014, even before the SDGs were approved in September 2015, to ensure that the Group's activities effectively contribute to the essential goals of sustainable development. The first selection filter, the exclusion list – updated in 2022 – defines the activities which the Group refuses to finance a priori. This is supplemented with a detailed sustainable development analysis, which assesses the expected results in terms of sustainability. Finally, an independent internal opinion assesses the contributions expected of the project and rates how it aligns with sustainable development.

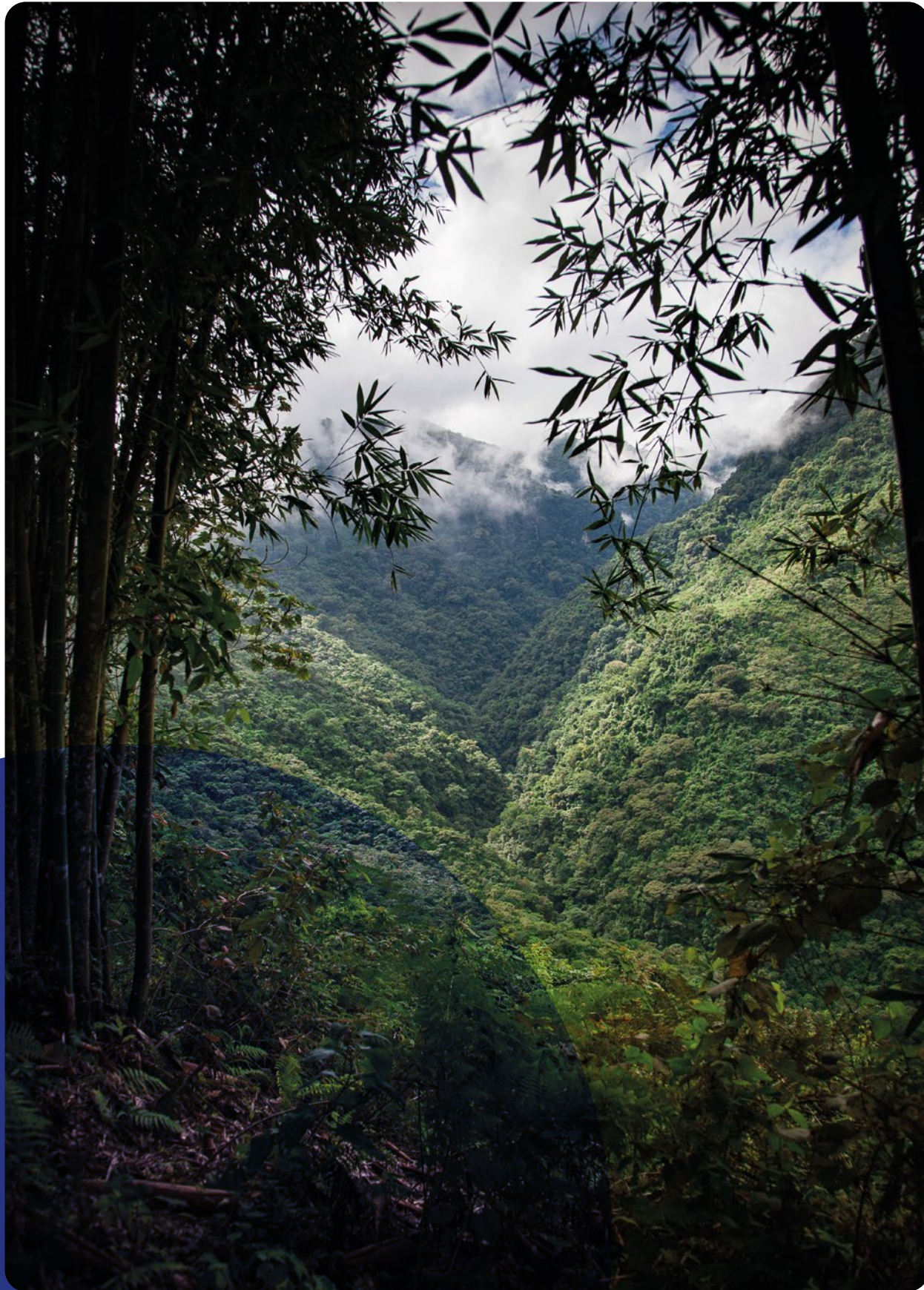
Thanks to these tools, the quality of our financing further improved in 2022, as 65% of it contributes to fighting climate change and 62% promoting gender equality. With very real results and impacts on which we can report: the signing of an energy transition partnership with South Africa, improved access to healthcare for 64 million people, the school enrollment of 14 million young girls, and the conservation or restoration of 35 million hectares of land.

Characteristic of AFD Group, this requirement for "SDG" quality also applies to our internal operations: the fight against discrimination and for gender equality in the workplace; a low-carbon trajectory; responsible purchasing; raising employee awareness of the need for sobriety and eco-gestures, etc. All of these actions guide our work and are officially recognized, particularly through our dual Afnor certification for diversity and professional equality.

More than ever, AFD Group is committed to a world in common.

Working together is the key, and our fellow citizens confirm it loud and clear.

Interview



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01

COHERENT ACTION IN FAVOR OF THE SDGs

On 25 September 2015, the 193 Member States of the UN unanimously adopted the 2030 Agenda for Sustainable Development.

This "2030 Agenda" aims to transform our world, for people, for the planet, for prosperity, for peace and through partnerships. It has 17 sustainable development goals (SDGs), which set targets to be achieved in every area of sustainable development.

The SDGs set out the global challenges we face, including poverty, inequalities, climate change, loss of biodiversity and resolving conflicts. As a Member State of the UN, France is committed to achieving the SDGs in its territory and contributing to the global effort to achieve them, and has assigned part of this mission to AFD Group.

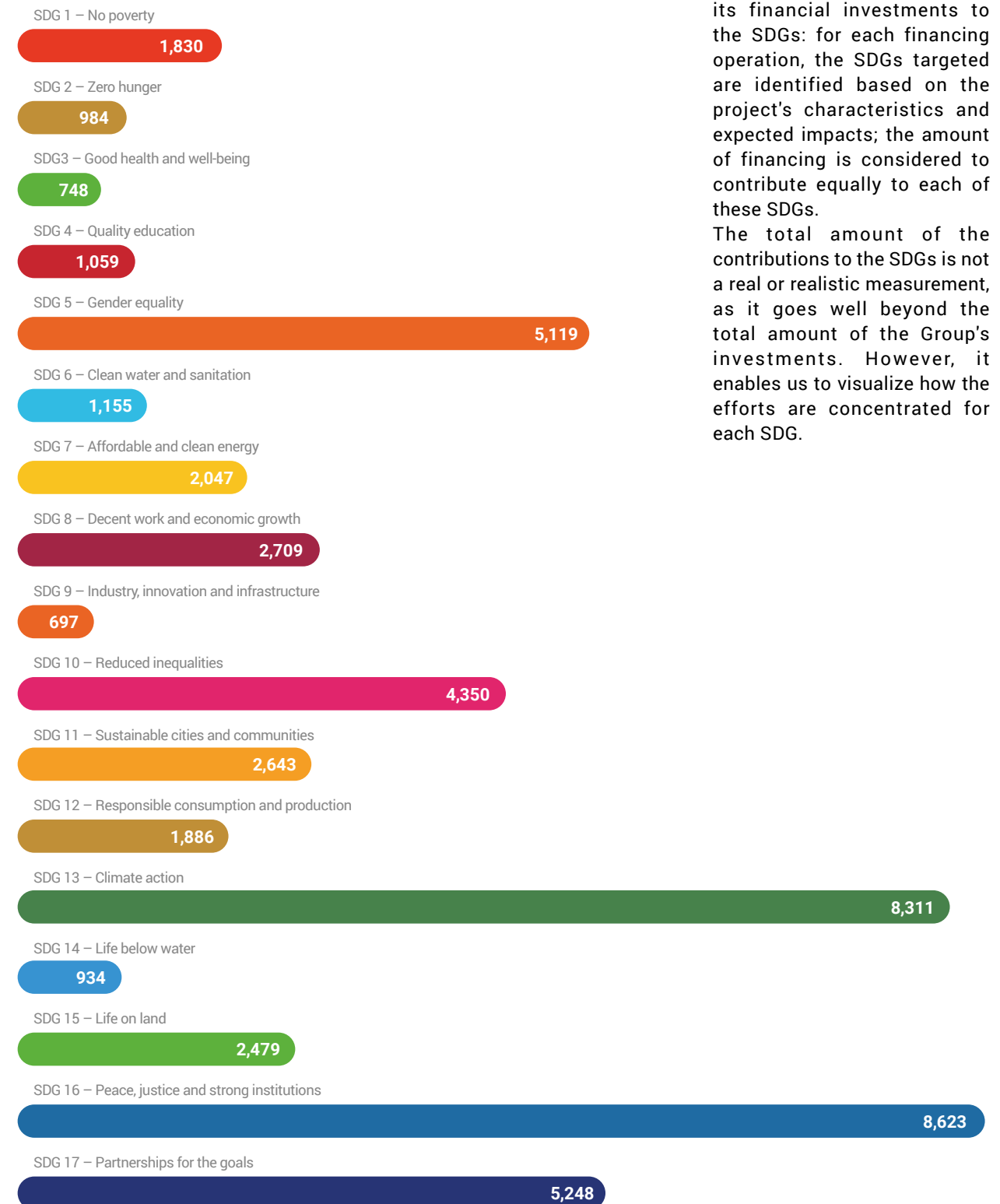
AFD does not just contribute to the SDGs; it also takes care not to undermine any of them. For this purpose, it draws on its sustainable development analysis and advice system in order to review its entire portfolio in terms of its impacts. You will find a review of this system in this document.

AFD GROUP DEVELOPMENT RESULTS IN 2023



CONTRIBUTION TO THE SDGs

INVESTMENT AUTHORIZATIONS 2022
in € millions



AFD Group has developed a specific methodology to calculate the contribution of its financial investments to the SDGs: for each financing operation, the SDGs targeted are identified based on the project's characteristics and expected impacts; the amount of financing is considered to contribute equally to each of these SDGs. The total amount of the contributions to the SDGs is not a real or realistic measurement, as it goes well beyond the total amount of the Group's investments. However, it enables us to visualize how the efforts are concentrated for each SDG.



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14.9 million people benefit from improved services thanks to projects financed by AFD.

In 2022, AFD Group financed around one thousand projects around the world, for an amount of €12.3 billion. Projects signed in Africa accounted for €5.5 billion, i.e. nearly half of the financial amount invested by the Group.

SDG1 - End poverty in all its forms everywhere

Fighting poverty is one of the major aims of AFD Group's action. Because poverty is a multi-dimensional issue, with many economic, political and social origins, the solutions offered by development aid must be cross-cutting. Only by contributing to the achievement of all of the sustainable development goals (SDGs) will we make it possible to eliminate extreme poverty and hunger.

Alongside the European Union, AFD financed the Resilac project, which aims to achieve economic recovery and enhance the resilience and social cohesion of four countries in the Lake Chad region: Cameroon, Niger, Nigeria and Chad. Lake Chad, a zone that symbolizes the threats of climate change for poor countries, is also at the center of a regional security crisis. With support from AFD, 254 villages and 158,000 people have received help over a period of five years (2018-2022).

Through the projects it finances, AFD seeks to positively impact people who are in vulnerable economic situations. The Group helps to offer wider access to social protection and basic services, to guarantee equal economic opportunities for all, and to enhance the resilience of vulnerable people in the face of climate change and economic or social disasters.

01 People

100% SOCIAL LINK, ACTING FOR PEOPLE



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SDG 2 - End hunger, achieve food security and improved nutrition, and promote sustainable agriculture

To fight hunger around the world, and particularly in the priority countries for French aid, AFD Group strives to **contribute to food security, improve nutrition, and promote sustainable agriculture** through the activities it finances. It supports family farms, and promotes ecological farming practices that align with environmental protection.

In 2022, in the context of an international food crisis aggravated by the war in Ukraine, the Group paid particular attention to the issue of hunger. Its commitments to agriculture, rural development and biodiversity **reached €1.18 billion**, including €429 million for Africa.

AFD is fully invested in boosting the Great Green Wall (GGW) announced at the 2021 One Planet Summit, and has made the **development of plant protein chains** a major focus of its contribution. At the EU-AU summit in February 2022, it launched a call for projects on this subject with the Civil Society Organizations (CSO) in the countries of the GGW,

leading to the start of operations in the Senegal river valley, in Chad and in Niger at the start of 2023.

