



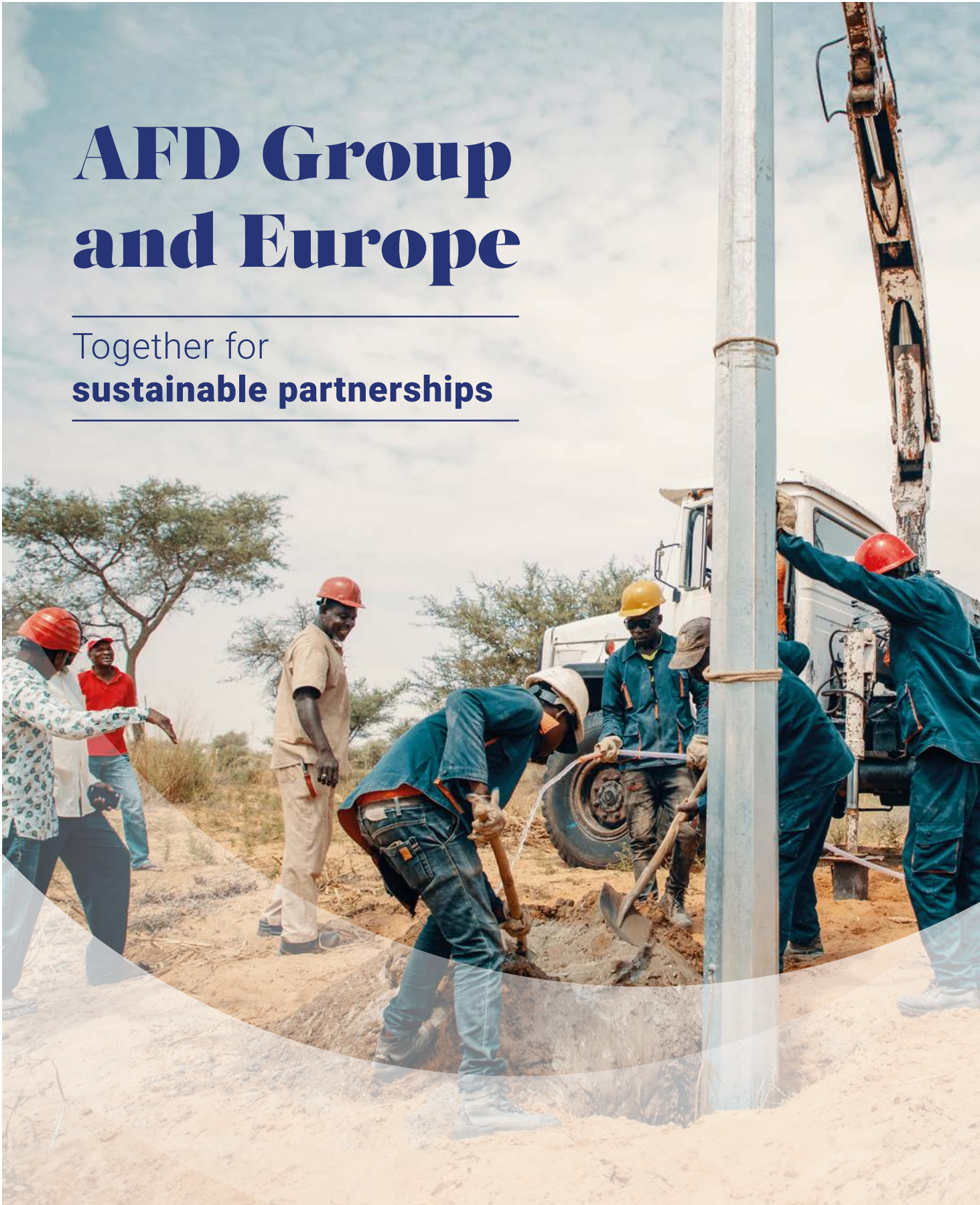
RÉPUBLIQUE
FRANÇAISE

*Liberté
Égalité
Fraternité*



AFD Group and Europe

Together for
sustainable partnerships



#WorldInCommon

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PREFACE

“European networks boost our effectiveness in the field”

By **Rémy Rioux**, Chief Executive Officer of AFD Group

Europe alone accounts for almost half of the world’s official development assistance, making it the continent most committed to solidarity. In a fragmented geopolitical context, this commitment gives it a key role in bringing people together and rallying them around shared challenges.

The Global Gateway strategy and the #TeamEurope approach are cornerstones

of this commitment, which is being deployed throughout the world.

France plays a central role in conjunction with AFD Group. Alongside the European Commission, we have been participating in the European solidarity investment policy since 2008 through joint dialog with countries and increasing co-financing.

Team Europe is also present on a daily basis in our numerous partnerships with our bilateral European contacts. The Joint

European Financiers for International Cooperation (JEFIC) – Europe’s network of international public development banks – has enabled AFD and its German, Spanish, Italian, and Polish counterparts to mobilize almost €21 billion by 2022. Parparco represents our Group in the European Development Finance Institutions (EDFI) network, while Expertise France has chaired the Practitioner’s Network (PN) since 2023, making AFD Group the only European organization represented in all three #TeamEurope networks.

“Since 2008, we have been participating in Europe’s solidarity investment policy through joint dialog with countries and increasing co-financing.”

In addition to reaffirming mutual trust within the European community, these networks give us new visibility and greater effectiveness in the field. This is illustrated by the Team Europe Investing in Young Businesses in Africa (IYBA) initiative, through which our three organizations support young African entrepreneurs, or the City Investments to Innovate, Integrate and Sustain (CITIIS) program, launched in 2012 by AFD and the European

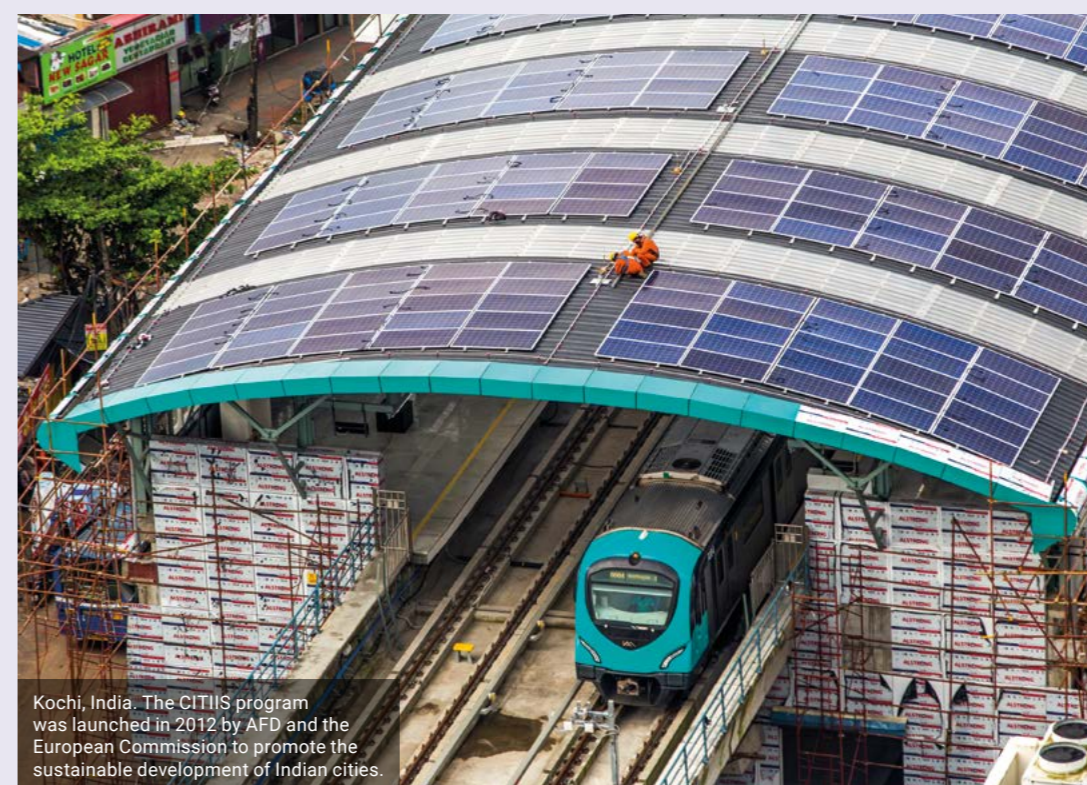
Commission to promote the sustainable development of Indian cities, and strengthened with German support from KfW, our leading bilateral partner.

AFD Group, in conjunction with the European Commission, the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), and all the development institutions of the Member States of the European Union, represents a unique platform for exchange. This facilitates experience sharing with all our partners around the world to achieve the Sustainable Development Goals and carbon neutrality.

Together, let’s continue to build a Europe of solutions for sustainable development and international partnerships based on respect, modesty, and determination.



15 years
of partnership
between AFD
and the European
Commission



Kochi, India. The CITIIS program was launched in 2012 by AFD and the European Commission to promote the sustainable development of Indian cities.

275 projects supporting the SDGs

Driven by shared convictions, AFD Group and the European Union are working hand in hand to enhance the impact of their financing in the field and the effectiveness of development aid. Their cooperation has grown stronger over time, through ongoing dialog, by producing joint studies that contribute to the European debate, and by co-financing joint initiatives.