AFD Group also supports the Economic Community of West African States (ECOWAS) in a project **promoting the organization of local dairy branches**, to reduce the region's increasing dependency on imports, and to guarantee the food security and nutrition of the populations.

More locally, AFD is seeking to increase the involvement of the provinces around Kinshasa in **providing food to the Congolese capital**, based on sustainable agriculture, rural entrepreneurship and the structuring of producer organizations.

In 2022, the projects financed by the Group made it possible to **improve the economic performances of 363,000 family farms** and to support 90,700 of them in their conversion to ecological farming systems.

The projects financed by AFD made it possible to convert 20,700 hectares to ecological farming systems in 2022



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PEOPLE – Flagship initiative

Acumen Resilient Agriculture Fund

EAST AND WEST AFRICA

FISEA+ FINANCING: >€4.5 MILLION

SINCE 2021

What is the goal?

The Acumen Resilient Agriculture Fund (ARAF) is financed by several partners and development financing institutions, through the FISEA+ facility. It is focused on the issue of food security and invests in start-ups that offer innovative solutions to help small farmers in East and West Africa to adapt to climate change.

"Small farmers feed the world, but they are amongst the hardest hit by the climate crisis."

Tamer El-Raghy, Managing Director, ARAF

What are the contributions to the SDGs?





SDG3 - Ensure healthy lives and promote well-being for all at all ages

After two years of the Covid-19 epidemic, in 2022 the health crisis emergency gradually gave way to the structural challenges faced by health and social protection systems. In a context of growing instability (war in Ukraine, food crisis, etc.), amplified by climate change, AFD Group is continuing its investments to promote the construction of **inclusive and suitable health and social protection systems**. Strengthening these systems in order to ensure people's safety, health and well-being, and their resilience to future threats, is essential.

66 projects were financed in the sectors of health and social protection over the last year, **for an amount of €360.6 million**. AFD's investments, 63% of which were in foreign countries and 37% in overseas territories, will allow **more than 28 million people around the world to enjoy better access to healthcare**.

The financing granted by the Group covers crucial challenges such as monitoring epidemics, human resources in the health sector, low-carbon hospital infrastructures resilient to climate change, and adaptive social protection, to protect the most vulnerable during crises. Eleven countries have received support to develop their early warning and health risk management capabilities, and four to implement social protection measures.

In Iraq, AFD committed Expertise France to support **the commissioning of a medical care and research center at University of Mosul**, which had been damaged since the city was occupied by ISIS. The grant awarded will serve to renovate the building and its equipment, and to provide technical assistance in terms of governance and the business

Thanks to AFD's commitments, 2.2 million people will get better social protection.

model, in partnership with French hospitals.

AFD also worked with the World Bank to support **the reform of health, social protection and employment policies in Georgia**, to encourage the efforts of the government in Tbilisi to achieve European standards.

AFD Group invested €58 million in projects aimed at improving sexual and reproductive health and rights around the world. Alongside the Bill and Melinda Gates Foundation, in particular it renewed its support for the African Network of Health Education ("Réseau Africain de l'Éducation pour la Santé" - RAES) NGO, which produces **the health education series "C'est la vie" (literally, "That's life")**.

In 2022, AFD signed **an agreement with Africa CDC**, the African Union institution tasked with preparing for – and responding to – epidemics on the continent, to improve collaboration on these issues.



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In 2022, AFD supported the schooling of more than 400,000 children at primary school and secondary school, of which 47% were girls.

teachers and raising awareness in communities. Particular attention is paid to effectively finishing primary school and the move to secondary education, a key moment that is often marked by inequalities. Educational

support, renovating learning spaces, building latrines and canteens, and raising awareness about menstrual hygiene also play an essential role in educating girls. A reinforcement of the capacities of the Ministry for Education is also planned.

AFD's activity is also focused on supporting higher education: 135 establishments have received aid in 2022. For example, a sovereign loan will serve to build **student accommodation facilities close to 20 universities in Nigeria**, with a capacity of 18,500 beds.

In line with its aim to reinforce training-employment policies, AFD **supports the Côte d'Ivoire Youth Employment Agency** to find suitable pathways for young people and the local context. The program will ultimately reach 81,000 beneficiaries.

SDG4 - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Acquiring knowledge and skills throughout life is one of the cornerstones for fairer and more sustainable development. In this regard, AFD Group considers that vocational training, higher education and employment **form a "continuum"** to be analyzed and treated as a whole.

In 2022, **30 new projects** were launched in the sphere of education, training and youth employment, for **a total of €629 million**. French-speaking countries account for 62% of this financing.

Among the new projects approved in the field of basic education, AFD supports one for **improving apprenticeships for the independence of young people (ALAPAJ) in Chad**, which aims to improve quality of and access to education for children, particularly girls, by **building schools, training**



In 2022, AFD Group has invested €1.3 billion in projects to reduce gender inequalities

SDG5 - Achieve gender equality and empower all women and girls

Gender equality is at the heart of Agenda 2030 and it is a priority for AFD Group. Through its activities, the Group undertakes **to help women**, and embodies France's **feminist diplomacy**.

Four priorities guide AFD's action:

- Advancing rights for women and girls, by investing in health and education, among other things;
- Fighting all forms of violence against women;
- Promoting the economic independence of women;
- Reducing gender inequalities in the face of climate change.

AFD Group's projects contribute directly to **achieving SDG 5**, "Achieve gender equality and empower all women and girls", but also to taking gender into account in the other SDGs.

In 2022, **249 projects** accounting for more than **€5.1 billion in commitments** had a gender co-benefit (score DAC-1 and DAC-2). Amongst them, 42 focused primarily on gender inequalities (score DAC-2), for a total of €688 million.

Through the "Pour elles" (For women) project, AFD provides **economic and technical support to women entrepreneurs in the Democratic Republic of Congo**. In particular, the initiative aims to develop their entrepreneurial culture and ensure the visibility of their career paths.

In Madagascar, the Group is committed to **assisting young single mothers in the poor districts of Antananarivo**. Through the Sandrata project, implemented by the "Action Education and Solidarité Laïque" NGOs since 2021, these women have benefited from mentoring, psycho-social support and help for training and entering the job market.

What is the DAC gender marker?

AFD Group's projects are analyzed systematically regarding gender issues. A grading system based on the OECD DAC marker has been implemented.

- DAC0: the project does not target gender equality.
- DAC1: gender equality is an important and deliberate objective of the project.
- DAC2: gender equality is the main objective of the project.

All AFD projects are given a DAC score. In 2022, 61.1% of them were marked DAC1 or DAC2, well above the target of 50%.



SDG6 - Ensure availability and sustainable management of water and sanitation for all

Representing a major issue for sustainable development, water is **essential for health, food security, biodiversity and peace**. Demographic growth and climate change are putting **unprecedented pressure on the planet's water resources**, with shortages and natural disasters on the rise. One quarter of people do not have access to good-quality drinking water in their home, and half do not have suitable sanitation.

In response to these issues, AFD committed **€1.2 billion in financing** in 2022. For the first time, its investments in Africa went beyond the €500 million mark.

The Group has **299 projects in progress in the sphere of water and sanitation**. These projects meet three priorities:

- Reducing inequalities in access through collective and centralized infrastructures;
- Acting for climate and ecological resilience by promoting service efficiency and sobriety, the circular economy, and solutions based on nature;
- Improving governance, both by reinforcing the capacities of stakeholders, and raising awareness about hygiene and citizen participation.

In **Angola**, AFD and the World Bank have been supporting the RECLIMA program, which aims **to renovate and extend water infrastructures**, since 2017. The country faces recurrent droughts, particularly in the southern region; in 2020, only 57% of the population had access to an improved water resource. The project will include **solutions based on nature**, such as sand dams, and will help to secure access to drinking water for 955,000 people.

In 2022, AFD's projects allowed 4.9 million people to benefit from an improved drinking water service managed safely.

AFD is also committed in **Chattogram, Bangladesh's largest port**, which is undergoing rapid population growth. It finances **the collection and treatment of wastewater** before it is discharged into the Bay of Bengal, thereby contributing to pollution control and public health.

In the **South-east of Mauritania**, close to the border with Mali, the lack of water can create social tensions. In response, AFD is helping with the creation or renovation of **66 drinking water supply systems**, the construction of 191 sanitary facilities and 10 watering points for herds. The project to prevent the risks of conflict goes hand-in-hand with a **hygiene awareness program**. Around the world, some 590,000 people benefited from this kind of action in 2022.



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SDG10 - Reduce inequality within and among countries

AFD Group strives to **fight against inequalities of wealth and opportunity**, in particular through its "100% Social link" strategy. In 2022, this ambition yielded concrete advances: the revised sustainable development analysis and opinion grid now assesses the AFD's efforts to reduce multidimensional inequalities and promote inclusion, a benchmark study was carried out to assess the extent to which inequalities are taken into account in AFD projects, an "equality and inclusion" indicator was introduced, and new operational tools are being developed to take better account of inequalities and inclusion in projects.

The extension of the EU-AFD research facility on inequalities (FRI), launched in 2021, has focused on four countries over the past year. In Colombia and Indonesia, the program made it possible to carry out surveys of inequalities to enlighten the choice of

According to the 2022 barometer of the "Equality and Inclusion" indicator, AFD financed 121 operations with a secondary or primary goal of reducing inequalities and promoting inclusion.

public policies; in South Africa, the "Community Explorer" tool was created to provide detailed data about the local labor market; in Mexico, work has mostly focused on the design of healthcare systems.

Projects aimed at reducing inequalities and promoting inclusion, as a primary

or secondary objective, accounted for **€3.7 billion in commitments in 2022**. Thanks to support from AFD, **populations of 154 precarious districts in Kenya will enjoy better access to services, employment and new infrastructures** (transport, public lighting, waste management, community centers, etc.). The project will transform the living conditions of the residents of the districts in question, in particular young people, women and the elderly.

A project to support the national adaptive protection system in Mauritania, implemented in response to the food crisis, is helping to reduce inequalities by strengthening the national social protection system for vulnerable households, enabling them to benefit from quality social cover.



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PEOPLE – Flagship initiative

Pour elles

📍 DEMOCRATIC REPUBLIC OF CONGO

💰 €12M GRANT

📅 SINCE 2022

What is the goal?

Disproving stereotypes! The "Pour elles" project promotes the economic empowerment of women in the DRC by strengthening and structuring public-private players in the female entrepreneurial ecosystem. It provides financial and technical support to companies led by women in Kinshasa, Kikwit and Bukavu.

What are the results?

- More than 1,200 women entrepreneurs will be supported for four years;
- Public-private players from Congo involved in women's entrepreneurship will receive support to improve their services for women entrepreneurs;
- Success stories featuring women entrepreneurs will be promoted to raise awareness and provide role models to other women.

What are the contributions to the SDGs?





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02 Planet

100% PARIS AGREEMENT, ACTING FOR THE PLANET



In 2022, thanks to AFD and its partners, 13 million people benefited from a higher quality electricity service.



SDG7 - Ensure access to affordable, reliable, sustainable and modern energy for all

Launched in 2019, AFD Group's Energy strategy focuses on **accelerating the energy transition** in developing countries, towards **energy services that are accessible to all, efficient, resilient and carbon neutral**.

The Group's work on the energy transition is based on three levers:

- Supporting public policies;
- Mobilizing and strengthening participants;
- Supporting innovation.

At the end of 2021, AFD Group undertook to no longer finance projects involving power and heating stations that use fossil fuels. In 2022, it granted €2 billion in financing in the energy sector.

During COP26, France, Germany, the UK, the USA and the EU signed the **Just Energy Transition Partnership (JET-P) alongside South Africa**, to assist the country in its **decarbonization efforts** whilst protecting vulnerable populations. During COP27 in 2022, France's commitment took the form of a €300 million policy-based loan, and support for two new JET-P partnerships with Indonesia and Vietnam.

For its part, in October 2022 the Green Climate Fund (GCF) adopted the **PEEB Cool program**, implemented by AFD, Proparco and GIZ. It will devote €1.3 billion to **building construction and renovation works, energy efficiency and adapting to climate change, in eleven countries**: Albania, Argentina, Costa Rica, Djibouti, Indonesia, North Macedonia, Morocco,

Mexico, Nigeria, Sri Lanka and Tunisia.

In Madagascar, AFD and the European Commission have supported the deployment of **130 rural electrification mini-grids**. Thanks to an investment grant, electricity prices should be significantly lower for customers in the five regions in the South and West of the country.