A key partnership

AFD has been approved to manage European funds since 2008. From 2014 to 2022, it has benefited from over €3 billion in European resources, supporting the co-financing of 275 projects in 74 countries. This figure rises to some 350 projects if we include those managed by Expertise France and Proparco, AFD Group's two other organizations.

AFD Group's partnership with the European Commission covers a wide variety of sectors. At the top of the list is the energy sector, followed by agriculture, biodiversity, and sustainable development, which account for over 40% of funding. In addition, AFD is the only financial institution to be involved in certain mixed facilities in the health, education, and agriculture sectors.

Today, AFD Group is mobilizing to meet the challenges of the 2021-2027 European programming and to add a more strategic dimension to its partnership with the European Union.

LATIN AMERICA & CARIBBEAN

27 AFD projects

€150 M

5% of European funds delegated to AFD

→ See page 21

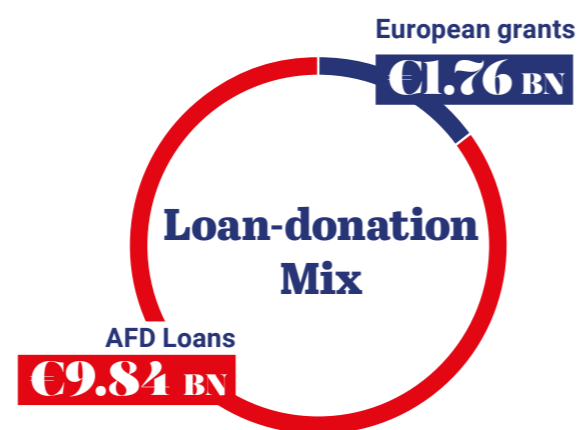
MULTI-COUNTRY

5 AFD projects

€53 M

2% of European funds delegated to AFD

→ See pages 9, 11, 15, 16, and 20-21



EUROPEAN NEIGHBORHOOD POLICY

51 AFD projects

€963 M

30% of European funds delegated to AFD

→ See pages 11, 15, 17, and 19

€3.2 BN

delegated by the European Union to AFD from 2014 to 2022

SUB-SAHARAN AFRICA

146 AFD projects

€1.7 BN

52% of European funds delegated to AFD

→ See pages 9, 15, 16, 19, and 21

ASIA AND THE PACIFIC

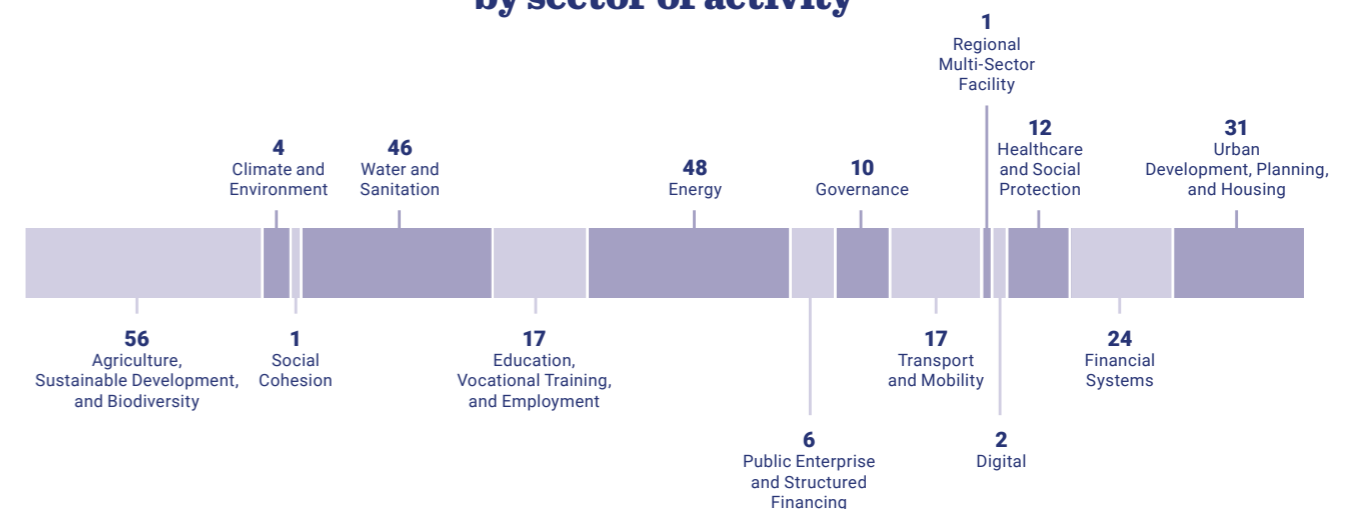
46 AFD projects

€355 M

11% of European funds delegated to AFD

→ See page 11

Breakdown of AFD projects by sector of activity





“AFD Group is a driving force behind Team Europe”

With **Koen Doens**, Director General for International Partnerships (DG INTPA), European Commission



Hann Bay, Senegal. The sanitation project, funded by AFD and the European Union, is the first large-scale industrial clean-up project in West Africa. It includes the deployment of infrastructure to collect and treat wastewater before it is discharged into the sea, while introducing the polluter-country principle.

How does AFD Group contribute to European cooperation?

AFD Group is a driving force behind Team Europe. AFD, Expertise France, and Proparco are at the forefront of demonstrating the added value and know-how of member states in implementing the European agenda.

AFD Group's investment in a large number of Team Europe initiatives, as well as its participation in the various networks that make up the European aid architecture, are essential. Cooperating with AFD Group means rallying around shared priorities and working together towards common goals. We also offer quality solutions to our partner countries, in line with the Sustainable Development Goals and the strategic interests of the European Union.

AFD Group has a role to play in strengthening European networks and implementing European external initiatives.

Do you have any particular expectations for the Group?

Bringing Expertise France into AFD Group makes it even more responsive to our partners' needs. We are following this dynamic with interest, as the Team France format mirrors the Team Europe approach for greater visibility on the international stage against a backdrop of heightened geopolitical competition. This Team Europe approach reflects our ambition to work together more effectively – by better coordinating our actions

and pooling our efforts – in order to increase the impact and effectiveness of our efforts in partner countries.

AFD Group has a role to play in strengthening European networks – the European Development Finance Institutions (EDFI) network, the Joint European Financiers for International Cooperation (JEFIC), and the Practitioner's Network (PN) – but also more generally in implementing European external action.

The private sector will also play a decisive role in meeting the numerous challenges of sustainable development. I'm counting on AFD Group to continue pushing forward and encouraging work in the European format, mobilizing European development finance institutions and building bridges with businesses, which are key assets in achieving our objectives.

How do you view the co-financing agreement signed with JEFIC in March 2023?

This agreement was signed under the auspices of the European Commission, between AFD, KfW, the Italian Cassa di Risparmio di Roma (CDR), and the Spanish Agency for Development Cooperation (AECID). The European Commission views this agreement as a positive step towards forging closer ties between European funding agencies for international cooperation. This enhanced cooperation is in line with the Team Europe approach we are promoting, and will facilitate the implementation of the Global Gateway strategy (see box on right). This kind of initiative, aimed at working more closely together, brings us closer to our goal of being more effective in the field and more visible to our partners in the European format.

Global Gateway, a joint response to global challenges

Launched in 2022, the European Global Gateway strategy aims to tackle the world's most pressing challenges, from climate and healthcare to transport and the need to secure global supply chains. It will mobilize up to €300 billion by 2027. These investments will focus on sustainable projects, taking into account partner countries' needs and the interests of the European Union and its member states.

Through its participation in Team Europe initiatives and a number of flagship Global Gateway projects, AFD Group is helping to unite European cooperation around projects with a high transformational impact. "Coordination between the Group's three organizations is crucial," underscored Koen Doens. "Backed by its range of tools and multi-sector expertise, AFD Group helps stimulate investment and attract the private sector to our partner countries while offering technical assistance to support these dynamics." This is the model the European Union wants to offer its partners: a "360-degree" solution integrating financing tools (loans, grants, and guarantees) and support measures (technical assistance, promoting high social and environmental standards, etc.).



The ARE Scale-up facility supports the development of a secure, sustainable, accessible energy supply in Africa.

Energy

For an accessible, efficient low-carbon energy supply

Nearly 800 million people worldwide have no access to electricity, 600 million of whom are in sub-Saharan Africa. For cooking and heating, 2.8 billion people rely on traditional fuels like firewood, which frequently puts families at risk of smoke inhalation. This situation hampers economic competitiveness, slows down the development of countries, and limits access to healthcare and education. The energy transition is an economic, social, and environmental opportunity.