Finally, in Benin, AFD is co-financing **the installation of a photovoltaic plant** on the Onigbolo site with the European Union. Through this project and others carried out by the Group all around the world, one million people will have access to a sustainable electricity service in 2022.



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SDG11 - Make cities and human settlements inclusive, safe, resilient and sustainable

To ensure quality of life and economic opportunities for the inhabitants of urban communities, AFD Group commits to promote **sustainable, inclusive, productive and low-carbon cities that are resilient to climate change**. Through its activities, it contributes to offering development solutions that are adapted to the particularities of territories, improving city dwellers' access to essential urban services, such as waste management, housing, and urban mobility, and assisting the city's players while supporting decentralization and local financing.

In 2022, **new projects dedicated to the sustainable city accounted for nearly €1.6 billion in commitments**. Projects under way have enabled 13.3 million city dwellers and users to benefit from an improved quality of urban life, with 2.6 million people benefiting from better urban services (water, energy, etc.), and 3.2 million people benefiting from improved living conditions and access to public spaces and urban amenities. Some 1,860 structures (municipalities, other institutions, etc.) have benefited from improved capacity.

In the south of the Gaza strip, the renovation of a dump and the implementation of an intercommunal waste management structure reduced the sanitary and environmental risks related to pollution in the water table for about 800,000 people, i.e. 45% of the total population of Gaza.

The projects financed by AFD Group helped to improve the quality of life of more than 13 million city dwellers in 2022.



© Jorge Cardoso

In Porto Alegre, Brazil, AFD, along with the World Bank, is **financing important work to renovate the urban center, and providing technical assistance** to help enhance the resilience of infrastructures to disasters, promote the public architectural heritage, and increase social and economic inclusion for disadvantaged populations.

As a partner of Paris 2024, AFD Group is also supporting **the organization of the Dakar Youth Olympic Games (YOG), 2026**. For this first Olympic event in Africa, three sites will undergo a complete renovation, including the historic Mar Diop Stadium. Moreover, the project aims to encourage young people in Senegal to take up sport, with an inclusive approach for women and people with reduced mobility, including the construction of local facilities for basketball, football and beach volleyball.

AFD has also granted financing, notably to prevent flooding and shore up the urban resilience of **Dông Hà in Vietnam**, for the renovation of informal districts in Kigali, **Rwanda**, for an urban sludge treatment project in Antalya, **Turkey**, and to improve living conditions in three cities in **Lebanon**.

Public transport, which is indispensable for alleviating congestion and air pollution, is a major lever for making cities more "liveable" and inclusive. In total, 128 kilometers of urban public transport lines have been created or renovated thanks to the activities of AFD Group in 2022. **These commitments in the urban mobility sector, which was undermined by the Covid-19 crisis, amounted to €1.3 billion.**

The Group invested in underground railway projects (in Ankara, Turkey, in Ahmedabad, India), Rapid Transit Bus (in Medan and Bandung, Indonesia, in Dhaka, Bangladesh, and in Nairobi, Kenya), "traditional" buses (in Dakar, Senegal, and South Africa), but also in **innovative projects to promote active modes (in Madagascar and Serbia) and electric mobility**.

In large urban areas in Colombia, AFD oversaw the replacement of **1,000 diesel-fuelled buses by electric buses**. This operation will put these cities on a low-carbon trajectory, while facilitating the emergence of a local green industrial sector, since vehicle bodywork, maintenance and battery recycling will be carried out locally.



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In 2022, climate financing accounted for 61% of AFD Group's total commitments.

financing authorizations abroad amount to €5.7 billion for AFD (70% of commitments) and €902 million for Proparco (45% of commitments). In French overseas territories, climate financing authorizations amount to €310 million.

SDG13 - Take urgent action to combat climate change and its impacts

In the wake of the Paris Climate Agreement, in 2017 AFD Group adopted its "Climate and Development" strategy, which aims to ensure that its financial flows are aligned with a low-carbon development that is resilient to the effects of climate change.

The Group's climate commitments reached **€6.9 billion in 2022**, for 249 projects. **In foreign countries, 65% of the activity has a climate co-benefit**, a result well ahead of the targeted 50%. Climate

Climate financing for **adapting to the current and future impacts of climate change**, such as increased droughts, greater flooding and rising sea levels, totaled €2.2 billion (foreign countries and French overseas territories). For example, **in Indonesia**, AFD and the Japanese International Cooperation Agency (JICA) are co-financing a **project to improve the resilience of populations to natural disasters**. Other projects include managing water resources, preventing climate risks, and sustainable agriculture.

Activities **to attenuate climate change**, which seek to reduce greenhouse gas emissions, accounted for €4.7 billion of commitments (foreign countries and French overseas territories). The projects financed mostly concern the promotion of renewable energy sources, sustainable transport and energy efficiency programs. AFD is notably supporting **the South African government in starting a fair energy transition** in its country, which is heavily dependent on coal.

In 2022, AFD Group continued its partnership with the **Green Climate Fund (GCF)**, with whom it is financing the Building Energy Efficiency Program (PEEB Cool). **The 2050 Facility** supported the formulation and implementation of long-term low-carbon strategies in Burkina Faso, Ethiopia, Vanuatu and Costa Rica. AFD also launched the second phase of its **AdaptAction** program, which sets out to increase the resilience of the populations and ecosystems in 12 vulnerable African countries.



SDG14 - Conserve and sustainably use the oceans, seas and marine resources for sustainable development

SDG15 - Protect and restore terrestrial ecosystems

The adoption of the **Global Biodiversity Framework (GBF)** in 2022, at COP15 of the Convention on Biological Diversity, gave renewed impetus to economic and financial players to take into account the systemic risks induced by the accelerated degradation of biodiversity.

AFD Group is committed to development that is reconciled with nature and, in 2020, set out a **biodiversity roadmap** defining the two main targets for 2025:

- devoting €1 billion of its financing to biodiversity per year, a twofold increase over 2020;
- ensuring that 30% of its annual climate financing is favorable to nature, in a logic of converging the climate and biodiversity.

The 2022 results are fully in line with this trajectory of **ramping up biodiversity finance** within the Group: total dedicated financing amounted to **€736 billion, up 25% on 2021**, and 29% of climate financing was favorable to biodiversity.

In 2022, DAC-1 projects accounted for €541 million and DAC-2 projects €195 million. A project is marked DAC-1 if its secondary objective is to conserve nature and preserve natural resources, and DAC-2 if it is the primary objective.

Furthermore, since January 2022, AFD has applied a more rigorous methodology to account for its commitments in favor of biodiversity. It is no longer an automatic sectoral matching, but an ad hoc analysis regarding the project's intention with regard to biodiversity.

How does AFD Group measure the carbon footprint of its operations?

The Group reports on the carbon impact of its portfolio in the food processing, forestry, transport, energy, water and sanitation, buildings, and waste processing sectors.

It calculates the emissions of the projects financed over the year by distinguishing between:

- absolute emissions, i.e. the amount of emissions induced by all the projects without taking into account the reference scenario;
- relative emissions, i.e. the sum of the carbon footprints of all the projects;
- emissions avoided, i.e. the specific contribution of the projects aimed at reducing greenhouse gas emissions.



By way of comparison, greenhouse gas emissions in France would reach 408 MtCO₂eq in 2022 (excluding imported emissions), according to the forecasts established by Citepa.

* Millions of tons of CO₂ equivalent



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AFD Group's approach to biodiversity issues reveals its "Nature+" ambition and its intention to align itself with the Global Biodiversity Framework. It promotes a **mainstreaming approach, i.e. the integration of biodiversity** into all sectors of intervention (agroecology, water and sanitation, urban development, infrastructures, finance, etc.), with the achievement of SDGs 14 and 15 underpinning the attainment of many others, and it finances actions aimed directly at **preserving and restoring marine and terrestrial ecosystems**.

In Côte d'Ivoire, the Makoré project aims to **enhance the management of protected areas**, plagued by illegal hunting and deforestation, by improving their conservation status and enhancing their value for local communities.

Six nature reserves will be renovated, and AFD will support the development of agroecology and eco-tourism in the surrounding areas.

In the Orient zone, the Group is focused on ocean-related issues. It is notably supporting a

More than 40 million hectares of natural environments benefited from conservation or biodiversity restoration programs in 2022.

sustainable marine and coastal fishing project in four Cambodian provinces, which set out, among other things, to regenerate fishing resources (mangroves, coral reefs, seagrasses).

In Latin America, other than its activity to assist green cities, AFD has stepped up its activities to **safeguard the Amazon rainforest, its biodiversity and its indigenous peoples**. The TerrIndigena project will ultimately protect more than 50 million hectares of land in Brazil, Colombia, Ecuador and Peru, with the help of sixty indigenous organizations.

Since the resources devoted to protected areas are limited, even though they are effective tools for preventing biodiversity erosion and climate change, AFD Group also contributes to the

Legacy Landscapes Fund, a fund for protecting and conserving emblematic landscapes for global biodiversity.



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PLANET – Flagship initiative

Clean Oceans

MULTIPLE COUNTRIES

FINANCING OF €4 BILLION IN PROJECTS BY THE END OF 2025

What is the goal?

Clean Oceans is the biggest partnership initiative dedicated to reducing plastic pollution in oceans. Launched five years ago by the European Investment Bank, in collaboration with AFD and KfW, it supports projects aimed at treating or recycling plastic waste in coastal areas. Every year, 12 million tons of garbage ends up in the sea.

What projects are financed?

- Managing and recycling plastic waste in the countries of the Organization of Eastern Caribbean States (OECS), of which Guadeloupe and Martinique are associate members;
- Managing waste in the coastal town of Lomé, Togo;
- Improving the sanitation infrastructure in Buenos Aires, Argentina;
- Cleaning up sailing routes from the center of China;
- Managing wastewater in Alexandria, Egypt;
- Managing rainwater and protecting against flooding in Cotonou, Benin, etc.

What are the contributions to the SDGs?





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SDG16 - Promote peaceful and inclusive societies for sustainable development

As stipulated by the French law of 4 August 2021, "the policy of inclusive development and the fight against global inequalities is a pillar of French foreign policy, and contributes to building and ensuring peace and security, alongside its diplomatic and military action." AFD Group integrates this goal into its work in fragile contexts or crises, particularly by:

- investing intentionally in **preventing crises and violent conflicts**;
- fully assuming **coordinated action** with participants in diplomacy, defense, humanitarian, development and research during crises;
- prioritizing economic, social, political and cultural inclusion, and respect for human rights to **combat the weakening of societies**, in line with its "100% Social Link" strategy.

Because traditional, long-term approaches to development are unable to meet the needs of populations in rapidly deteriorating contexts, AFD has adopted **a specific tool: the Minka**

Peace and Resilience Fund. Set up in 2017, it is the instrument of the Humanitarian-Development-Peace Nexus. It finances projects to prevent and resolve violent conflicts in the Sahel, the countries around Lake Chad, the Central African Republic and the Middle East.

In 2022, the Minka fund granted €230.8 million to 22 projects. To support the United Nations' "Women, Peace and Security" agenda, AFD notably launched a **call for projects for an amount of €10 million, which will benefit three programs supporting feminist civil society organizations** working to promote gender equality in crisis and conflict areas.

Through its actions in the field of governance, AFD Group also endeavors to **promote peaceful and inclusive societies, access to justice, and the implementation of efficient, responsible and open institutions.** To carry out this mission, it strives to go beyond a status-centric vision and to work with civil society organizations, local authorities, citizens' groups, companies, etc.

The Group devoted **€1.2 billion to different activities related to governance in 2022.** In terms of finance, AFD undertakes to optimally manage public resources: funds have been granted to improve public services in Armenia, to promote the transition to a green economy in Uzbekistan, and to support significant reforms in Tunisia.

03 Peace

DIPLOMACY, DEFENSE, DEVELOPMENT
ACTING FOR PEACE IN 3D



© Pepieng TOUFBY / AFD

73% of Minka Fund financing and nearly 50% of AFD financing in the field of governance are carried out on the African continent.



© Zeen Erik

AFD also encourages freedom of information and citizen participation, as part of its commitment to working closely with and for local populations. It is continuing its efforts **to promote responsible, transparent public action and consolidate the rule of law**. In Niger, for example, the Kariya project aims to build trust between public authorities and citizens by strengthening the capacities of civil protection services.