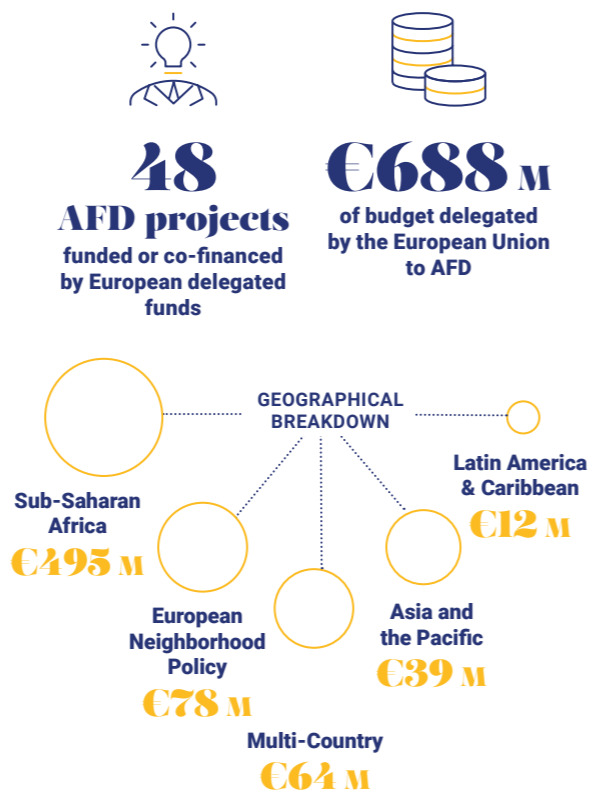
Encouraging the energy transition

To promote this transition and increase access to reliable, clean, low-carbon energy services, AFD Group supports renewable energy sectors in developing countries. This

commitment is shared by the European Union. The two projects presented here illustrate these shared ambitions. The ARE Scale-up funding facility, created in 2016, aims to accelerate the development of renewable energies across Africa. In Mozambique, the PROLER program, underway since 2018, is set to deploy a total capacity of around 120 megawatts of electricity by 2024.

Access to energy is a crucial issue when it comes to economic competitiveness, education, healthcare, etc.

FROM 2014 TO 2022*



(* AFD data)

Supporting renewable energy in Mozambique

Funding: €30.7 million EU grant, AFD public payment guarantees of €7.8 M per project, partly counter-guaranteed by the EU
Recipient: Electricidade de Moçambique
Timeframe: 2018-2024



Access to the power grid has tripled in Mozambique in recent years, rising from 8% in 2006 to 31% in 2019. Demand for electricity is expected to grow by 7-8% each year, driven by a government policy aiming for universal access by 2030. To support this process, AFD is backing the PROLER program, which aims to develop the country's power generation from renewable energy sources. PROLER is set to deploy a total capacity of around 120 megawatts, divided into four distinct infrastructures: three solar photovoltaic projects are planned in the north of the country; a fourth site has been selected for deploying a wind power project.

- IMPACTS**
- 120 MW of additional power generation will be installed at a competitive rate**
 - 300,000 households have access to electricity**
 - 25,000 t eq. less CO₂ emissions per year**
 - A national tendering framework for renewable energy projects**

AFD is supporting the power provider Electricidade de Moçambique and local authorities in preparing and launching calls for tender. It is also funding part of the investment and grid connection costs and providing support on all environmental and social issues. For the private electricity companies bidding for these tenders, AFD is also proposing a liquidity guarantee mechanism for Electricidade de Moçambique.

Facilitating energy transition in Africa

Funding: €16 M of which €12 M EU grant delegated to AFD and €4 M AFD grant
Recipients: States and public or semi-public bodies
Timeframe: 2017-2024

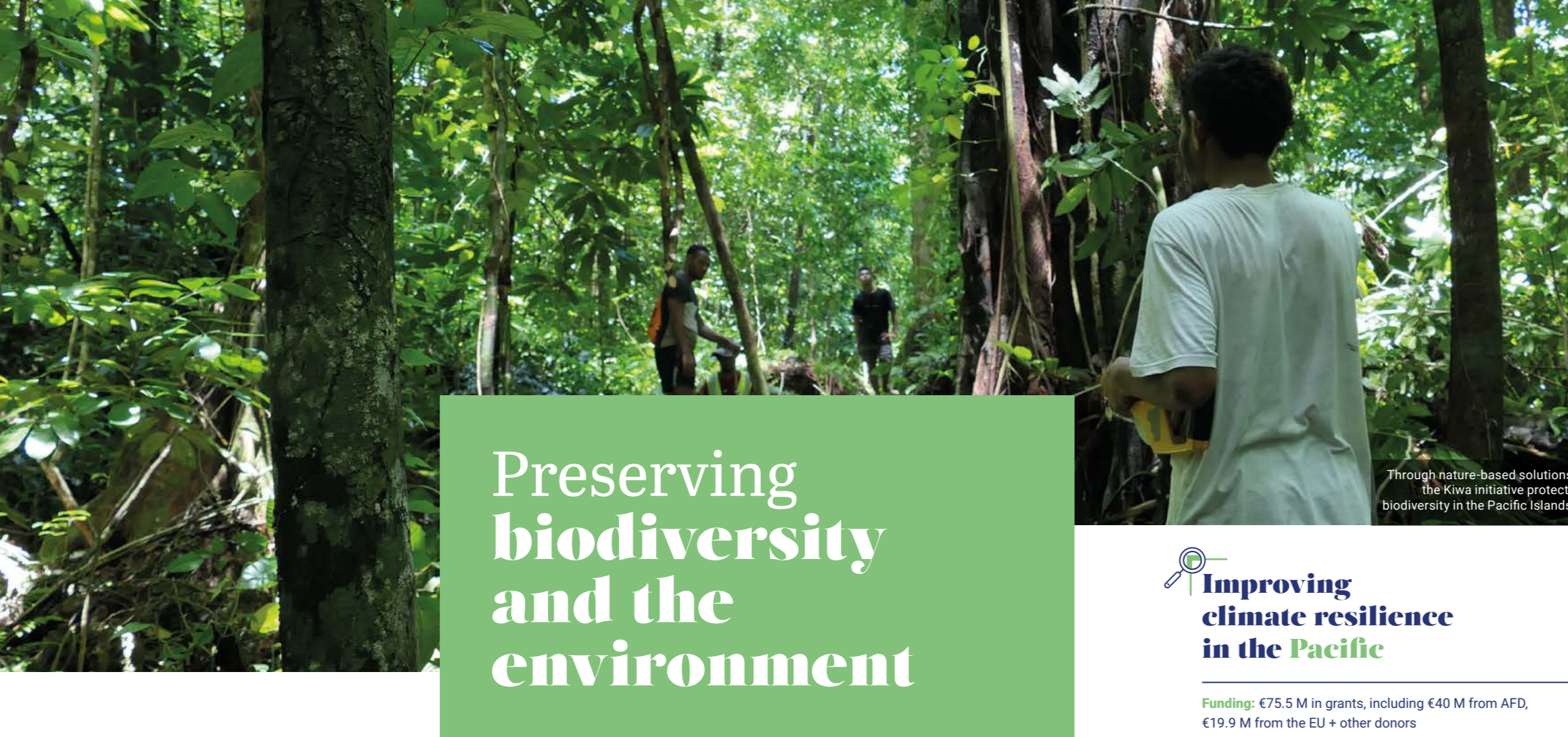


If renewable energies are to be scaled up in Africa, there are many obstacles to overcome, such as outdated grids, inadequate regulatory frameworks and a lack of expertise. The ARE Scale-up facility, launched by AFD Group and the European Commission in 2016, helps fulfill France's commitment to support the development of renewable energy sources in Africa to the tune of €2 billion.

- IMPACTS**
- Over 300 MW of renewable energy to be installed in more than 20 African countries**
 - 3 million households have access to electricity**
 - 500,000 t eq. less CO₂ emissions per year**

ARE Scale-up supports the development of a secure, sustainable, accessible energy supply in Africa. Its aim is to increase access to energy for those living far from power grids and to deploy grid-connected renewable energies. The facility thus complements major international initiatives such as the Africa Renewable Energy Initiative (AREI) and Sustainable Energy for All (SEforALL).

ARE Scale-up is implemented in close collaboration with public energy operators. The aim is to improve the institutional and regulatory framework for renewable energy production in partner countries and to prepare for funding public and private projects.



Preserving biodiversity and the environment

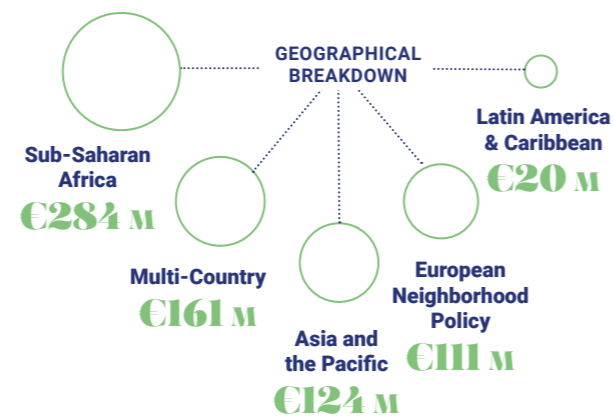
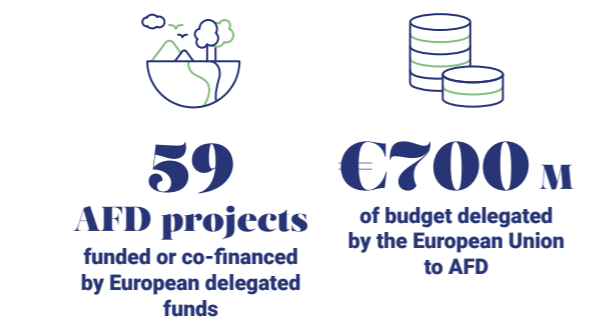
Destruction of natural environments linked to changes in land and sea use, overexploitation and extinction of species, climate change, pollution: these are just some of the multiple pressures on biodiversity. And their impact on populations and economies is unprecedented. Protecting biodiversity is a key part of AFD Group's strategy. The projects funded in this area aim to halt the loss of biodiversity, protect ecosystems, and support the restoration and management of natural areas, with and for the benefit of local communities.