The Tantsoroka ho an'ny Diaspora (TADY) project in Madagascar is another example of AFD's determination to **make migration a factor for development**: it mobilizes the social and economic capital of the Malagasy diaspora to co-finance 30 local projects, in response to the country's multidimensional poverty situation. TADY

incorporates an innovative approach based on human rights to combat the violence and breaches of rights suffered by some women from the Malagasy diaspora, who work as domestic servants in the Middle East and Gulf countries.



© ARU

PEACE – Flagship initiative

Qarib

JORDAN, LEBANON, IRAQ, PALESTINE

€10 MILLION IN FINANCING

SINCE 2020

What is the goal?

Qarib, which means "close" in Arabic, is helping to combat misinformation in four Middle Eastern countries. By strengthening independent media and developing media coverage, the project encourages social cohesion and the inclusion of populations, particularly women, in society and the public debate. A flagship project for the Minka Fund, Qarib is implemented by CFI, the French media development agency.

What are the levers for action?

- Supporting local journalism and investigation
- Sharing and disseminating good journalistic practices
- Media education actions
- Stimulating public debate about the role of journalists in societies, etc.

What are the contributions to the SDGs?





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04 Partnerships

THE PARTNERSHIP REFLEX, WORKING WITH OTHERS TO ACHIEVE GREATER IMPACT



SDG17 - Partnerships to achieve the goals

To achieve its goals, in line with its "100% Social Link" and "100% Paris Agreement" strategies, AFD Group does not act alone. **The partnership approach is a central aspect of its strategy:** it works alongside French, European, international and local sustainable development stake-holders in every country the Group operates.

In 2022, a record share of **44% of the Group's projects were co-financed with its main partners.** Whilst the **World Bank remains its main financial partner**, with €17.6 billion in co-financing for 69 projects over the last five years, AFD has also stepped up its collaboration with the Inter-American Development Bank (IDB), the African Development Bank (AfDB), and the Asian Development Bank (ADB). KfW remains AFD's leading bilateral partner with an average of €2 billion in projects co-financed each year, particularly in the energy/connectivity sector in 2022 (the JET-P initiative, for example).

Discussions between AFD Group and the International Monetary Fund (IMF) have continued, particularly as part of the Finance in Common Coalition (FICS) and the new Resilience and Sustainability Trust (RST). The International Development Finance Club (IDFC Club), chaired like the FICS by Rémy Rioux, CEO of AFD Group, has renewed its strategic partnership with the UN Green Climate Fund (GCF) and increased the initiatives in favor of the Paris Agreements, the SDGs and biodiversity.

In a year marked by international crises, AFD participated in – and contributed to – major events

organized by the United Nations: One Ocean Summit, Generation Equality Forum, COP27 and COP15, etc.

European institutions also constitute privileged partners of AFD, as part of a Team Europe approach. In 2022, the Group mobilized a **record €1.2 billion in European resources** for projects in the energy, infrastructure, health and agriculture sectors.

Representing a significant milestone in the French presidency of the Council of the European Union, the EU-AU summit was an opportunity to strengthen the ties between the African and European continents, in the context of the Global Gateway project.

AFD Group has increased its contribution to the **Team Europe Initiatives (TEI)** launched by the European Commission: it takes part in more than one hundred of them, which makes it the European player that is most invested in this approach.

The Group has given new impetus to cooperation with other European national institutions, by contributing to the launch of the **Joint European Financiers for International Cooperation (JEFIC) network, which brings together the main bilateral European public institutions (AFD, KfW, CdP, AECID, BGK) alongside the Practitioners' Network and the European Development Finance Institutions (EDFI) network.**

In 2022, 70 projects were under way and 53 local authorities from mainland France and the French overseas territories received support under the FICOL scheme.

Over the past year, AFD has also endeavored to consolidate its relations with French and local Civil Society Organizations (CSOs) by giving them access to financing for the first time through the annual call for expressions of intent. In 2022 AFD allocated nearly €465 million to CSOs, including **€139 million through the CSO initiatives**

system for 131 projects supported by 112 French CSOs and their local partners. More than 7 million beneficiaries were targeted by field projects in 2022, and almost 8,300 CSO partners in the South received financial support.

In line with its mission as part of "Team France" and pursuant to its specific mandate, AFD mobilizes the expertise of French economic players. In 2022, **71.4% of AFD's live projects¹ involved at least one French public or private economic player.** This ratio confirms AFD's position as a privileged vector for projecting expertise, best practices and standards internationally, for the benefit of inclusive and sustainable development.

Discussions with the French private sector are continuing and becoming increasingly productive to promote and encourage more virtuous approaches, in favor of the SDGs and for the benefit of sustainable and inclusive projects, as a way to combine official development assistance and economic opportunities. In 2022, efforts were repeatedly made within Team France to ensure that our respective mandates were clearer and more complementary, and that **the private sector made a more effective contribution to the SDGs** (for example, with the AFD Group-Bpifrance operational action plan and the signing of a partnership agreement with Business France).

AFD also mobilizes **the expertise of French public institutions working abroad to reinforce its action.**

¹This indicator measures the involvement of French economic players in AFD's projects in 2021 (partners, bidders and contractors, recipients of financing) independently of the financial scale of the operations.

In 2022, it continued its exchanges with CIRAD - the French agricultural research and cooperation organization, Ademe - the French agency for ecological transition, IRD - the French Institute for research for development, and CFI - the French agency for media development, and renewed its partnership agreements with CNES - the French national center for space studies, and BRGM - France's reference public institution for Earth Science applications.

At a more local level, AFG Group is continuing its efforts to mobilize French local authorities in support of the SDGs **by encouraging and assisting external actions by regional authorities (AECT).** In 2022, **€10.6 million was committed to the French Local Authorities Financing Facility (Ficol)** for 11 new projects, notably in Africa, Lebanon and in the Palestinian Territories. For example, the town of Saint-Dié-des-Vosges in the Northeast of France is working with its operator Gescod to set up a waste management system in the municipality of Meckhe, Senegal.

What is FICOL?

AFD is convinced that development decisions taken at a local level are highly efficient and, in 2014, set up the the French local authorities financing facility (FICOL).

This tool offers an effective response to the increasing demand for French regional expertise in the countries where AFD works, and encourages interactions among peers, to implement the sustainable development goals.

It serves to fund development projects identified and implemented by local authorities (regions, departments, towns, municipalities, etc.), for the benefit of a partner foreign authority in a developing country. The projects cover all of the sectors in which AFD operates, and correspond to the areas of competence of French local authorities, both in terms of investment and public policy.

The amount granted by AFD ranges from €200,000 to €2 million, and can represent up to 70% of the project budget.



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PARTNERSHIPS – Flagship initiative

Samim

TUNISIA AND MAURITANIA, MOROCCO, JORDAN

€3 MILLION GRANT

SINCE 2022

What is the goal?

AFD supports the Samim project (encouraging partnerships in the Mediterranean region) from the French social and solidarity economy think tank Lab'ess. Founded by the SOS Group and a member of the Pulse network, this Tunisian incubator assists associations founded by – and working for – young people in countries on the southern shore of the Mediterranean.

Samim, the first program undertaken by a local Tunisian CSO, will provide financial and technical support for innovative and inclusive projects implemented by young people under 35 on the theme of sustainable cities.

"The Samim project is a challenge for all the stakeholders. It represents a new challenge, since we will be acting in a South-South configuration rather than a North-South one."

Rachid Abidi, Director of Lab'ess

What are the contributions to the SDGs?



EXPERTISE FRANCE, A KEY PARTICIPANT IN INTERNATIONAL TECHNICAL COOPERATION

Expertise France joined AFD Group on 1 January 2022. 2022 confirmed the dynamism of Expertise France's (EF) business model, with a **5% revenue growth** to €341 million. At the end of 2022, Expertise France had **350 projects in progress, in over one hundred countries**.

Building on its experience in many sectors, Expertise France is continuing its commitment to the SDGs in 2022. The breakdown of activities by theme remains consistent with the agency's priorities: peace, stability and security (29%), health (18%) economic and financial governance (12%), governance, justice and human rights (10%) and human capital, social development (9%).

In 2022, the EU accounted for more than half of Expertise France's activity (51%), a **resolutely European agency**. 2022 confirmed that **the partnerships with AFD and government ministries have grown in importance**: each represents 21% of sales (€71 million), compared with 19% in 2021. Although it is still the primary contributor to Expertise France's activity, the share of revenue

from the Peace, Stability and Security Department diminished in 2022 (from 39% to 29%), due to the drop in activity in Mali and Burkina Faso, which has been partially redirected to Niger. Meanwhile, the other areas covered by Expertise France have grown compared with 2021.

The breakdown of revenue demonstrates how Expertise France is aligned with the geographical priorities of French development policy. Accordingly, the agency's activity is mostly **concentrated in Africa**, where more than half of its revenue is generated (51%). This focus on Africa is even clearer as almost all of the agency's multi-zone projects (27% of revenue) have a strong African component. The **Middle East** is the second major area of work, generating 10% of revenue. Even if it is increasing, the agency's activity in Europe, Latin America and Asia-Indo-Pacific remains limited.



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EXPERTISE FRANCE IN 2022



625
EMPLOYEES AT
HEADQUARTERS



€341 million
REVENUE, FOR
A BALANCED RESULT OF
€1.5 MILLION.



175
NEW PROJECTS



920
WORKERS IN THE FIELD,
INCLUDING 441 EXPERTS



€383 million
IN PROJECTS SIGNED,
OUT OF A TOTAL
€455.8 MILLION



220
INTERNATIONAL TECHNICAL
EXPERTS (ITEs) DEPLOYED IN
THE FIELD, AN INCREASE OF
50% COMPARED TO 2021



380
PROJECTS UNDER WAY IN
100 COUNTRIES



63%
OF THE PROJECTS SIGNED
CONCERN AFRICA



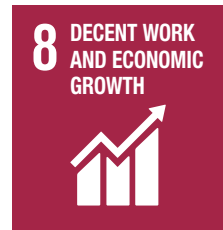
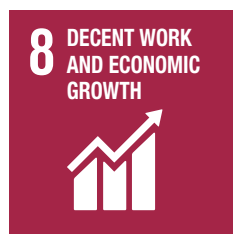
100,000
PERSON-DAYS OF EXPERTISE
MOBILIZED IN 2022



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05 Prosperity

DECENT WORK, SUSTAINABLE CONSUMPTION, ACTING FOR PROSPERITY



SDG8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

AFD Group is convinced that access to decent work is a necessary condition for gender equality, fighting poverty and preventing climate change. It supports the digital, energy, agricultural and rural transitions by investing in **professional training projects to develop skills and increase job prospects for young people.**

Its commitments in the field reached **€255 million in 2022**, with €145 million devoted more specifically to integrating marginalized young people, and green jobs. In Côte d'Ivoire, €80 million will support government initiatives in favor of integration, self employment and civic commitment for 82,000 young people, of which 50% are women, throughout the country.

At a global level, 41,000 people will benefit from **job access services and programs**, and a further 100,000 from **technical and financial support for self-employment and entrepreneurship** on projects awarded in 2022.

AFD also values the idea of sustainable economic growth that benefits as many people as possible. In this regard, it strives to open up access to appropriate financial services: it reaches out to populations that are far from the banking system and **supports the financing of start-ups and small businesses**, i.e. the main source of jobs in the countries where we work, notably by promoting affordable loans that meet the needs of the beneficiaries.

The first round of the **Choose Africa initiative, dedicated to financing start-ups and micro-businesses in Africa**, was completed in 2022. In five

Nearly 2 million young people were offered a position in initial vocational training schemes supported by AFD in 2022.

years, nearly €3.5 billion were deployed to support some 40,000 businesses and several hundred thousand micro-entrepreneurs. With Digital Africa, which became a subsidiary of Proparco in June 2022, AFD Group is enhancing its action to encourage entrepreneurship and to structure the digital sector's ecosystems in Africa.

In Guinea, AFD is working with the EU to finance a **program that supports women entrepreneurs**. The project should help to make 5,000 women economically independent.

Sport and culture are major levers for social inclusion and promoting equal opportunities: AFD participates in incubation systems in these sectors, to offer young entrepreneurs the opportunity to develop and to help their projects to flourish.

In 2021-2022, **entrepreneurs in the cultural and creative industries (CCI)** from Burkina Faso, Ghana, Senegal, the Democratic Republic of Congo, Uganda, Morocco and Tunisia benefited from bespoke technical and financial support **through the "Creative Africa" program**. For its part, in 2022 the **Impact 2024** incubator, launched jointly by AFD and Paris 2024, supported a **second intake of 26 athletes** with projects that have a strong social and environmental impact.