A cross-cutting strategic marker

Every project funded by the Group is now assessed in terms of its impact on biodiversity. By 2022, the Group had committed €736 million to directly or indirectly preserve biodiversity in developing countries and the French overseas departments. Biodiversity is also one of the strategic concerns of the European Commission's Directorate-General for International Partnerships (DG INTPA). They are stepping up their efforts to support the conservation, management, and sustainable use of natural resources, biodiversity, and ecosystems.

Every project funded by AFD Group is now assessed for its impact on biodiversity.

FROM 2014 TO 2022*



(* AFD data)

Through nature-based solutions, the Kiwa initiative protects biodiversity in the Pacific Islands.

Improving climate resilience in the Pacific

Funding: €75.5 M in grants, including €40 M from AFD, €19.9 M from the EU + other donors
Recipients: SPC, SPREP, IUCN, WCS, Birdlife, OneReef
Timeframe: 2020-2028



IMPACTS

People and ecosystems less vulnerable to climate change

More natural land and marine areas that are managed sustainably

Strengthened regional cooperation

In close partnership with leading Pacific regional organizations, Kiwa funds nature-based solutions projects at the local, national, and regional levels. These projects target a wide range of objectives, including the development of a network of educational organic farms to improve food security, planning and implementation of ecosystem-based adaptation on a territorial scale, integrated watershed management, conservation and restoration of mangroves and coral reefs to combat natural disasters, reducing invasive alien species and community-based fisheries management. They also help to promote gender equality, human rights, and social inclusion.

The Kiwa initiative reinforces the resilience of Pacific Island ecosystems, communities, and economies to climate change. Supported by France, the European Union, Canada, New Zealand, and Australia, it covers nineteen countries and territories, including New Caledonia, French Polynesia, and Wallis and Futuna.

In Egypt, improving wastewater treatment

Funding: €183.4 M including a €52 M AFD loan €25.1 M EU grant + other donors
Recipient: Egyptian government
Timeframe: 2022-2028