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© Productions Kadé/AFD

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

SDG9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

In addition to approaches that focus on the needs of individuals (which target access to essential services), AFD Group promotes the implementation of **resilient infrastructures to serve economies and regions, and a framework that supports sustainable industrialization and innovation.** This is the aim of SDG 9, which covers national and international transport infrastructures, digital infrastructures and also financial services.

In the field of transportation, AFD Group is working to set up low-carbon, inclusive, efficient and sustainable mobility systems. On a national scale, the Group is participating in **the development of the economic and social potential of the regions through an adequate road and rail network.**

Thanks to projects financed by AFD and implemented between 2020 and 2022, around 6.5 million people have better access to sustainable transport.

Roughly €500 million in commitments were earmarked for this issue in 2022: this financing covers, for example, a railway rehabilitation project in northern Cameroon, a regional motorway in Kenya (Proparco), and a public policy loan for the rail sector in the Republic of Moldova.

At an international level, the Group's financing contributes to **the integration of economies**

into global trade through airport and sea port platforms. For example, Proparco is working for the port of Um Qasr in Iraq, while AFD is financing the renovation of Papeete port in Polynesia, and Expertise France is providing technical support for maritime security in the Gulf of Guinea.

As part of the digital transition, AFD supports several projects involving software and hardware infrastructure, getting public and everyday services online, modernizing operators and promoting entrepreneurial innovation. In 2022, a total of €51 million was committed to offering digital access for all. Forward-looking discussions continued all around the world, whether for creating

infrastructures (in Benin, Egypt, Tanzania, etc.) and their carbon footprint (in Pakistan, Costa Rica, etc.), or for international connectivity (Central Asia and the Indian Ocean). In New Caledonia, AFD financed the installation of a second underwater cable to keep the island connected if the first cable were to break. In Rwanda, the Group invested in an ambitious digital project to renew the network infrastructure of fifty public administrations, provide technical and hardware support for geospatial data for the Rwandan space agency, and create a drone operation center.

SDG 9 also covers the provision of financial services, which is an essential condition for an economy to operate. The aim is to give as many people as possible access to financial services. AFD Group offers solutions to facilitate access for people who are far from the financial systems and **supports finance for VSEs and SMEs**, by promoting affordable loans adapted to the needs of the beneficiaries.



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SDG12 - Ensure sustainable consumption and production ways

Population growth and the consequences of climate change are putting **increasing pressure on natural resources worldwide**. In the sectors of agricultural and rural development, transportation, the energy transition, water and sanitation or infrastructure, AFD Group strives to ensure access for all to basic services and decent employment, while **encouraging sustainable production methods and consumption**.

In **Indonesia**, for example, AFD is financing the modernization of four fishing ports, to increase their efficiency and appeal, improve sanitary quality, traceability and added value of fishing products, and to limit the environmental and climatic impacts and issues. This ecoport project demonstrates AFD Group's increasing commitment to **the blue economy and sustainable fishing**.

To reduce the pollution that all too often comes with economic growth, the Group is also supporting **waste and wastewater collection and management projects** in Porto Alegre, Brazil, in Lomé, Togo, in Chattogram, Bangladesh and in the Palestinian territories.

In 2022, more than 36 million hectares of land or sea benefited from sustainable resource and/or land management programs.

Financial systems have a key role to play in economic, social and environmental transitions. AFD Group supports **the emergence of a new sustainable finance model**, in particular by backing energy subsidy policies.

In 2022, the Group granted **€290 million in direct financing to transform public enterprises** to sustainable and inclusive modes of production and consumption. Among other things, it participated in the renovation of a hydroelectric plant in Mozambique, and the construction of a biomass project in Namibia.



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PROSPERITY – Flagship initiative

Annapurna

INDIA

€13.7 MILLION CONTRIBUTION

SINCE 2022

What is the goal?

In 2022, Proparco contributed €13.7 million to a fundraising initiative by Annapurna Finance, one of the biggest micro-finance institutions in India.

Annapurna offers microcredit facilities, and loans for individuals, small businesses and for home improvement. The funding round should enable it to further develop its portfolio of loans, invest in new technologies and extend its area of activity.

What are the contributions to the SDGs?

More than 2.3 million customers, 99% of which are women, are already assisted by Annapurna Finance. Its goal is to support 4 million women who are outside formal banking systems by 2027.

What are the contributions to the SDGs?





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Bringing our organization into line with the SDGs

02

AFD GROUP'S SOCIAL CORPORATE RESPONSIBILITY

AFD Group strives to adopt best practices in its activities.

For more than fifteen years, our approach to social responsibility has allowed us to meet the applicable social, environmental, ethical and human rights-related requirements, fight corruption, and offer transparency. Moreover, the Group is resolutely committed to applying the Paris Agreement and the SDGs.

In 2022, AFD Group updated its list of extra-financial issues and questioned its main stakeholders to assess their importance.

Among the priority issues, there is a clear predominance of governance issues relating to the Group's financial management and respect for planetary boundaries, as well as issues relating to operations it finances. Those relating to the internal functioning of the Group are, quite logically, valued higher by internal stakeholders.

PILLARS	PRIORITY ISSUES	MATERIALITY BY STAKEHOLDER							SUSTAINABLE DEVELOPMENT GOALS (SDGs)
		Institutional players	Civil society	Administrators	Economic players	Clients and beneficiaries	Players in official development assistance and technical assistance	AFD Group employees	
GOVERNANCE									
	Ethics and financial exemplarity	●	●	●	●	●	●	●	
	Transparency in financing and accountability for impacts	●	●	●	●	●	●	●	
	Group cohesion	●	●	●	●	●	●	●	
	Satisfaction of clients and counterparties	●	●	●	●	●	●	●	
	Mobilizing multiple players for the SDGs	●	●	●	●	●	●	●	
	Green IT	●	●	●	●	●	●	●	
ENVIRONMENT									
	Internal environmental footprint	●	●	●	●	●	●	●	
	Respect for planetary boundaries	●	●	●	●	●	●	●	
SOCIAL									
	Health, security and safety of employees	●	●	●	●	●	●	●	
	Employees' quality of life at work	●	●	●	●	●	●	●	
	Social relations within the Group	●	●	●	●	●	●	●	
	Developing employees' skills	●	●	●	●	●	●	●	
	Internal social and societal footprint	●	●	●	●	●	●	●	
	Fairness, diversity and professional equality	●	●	●	●	●	●	●	
	Reinforcing the institutions and citizen involvement	●	●	●	●	●	●	●	
	Strengthening the social link	●	●	●	●	●	●	●	
SOCIAL ENVIRONMENT									
	Enhancing sustainable development in operations	●	●	●	●	●	●	●	
	Commitment of clients and counterparties to the SDGs	●	●	●	●	●	●	●	
	Social and environmental risks in the projects	●	●	●	●	●	●	●	

● Major ● Strong ● Moderate ● The challenge covers all the SDGs

DEVELOPING SUSTAINABLE FINANCE



In the sphere of **sustainable bonds**, AFD Group was the first French public sector issuer of a green, climate-focused bond in 2014, before adopting a climate emissions program framework and continuing its policy of regularly issuing climate bonds. In 2020, the Group took a new step forward on this issue, with the publication of a renewed program framework focused on the SDGs, naturally following the four pillars of the "Green Bond Principles & Social Bond Principles"¹. It gives AFD the possibility of issuing three types of bonds: sustainable, climate and social. In 2022, AFD Group issued €4.5 billion in sustainable bonds, i.e. 47% of its refinancing program.

AFD Group integrates social responsibility into its system of governance and its activities. In this respect, it takes measures to assess and limit the **environmental and social risks (E&S)** of the operations it finances. The Group implements procedures to identify, prevent or attenuate environmental and social damage, as well as human rights abuses that may result from its activities. This approach of limiting E&S risks is applied at every stage of the project cycle, from the identification and approval of financing, up to monitoring and *ex post* assessment.

2022 was marked by the implementation of AFD Group's new exclusion list, which specifies and strengthens the Group's intervention guidelines, particularly in terms of the climate, preserving biodiversity and protecting human rights. This approach is completed by two mechanisms for processing environmental and social complaints, for AFD and Proparco respectively. They play a part in managing operational risk. When adverse



© Fics

or unexpected environmental and social impacts have not been avoided, reduced or compensated for in accordance with the provisions of the E&S management plans for projects financed by AFD or Proparco, these mechanisms allow remedial action to be taken².

2022 was also marked by the third FiCS (Finance in Common Summit), organized by the African Development Bank (AfDB) and the European Investment Bank (EIB) in Abidjan, on the theme of "A green and fair transition for a sustainable recovery". The preparation of this third edition, held in October 2022, has given rise to very regular dialogue with our international partners, including within the G20 Finance sector. The assembled community of public development banks affirmed the need to mobilize in order to finance a just climate transition, and recalled the role of the FiCS as a catalyst for financial flows.

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

2. The pages on the AFD and Proparco websites dedicated to these mechanisms are available here: <https://www.afd.fr/en/e-s-complaints-mechanism> and <https://www.proparco.fr/en/icm>.



ALIGNING OUR FINANCING WITH SUSTAINABLE DEVELOPMENT

AFD has a "Sustainable Development Analysis and Opinion" mechanism ("Analyse et Avis Développement Durable" - AADD). It is aimed at enhancing how sustainable development is taken into account in the projects financed, and ensuring that they contribute fully to the SDGs.

What does the mechanism provide for?

Following a request for financing, and during the appraisal process, the AFD team **analyses the expected effects** on each aspect of sustainable development: biodiversity, climate, social link, gender, economy and governance.

The Strategy Department's Sustainable Development Analysis and Opinion Unit then issues **an independent opinion** of the project's contribution to sustainable development. This opinion is included in the reports sent to AFD's decision-making bodies.

In 2022, the Sustainable Development Analysis and Opinion mechanism underwent **two major updates**: Convergence within AFD Group, with Proparco and Expertise France, has led to the development of a

shared analysis framework. All of the subsidiaries' projects are examined according to a similar approach, but adapted to the particularities of each.

Revised sustainable development analysis grids have been introduced. They are consistent with the Group's new strategic and operational guidelines, particularly in the areas of biodiversity and the social cohesion.

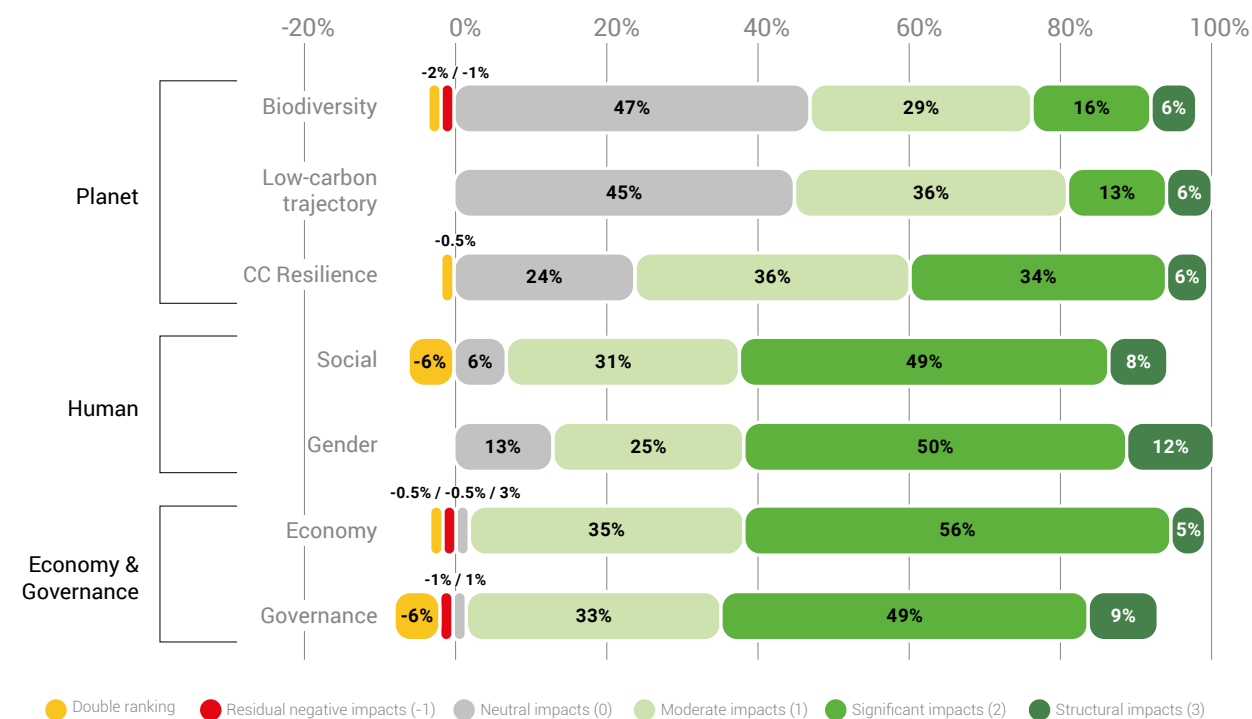
How were the projects in 2022 rated?

The projects' estimated impacts on each aspect of sustainable development are assessed and split into three categories:

- **negative impacts that are significant** (-2) or residual (-1);
- **neutral impacts** (0);
- **positive impacts that are moderate** (+1), significant (+2) or structural (+3).

It is possible to establish an a priori **double rating** (both positive and negative) for the same aspect, to highlight possible differentiated effects and provide information on uncertainties in terms of sustainable development.

ALLOCATION OF SUSTAINABLE DEVELOPMENT RATINGS PER ASPECT (SHARE OF PROJECTS)



What opinions were given in 2022?

216 sustainable development opinions were issued in 2022, for transactions totaling €8.18 billion, or 87% of the year's financing¹.

Sustainable development issues were considered to have been well addressed in the appraisal of the vast majority of projects: **67% of them, i.e. 145 transactions, received a positive opinion or a sustainable development approval²** (+ 7 points compared to 2021).

A favorable opinion with recommendations was granted to 29% of the projects. The recommendations depend greatly on the context of the project and the partner supported. Only 9 opinions with reservations were issued, i.e. 4% of the projects. This rate has been stable for several years. The projects in question concern different sectors: civil protection, restoring heritage, vocational training, renewable energy, mobility,

digital innovation and preventing erosion. The reservations point to potential negative impacts related to the environmental and social risks of projects, their durability, or their poor adaptation to climate change.

No negative opinions were issued. Thanks to an early warning mechanism, the projects that could have received a negative opinion were eliminated or significantly improved during the appraisal phase.

¹ Sustainable development opinions are issued for projects where the amount of financing exceeds a certain threshold (over €1.5 million for grants and over €5 million for loans), which follow AFD's standard project cycle, and whose sustainable development impacts can be assessed.

² The sustainable development approval procedure was introduced in 2020. The approval is issued by the identification committee to projects that are strongly aligned with sustainable development issues. It replaces the opinion given at the grant stage and equates with a favorable opinion.



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ACTING FOR GENDER EQUALITY, DIVERSITY AND INCLUSION



Professional equality between women and men represents a major issue for AFD Group's human resources policy, which aims to promote diversity and **equal opportunity**. It is a key aspect of the Group's values, and an integral part of its social responsibility approach. Ensuring gender equality, developing diversity in jobs at every level and in the different roles, and promoting parity between women and men is a source of progress and overall performance, both economically and socially. This approach is intended to be consistent with that implemented by AFD for its operations, making the gender issue a lever for achieving the SDGs.

A **new agreement** regarding professional equality, signed with the social partners and applicable from 2021 to 2023, identifies seven priorities for the Group: access to employment, promotion and professional development, equal pay and work organization, work-life balance, training and awareness of professional equality, action to combat domestic violence. This agreement also concerns employees working in offices in French overseas departments.

Under this agreement, AFD has increased its targets in terms of women engineer recruitment (from 25% to 30%) and expatriation (from 35% to 40%). The latter

target has already been exceeded, with the percentage of women expatriates reaching 41.4% by the end of 2022. A target for women in managerial positions has also been set in accordance with hierarchical levels, from 50% to 40% for the highest positions. AFD's efforts in terms of professional equality between women and men have been acknowledged with the awarding of **Afnor labeling**¹ for professional equality in July 2021. AFD published its professional equality index on 1 March 2022, pursuant to the 2018 French law on the freedom to choose one's professional future. This index stands at 92 out of 100 points.

In 2022, the teams in charge of recruitment and career management were trained in **preventing sexism and discrimination** in human resource practices. The management training path includes a session on discrimination, diversity and inclusion. At the end of 2022, 483 operators followed an online training course entitled "Recruter sans discriminer" (Recruiting without discriminating), otherwise compulsory for managers and recruiters.

1. Association française de normalisation (French standards association).

As part of its continuous improvement approach to professional gender equality, **Expertise France** (EF) has a set of protective measures for its employees in all areas of work, as well as legal and regulatory mechanisms to ensure compliance with its commitments. Support for parenthood, assisting employees returning from maternity leave, equal access to promotion and training, and work-life balance are all covered by EF. Gender equality is a cross-functional objective that feeds into the social policies developed by EF, particularly with regard to pay and parenthood, and with the creation of a system for dealing with harassment at work, in-house awareness-raising initiatives, etc. Moreover, for the fourth consecutive year, Expertise France has published the results of its professional equality index on its website².

The issue of diversity is also a central aspect of AFD Group's action and human resources policy. The teams of women and men at company headquarters and in our countries and areas of operation are diverse, pluralistic, multi-cultural and multi-generational. AFD has engaged in a structural approach to promote diversity and inclusion since 2019, acknowledged with the awarding of the Afnor diversity label in July 2021. **The diversity contacts network** includes 17 people in different departments. AFD is continuing its actions in this context: raising awareness, training, use of an external call center and participation in an inclusion barometer. An action plan designed by an LGBT+ working group has also been presented to the Human Resources Department and the employee representatives. AFD signed the "Autre Cercle" charter in June 2022 to enshrine its commitment in favor of LGBT+ inclusion.

In October 2022, AFD organized its second diversity and inclusion week. This was an opportunity to raise employees' awareness during conferences on LGBT+ professional inclusion, racism, and discrimination regarding age and disability. In November, 23 employees from AFD and Expertise France took part in the so-called Duoday: a one-day event during which they welcomed five students

2. The index is 85 out of 100.

with disabilities and introduced them to their jobs and their company.

Like all of AFD Group, Expertise France is committed to **the inclusion of people with disabilities**. The Human Resources Department has a disability advisor and defines actions to encourage the integration of people with disabilities within EF, if necessary in conjunction with the General Resources department, while focusing on corporate culture to drive change in this regard. Concrete actions are regularly carried out with the support and backing of AFD: monitoring of applications for France's "RQTH" (recognition of disabled worker) status, assistance for disabled workers (workstation adaptation), development of site accessibility, etc.

Promoting equal treatment with regard to diversity at every stage of HR management is also a key commitment for Expertise France. EF is aware that diversity is an asset for a company's sustainable performance, and is working to fight discrimination and to promote inclusion and equal opportunity.



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CONTROLLING AFD GROUP'S CARBON FOOTPRINT



Within AFD Group and its value chain, the low-carbon trajectory is applied through operational measures to reduce the impact of its activity. The Group is committed to controlling its direct greenhouse gas (GHG) emissions by simultaneously reducing them and offsetting them through actions that contribute to the SDGs. **An annual carbon footprint assessment** serves to identify our strengths and weaknesses.

Concerning the overall GHG emissions of **AFD and Proparco** headquarters, the lifting of travel restrictions and the reopening of various countries of operation have prompted a resumption of international travel to relaunch projects and activity. Business and home-to-work travel increased by 150% between 2021 and 2022. As the workforce did not significantly increase during 2022, we can see an increase in emissions per employee (from 11.2 to 13.6 teq CO₂). By way of comparison, it is probably more appropriate to compare these results with the situation before the Covid-19 pandemic: in 2022, AFD employees traveled 33 million kilometers by plane compared with 48 million in 2019.

We also note that the return to working on-site for employees brought about an increase in energy consumption. This logic of growth has nevertheless been significantly limited thanks to the use of teleworking, the impacts of one of the hottest years on record in 2022, and the closure of several buildings for ten days at the end of the year.

It should be noted that the recovery did not have a detrimental impact on the carbon footprint, which has not increased in the same proportions: +22% overall between 2021 and 2022. This shows that our teams are truly taking into account the possibilities offered by videoconferencing, and are questioning the relevance of certain trips. Finally, we note a reduction in inputs in absolute terms, which is

however still the main source of emissions. This reduction is mainly explained by a reduction in consultancy expenditure.

Concerning the offices in our countries and territories of operation, the variations in the different types of emissions, which are almost all on the rise in absolute terms, can be explained by a return, as is the case for headquarters, to a more sustained level of activity given the global recovery from the Covid crisis, but also by better feedback from the various offices. Better knowledge of the surface areas occupied and the associated consumption enables us to obtain more complete data, particularly for inputs and energy consumption.

A number of projects are under way to ensure better monitoring and control of the data needed to calculate future carbon footprints, in order to improve understanding of the origins of the Group's GHG emissions. Meanwhile, the implementation of a **network of carbon focal points** in the different offices will favor the dissemination of a "carbon culture", and help to monitor the implementation of concrete actions and awareness-raising in the different structures.

Expertise France is also taking action to limit its carbon footprint and environmental impact. EF's first carbon footprint assessment was carried out in 2022, along with a qualitative analysis to identify the strengths and weaknesses. Against a backdrop of renewed international travel after Covid, the main focus of EF's environmental strategy must relate to air travel, which accounts for 18,735 teq CO₂, or 95% of the emissions in 2022. As Expertise France is an implementing agency, controlling its carbon impact is inseparable from an in-depth reflection on the design of the projects it develops.



© Jérôme Andrieu-Casado / AFD

AFD regularly organizes bicycle repair workshops for its employees at company headquarters.

TOWARDS A LOW-CARBON TRAJECTORY



With regard to GHG emissions, a global approach, in the form of a low-carbon trajectory, was launched at the end of 2020 to define the strategies and action plans to be adopted in order to further enhance AFD Group's exemplarity in terms of the practices already in place.

The energy efficiency of the company's real estate was improved by optimizing uses and using renewable energy sources. In the Barthes and Mistral buildings, at our Paris headquarters, 100% of electricity consumption is generated from renewable energy sources, including on site, via photovoltaic modules on the rue Roland Barthes building, which produced 17,906 kWh in 2022. This dynamic is gradually being extended to the offices abroad: in 2021, the agencies in N'Djamena, Chad, and Accra, Ghana, produced most of their energy needs from photovoltaic panels.

In 2022, the Group pursued its low-carbon trajectory by improving the reliability of its carbon footprint assessment and identifying the levers to be activated in order to achieve a significant reduction

in GHG emissions linked to its internal functioning by 2030. A study showed that the different strategies to be considered relate mainly to the overall travel policy, and better control of the emissions generated by purchasing services. The implementation of governance to monitor this trajectory will enable us to define, deploy and monitor the different actions taken in these areas, fix reduction targets, and make the trajectory operational.

A special effort was made to promote **soft mobility**. The sustainable mobility package ("forfait mobilité durable" - FMD) has been implemented and significantly improved so that AFD's efforts to cover the costs of soft mobility are equivalent to those of public transport. Initiatives are also encouraged at a local level: for example, the Phnom Penh office provides a fleet of bicycles for short journeys. Many offices, like the one in Tunisia, implement carpooling for employees.

AFD's Green IT action plan (see the accounts opposite) ultimately aims to reduce the carbon footprint and environmental impact of our digital uses. In 2022, 100% of the electricity consumed by AFD's IT storage center was wind-generated. A "Green Copy" challenge was organized to reduce paper printouts: between Q2 and Q4, the total volume of printing at company headquarters fell by 10%. Moreover, the number of PCs per employee has dropped from 1.5 to 1.15 since 2021.

The integration of **Expertise France** into AFD Group on 1 January 2022 meant that EF had to be included in AFD Group's low-carbon trajectory. For the first year, EF concentrated on three sub-projects: structuring the carbon assessment process, preparing the overhaul of the travel policy, and integrating the CAMs (mutualized support units, Expertise France's offices abroad) into the low-carbon trajectory. Indeed, Expertise France's offices abroad play a major role in the exemplary environmental impact to which EF is committed.

At the national level, at the end of 2022, France decided on a national **energy efficiency** plan to save energy. Committed to of the Ecoresponsible Public Services approach, all of the Group's departments involved have mobilized with their partners and service providers. Based on the recommendations for public-sector establishments, they have defined a set of appropriate measures combining the search for savings and adaptation to our technical constraints with the constant concern of maintaining the best possible working conditions for all. To reduce the energy consumption of our buildings, office temperatures are now set to 19°C. The closure of three of the four buildings at AFD's headquarters for 10 days in December reduced the energy consumption for the year by 2.4%.

In terms of **carbon compensation**, a grouped call for tenders will be launched to offset emissions by AFD and Proparco in 2021 and 2022.

Several **training activities** were developed in this area in 2022. The range of courses for employees was increased, taking into account the fight against the effects of climate change as an essential skill for all professions. Three levels of learning are offered: a short e-learning course on eco-gestures in the office, followed by 150 employees in 2022; the MOOC "Comprendre la crise écologique pour réinventer l'entreprise" (Understanding the ecological crisis to reinvent companies) created by C3D (the French College of Sustainable Development Directors); and the Climate Fresk, for which 318 Group employees attended a workshop in 2022.

Climate Fresk workshop organized at the AFD Campus in June 2022



“ **The Green IT collective identifies actions that can be implemented to reduce the environmental impacts of AFD's use of digital tech** ”

Accounts

Marie Chevalier, IT Officer, and Raphaël Mounier, Head of the Integration and Application Architecture at AFD

“ The "Green IT" working group for "responsible digital" was set up in July 2021 as part of AFD's low-carbon trajectory project.

Our starting point was the observation that digital technology, now an essential part of personal and professional daily life, can have harmful effects when used inappropriately: pollution, waste production, excessive energy consumption.

This gave rise to the Green IT collective. It comprises more than ten volunteers from AFD's IT Systems Department, who meet every month. Their task is to identify actions that can be taken to reduce the environmental impacts of digital tech at AFD, monitor the action plan's deployment, and communicate on this issue. The actions are varied and cover the entire life cycle of computer hardware, from the purchase of equipment to the end of its life.

A "Green IT" community is therefore active via the Group's in-house social media. It allows us to share our initiatives and actions, and brings together colleagues from AFD headquarters as well as from its offices abroad and regional divisions. And we are always open to new ideas to contribute and act together for a more sustainable world! ”



© Sriшти Bhardwaj / AFD

PROMOTING RESPONSIBLE PURCHASING



AFD Group has chosen responsible purchasing as one of the three major focus of its new purchasing policy. It is committed to reducing **the environmental footprint of its purchases**, enhancing its social responsibility, and supporting local development.

The Group is committed to an exemplary purchasing policy. This policy aims to integrate environmental criteria into strategic purchasing, to think in terms of overall life-cycle costs, to increase the proportion of socially responsible purchasing from players in the social economy, to strengthen environmental or social clauses in contracts, and to promote access to these for SMEs and local players in the countries where we operate.

In January 2022, AFD Group trained all the purchasers of AFD, Proparco and Expertise France about the issues of responsible purchasing, with a risk analysis approach. This training has enabled our teams to enhance their skills and professionalism in the area of corporate social responsibility, and to provide advice and added value during consultations. The aim is also to progressively integrate **social responsibility criteria** into the each purchasing stage (identifying suppliers, eco-design, life cycle analysis, measuring the environmental

and social impact of the goods and services purchased, etc.) or during consultations, according to criteria suitable for the purchasing projects. Five eco-responsible criteria have been identified and will be taken into account for digital infrastructure calls for tenders.

The Group also promotes purchases from inclusive suppliers and social integration structures within the sheltered employment sector (STPA), with expenditure amounting to over €1 million in 2022, and supports local economic and social development (allocation in consultations to allow for tenders from smaller and/or local structures).

In 2022, AFD Group established a procedure to identify and assess the risk of corruption associated with its suppliers, from the start and throughout the business relationship. Before entering into business relations with the Group, each supplier is now invited to read the Supplier Relations Charter and sign it.

PROMOTING THE LOCAL ANCHORING OF OUR SITES



In November 2022, AFD reaffirmed its commitments to fight climate change at a territorial level by signing the Paris Climate Biodiversity Action Pact with the City of Paris. In this respect, it has entered into a partnership with the City of Paris and other signatories, both public institutions (Caisse des dépôts et consignations, RATP, SNCF, etc.) and private companies (Kering, Natixis, etc.). The new pact mobilizes players from the Paris area to serve local ecological transition actions.



© AFD

Upcycling workshop organized at AFD headquarters during ESDW

During the **European Sustainable Development Week (ESDW)**, held in September 2022, a number of employee awareness-raising workshops were held, in particular with the participation of the Essonne AMAP (French Community-supported agriculture movement), which delivers baskets of fruit and vegetables to members every week. AFD headquarters also hosted "Emmaüs la Friperie solidaire", an association based in the Paris region, for workshops to raise awareness about sustainable clothes sorting, extending their life cycle and upcycling.



© AFD

Fabric sorting workshop organized at AFD headquarters during ESDW

To offer a **second life to computer hardware**, AFD has established partnerships with several associations such as Emmaüs France, Utopia 56 and Tropiques Initiatives. In 2022, more than 340 laptops were donated to these NGOs, and to French secondary schools. At the same time, employees were asked to take good care of their hardware, to facilitate its reuse.

In 2022, a **skills-based sponsorship program** was organized with Pro Bono Lab, to offer colleagues the chance to offer their expertise to NGOs for a day. 14 AFD Group employees provided their expertise to eight NGOs acting in favor of inclusion, social innovation or the ecological transition.

Launched in October 2022 during France's **Diversity and Inclusion Week**, AFD's new partnership with the NGO "Article 1" aims to help young people enter the job market by offering AFD employees the opportunity to become a mentor and help a student in their studies or professional integration by sharing their experience. This partnership also aims to augment the pool of candidates for internships and work study placements within the Group, favor greater diversity among young employees, and make AFD an equal-opportunity employer. At the end of 2022, seven colleagues had already signed up for mentoring.

Fast fashion fabric repair workshop at AFD headquarters during ESDW



© AFD

CORPORATE SOCIAL RESPONSIBILITY AND ACTIVITY REPORT

EXAMPLES OF SOLIDARITY INITIATIVES IN REGIONS WHERE THE GROUP OPERATES

Clean Hike Together

This ecoresponsible hike, which combines walking and collecting waste, brought together Jordanian volunteers, AFD employees and their families in the Wasfi al Tall Forest, south of Amman. The 95 participants picked up over one hundred bags of waste during their hike, which was co-organized by AFD in Amman, and TreksJo, a Jordanian hiking association. The event sought to raise awareness about the devastating effects of pollution, while emphasizing the importance of exercise.



La Jetée

The Conakry AFD office rallied round – along with 400 other volunteers – to clean "La Jetée" beach, in one of the residential districts of the capital. More than 300 tons of waste and 150 m³ of recyclable materials were collected.



Move & Give

Solidarity initiatives at company headquarters and in offices abroad are part of the Group's desire to work with the communities where it operates. In France and abroad, more than 450 employees answered present at AFD, Proparco and Expertise France for the **Move & Give challenge**. This challenge aims to promote sporting activities in support of a good cause: the equivalent of 45,500 kilometers were covered and €20,000 donated to the Surfrider Foundation Europe to finance "blue breakaway" vacations for 8-14 year-olds at leisure centers.

“The Delhi office made a great effort for the Move & Give challenge! Most colleagues played the game by downloading the app, and a number of initiatives were taken, including a table tennis competition, team running (59 km run by ten people), and an online yoga lesson. Doing an activity brings us closer together and, after enduring the severe effects of Covid in India, it's good to enjoy these occasions for combining effort and fun once more, and all for a good cause. This challenge is nothing but positive!”

Lucas Pizzini, international volunteer at the Proparco office in New Delhi



The Move & Give challenge team from the Southeast Asia Division

One Step No Plastic

To counter the proliferation of plastic in Cambodia, the AFD office in Phnom Penh took part in the **"One Step No Plastic"** operation, organized for the first time on 26 November in the country's capital. AFD was an official partner for the operation. Over ten colleagues and their friends and families helped to collect 10 tons of plastic waste, some of which was recyclable. The recyclable plastics will be transformed into ecobricks, an ecological building material.

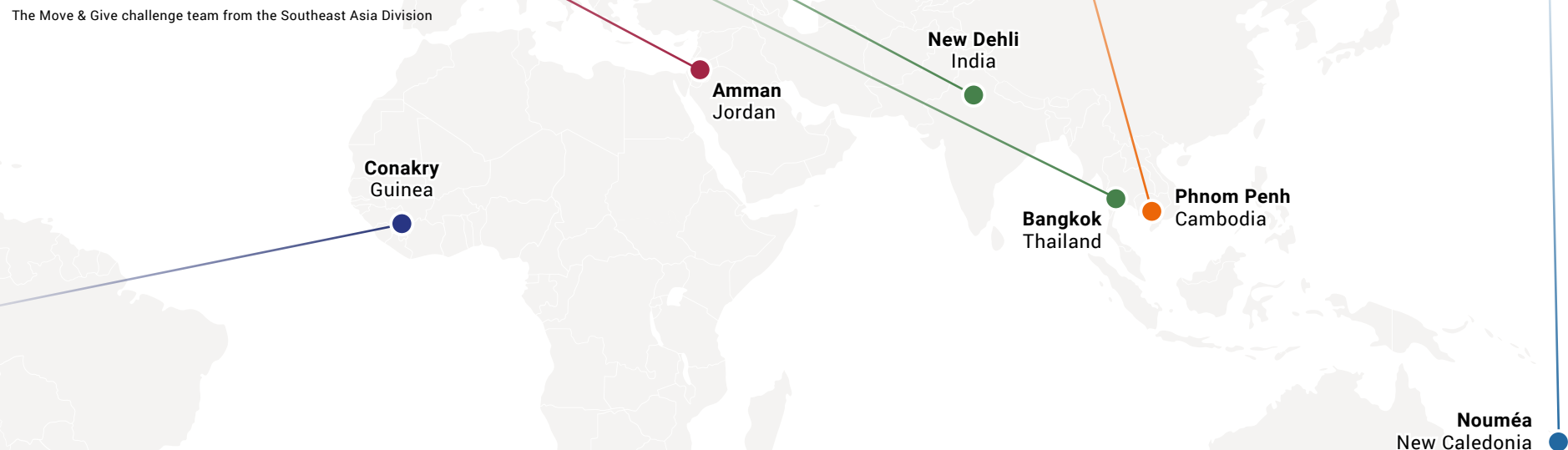
“This event inspired me to do more at the office, for example by respecting the 4R rule (refuse, re-use, recycle, reduce), sorting my waste better, recycling batteries, and limiting the use of plastics.”

Channita Ouk, Head of Administrative Management and Payroll at the AFD office in Phnom Penh.



Hanvie

AFD office in Nouméa worked with the NGO **"Hanvie"** to upcycle old advertising banners to make wallets. Hanvie is a charitable NGO that supports disabled people seeking to enter the job market by making upcycled products.





© Laurent Weyl

Key figures for 2022

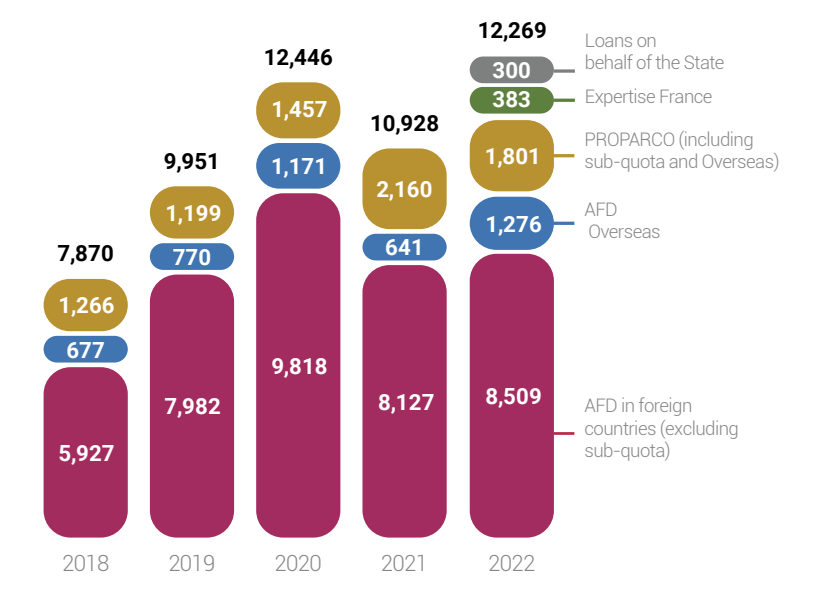
03

UPDATE ON AFD GROUP'S FINANCING

For the first year of Expertise France's integration, and in an international context disrupted by the consequences of the war in Ukraine, AFD Group signed €12.3 billion worth of new financing in 2022¹, and paid out €9 billion.

AFD Group helped to take France's development policy to a historic level. The Group's subsidiaries made a great contribution to these results. With €2.3 billion engaged, half of which in Africa, Proparco notably supported the Choose Africa initiative. Created in 2015, Expertise France, with nearly €400 million in projects signed in 2022, has tripled in size since it was founded; 2022 was its first year as part of AFD Group.

AFD GROUP PROJECTS SIGNED IN FOREIGN COUNTRIES AND OVERSEAS
in € millions



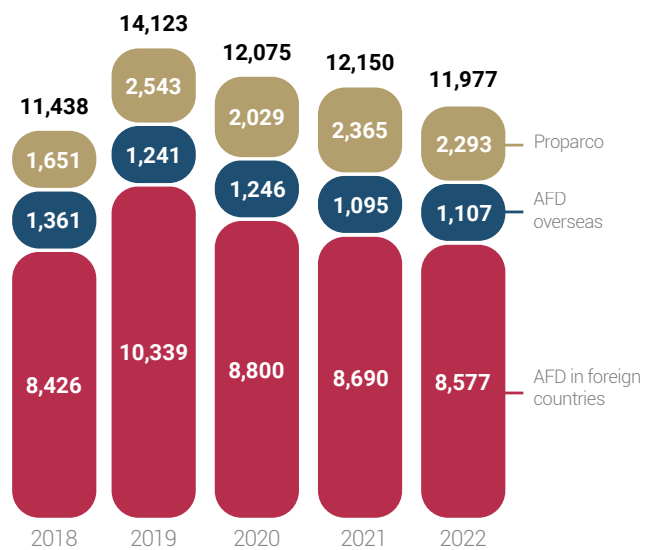
1. Including financing for the State of Moldavia and Ukraine (€300m) and contracts signed by Expertise France (€400m)



© Chantal Regnaud

THE FINANCING ACTIVITY OF AFD AND PROPARCO

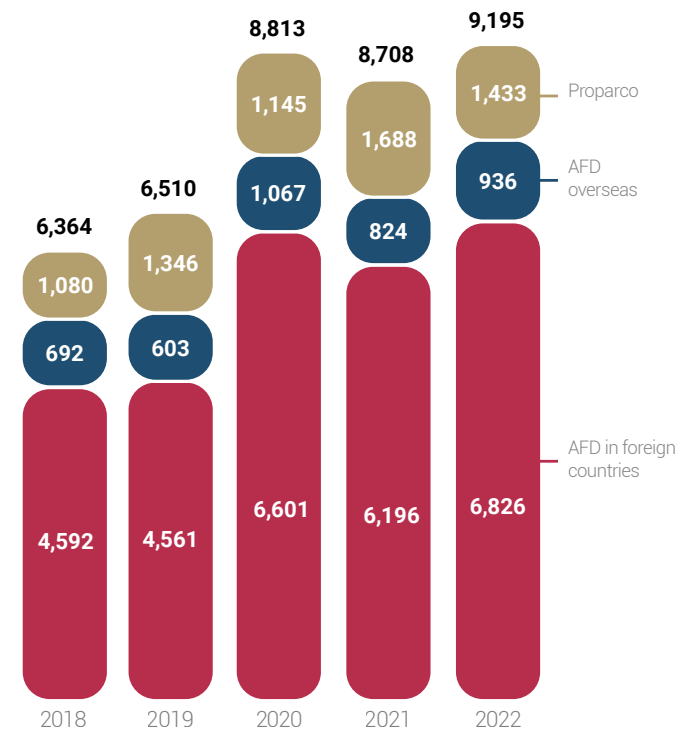
AFD GROUP FINANCING AUTHORIZATIONS IN FOREIGN COUNTRIES AND OVERSEAS in € millions



The financing data includes all the activities of AFD and Proparco. Data concerning the activity of Expertise France is presented separately.

Financing authorizations in foreign countries and in Overseas territories in 2022 amounted to €12 billion, an equivalent result to 2021. Activity in foreign countries was stable, with €8.6 billion in sales for AFD (€8.7 billion in 2021) and €2.3 billion for Proparco in 2022 (€2.4 billion in 2021). AFD's activity in Overseas territories was also at the same level as in 2021, at €1.1 billion.

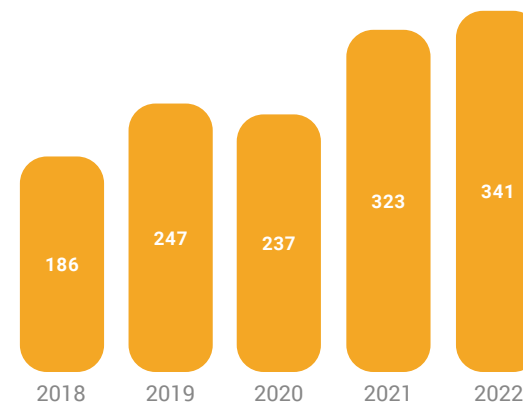
PAYMENTS FROM AFD GROUP IN FOREIGN COUNTRIES AND OVERSEAS in € millions



The Group's payments amounted to €9.2 billion in 2022, higher than in 2021 (€8.7 billion). The volume of payments made by AFD increased to €6.8 billion in 2022 (€6.2 billion in 2021). The increase in payments in 2022 compared with 2021 can notably be explained by the major payouts granted in 2021 (amounting to €2 billion), 20% of which was for grants in the last quarter of 2021, as well as for the payments of small loans granted in 2022, including €1 billion for budgetary financing.

EXPERTISE FRANCE, FAST RISING ACTIVITY

REVENUE¹ in € millions

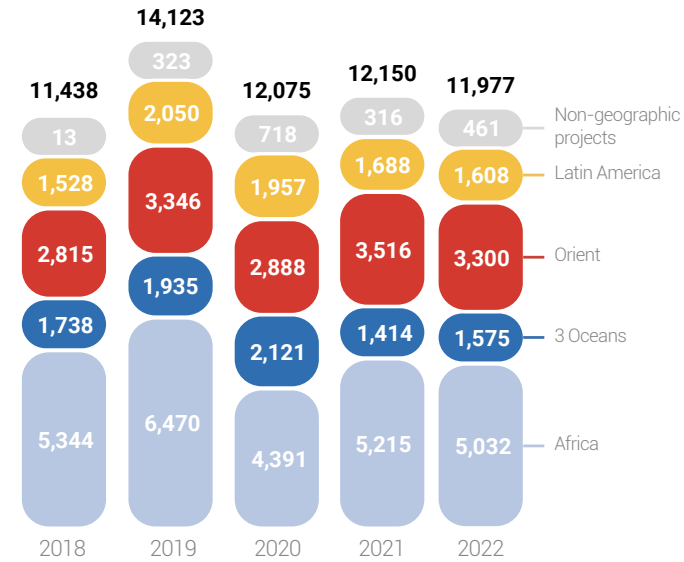


In 2022, Expertise France's activity grew by 5% to reach a revenue of €341 million. The agency started 175 new cooperation projects around the world, two thirds of which in Africa and the Middle East. This confirms the solidity of Expertise France's business model, integrating successfully into AFD Group.

¹ Revenue corresponds to the amounts executed on projects.

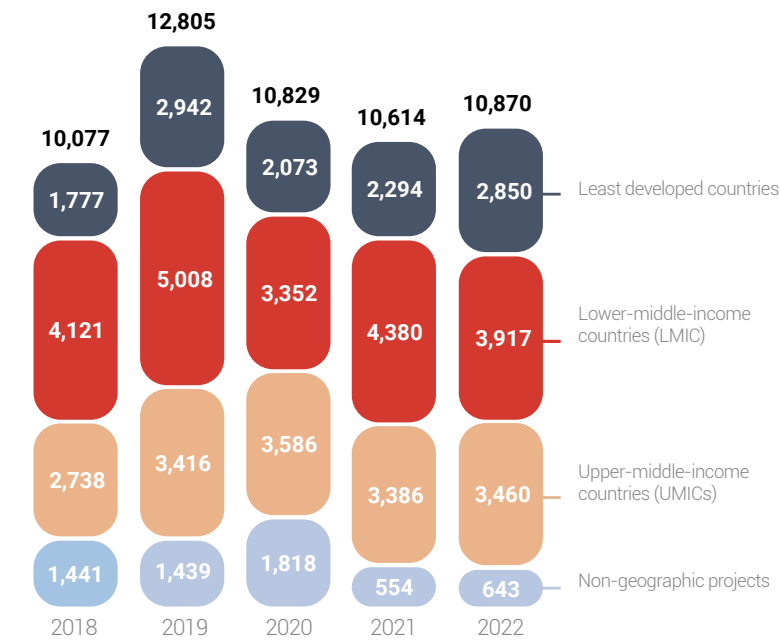
AFRICA, THE REGION WHERE AFD GROUP IS MOST ACTIVE

AFD GROUP FINANCIAL AUTHORIZATIONS - DISTRIBUTION BY GEOGRAPHICAL ZONE
in € millions



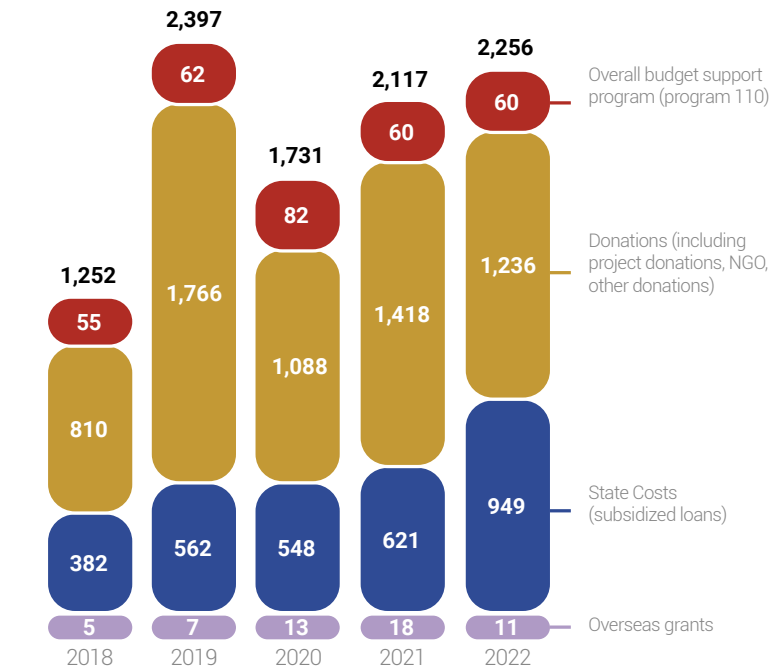
In 2022, AFD Group's financing authorizations in Africa (Sub-Saharan and North Africa) amounted to €5 billion, which makes it the Group's biggest region of intervention. Authorizations for the Orient region amounted to €3.3 billion, which represents 27.5% of AFD Group's activity. Financial commitments in Latin America totaled €1.6 billion, as did those for the Three Oceans region, representing 13% of the Group's activity in each zone.

BREAKDOWN OF AFD GROUP FINANCING AUTHORIZATIONS BY COUNTRY INCOME LEVEL
in € millions



Activity in less-developed countries amounted to nearly €2.9 billion, i.e. 26% of the Group's total activity in foreign countries; 36% of AFD Group's activity in foreign countries was carried out in lower middle-income countries, whilst upper middle-income countries accounted for 32% of the Group's activity.¹

STATE FINANCIAL EFFORT IMPLEMENTED BY AFD GROUP¹
in € millions



The State's financial effort implemented by AFD Group amounted to €2.25 billion in 2022, a slight increase on 2021. Donations (including budget aid) represented €1.3 billion, and the State cost of loan subsidies €949 million.

1. Excluding FFEM (French Facility for Global Environment) and FID



© Sylvain Cherkasov / AFD

Towards a world in common

AFD Group contributes to the implementation of France's policies for sustainable development and international solidarity. The Group includes Agence Française de Développement (AFD), which finances the public sector and NGOs, research and training; its subsidiary Proparco, which is dedicated to the private sector financing; and Expertise France, a technical cooperation agency. The Group finances, supports and accelerates the transitions needed for a fairer, more resilient world.

Alongside our partners, we build shared solutions with and for local populations in more than 150 countries, as well as in 11 French Overseas Departments and Territories. As part of France's commitment to achieving the Sustainable Development Goals, our teams are at work on 4,200 projects in the field. Our goal is to reconcile economic development and preserving the common good, from peace, the climate and biodiversity, to health, education and gender equality. Towards a world in common.



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