IMPACTS

Reducing wastewater-related pollution

Increasing treatment capacity

Reducing energy consumption and carbon footprint

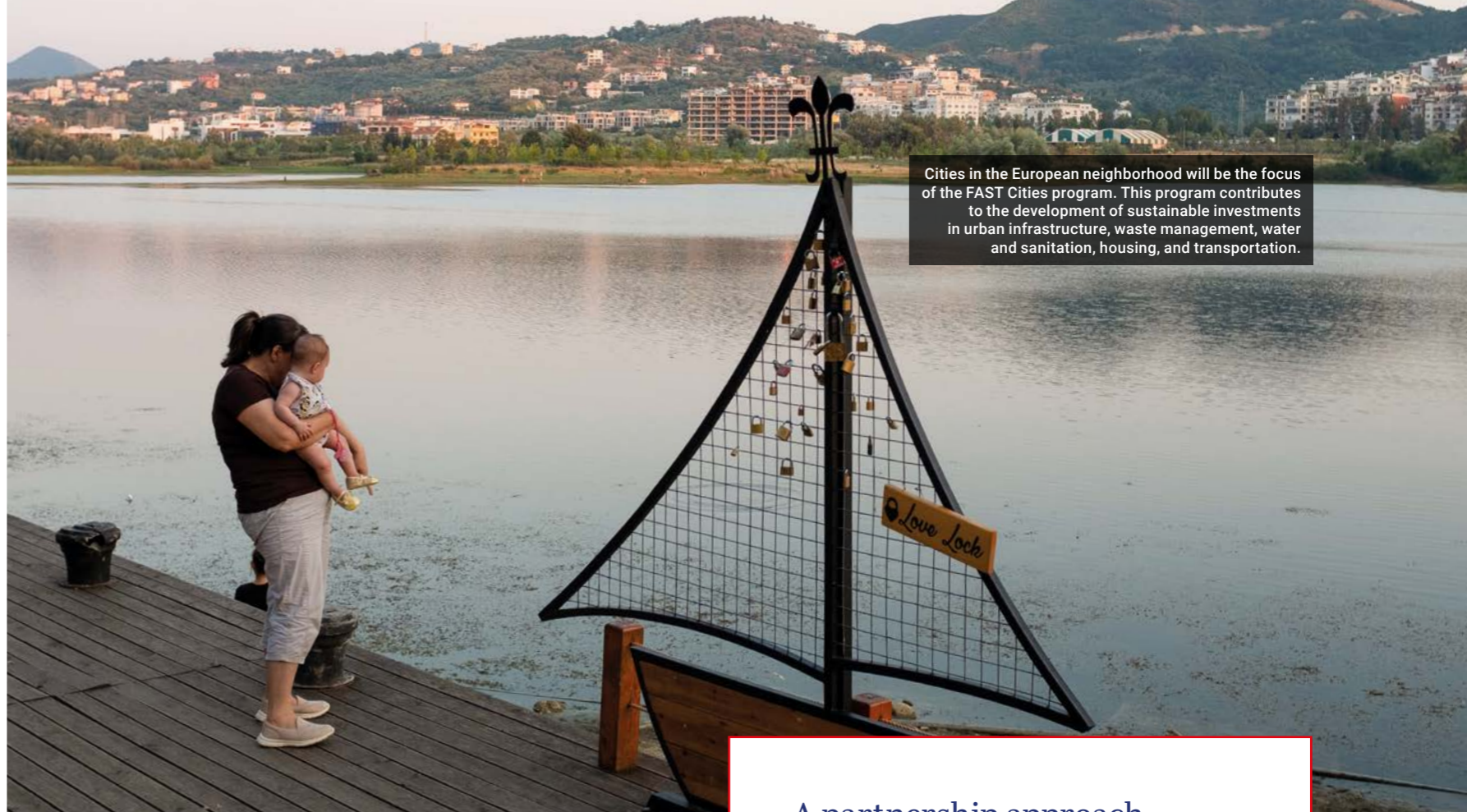
South of Cairo, the Helwan wastewater treatment plant collects wastewater from 1.6 million inhabitants. Since 2021, the joint work of AFD and the European Union, in close collaboration with the Egyptian Construction Authority for Potable Water and Wastewater (CAPW), has enabled this wastewater treatment plant to be equipped with a comprehensive water resources management system. It will provide a reliable, high-quality wastewater service in the south of the city, reduce wastewater-related pollution in the Al Saff irrigation canal, and promote growth in line with the challenges of climate change.

The project also includes biogas digesters to recover part of the sewage sludge produced, optimize the plant's energy and financial balance, and reduce its carbon footprint. In addition, two new pumping stations will be built, the irrigation canal receiving treated wastewater will be renovated, and technical assistance, project management, and auditing services will be provided.



“AFD is a **key partner** of the European Union”

With **Gert Jan Koopman**, Director General for Neighborhood and Enlargement Negotiations (DG NEAR), European Commission



Cities in the European neighborhood will be the focus of the FAST Cities program. This program contributes to the development of sustainable investments in urban infrastructure, waste management, water and sanitation, housing, and transportation.

How do you view the European Union's partnership with AFD Group?

AFD Group is a key historical partner of the European Union in the neighborhood and enlargement regions. In the field, I am aware of the importance of AFD's network of local agencies and the quality of the public policy dialogs with our partner countries.

I also value the excellent cooperation we enjoy as part of our Team Europe initiatives (see box on right) and our close links with the European Union delegations. This cooperation covers priority sectors such as environmental transitions, infrastructure, energy, water, and food safety.


How do you work with DG NEAR?

AFD, Proparco, and Expertise France contribute to the implementation of our economic

and investment plans (EIP) and their flagship projects in the Western Balkans and the countries of the Eastern and Southern Neighborhood. The aim is to support post-Covid-19 economic and social recovery in these three regions and contribute to the implementation of the Global Gateway (see page 7).

And as part of EFSD+, the European Fund for Sustainable Development Plus?

By way of example, DG NEAR has allocated coverage of €100 million – combined with €76 million from the Directorate General for International Partnerships (DG INTPA) – to the FAST Cities program proposal. By involving the private sector, this project is helping to develop sustainable investments in cities in a number of areas: urban infrastructure, waste management, water and sanitation, housing, and transportation. We are counting on AFD Group to


37
AFD projects
were supported
by DG NEAR between
2008 and 2022, for a total
of €510 M in grants

speed up implementation of this ambitious program and achieve its objectives.

How do you see the partnership between DG NEAR and AFD Group in the coming years?

Budgetary guarantees have become a well-established instrument for the European Union. Our partnership will be further expanded in this area. We want to increase the leverage of our resources and mobilize the private sector to support climate, environmental, digital, and social transitions.

A partnership approach to achieve the SDGs

Achieving the 2030 Agenda requires greater convergence of financial flows towards the SDGs and, to this end, the collective mobilization of cooperation and development stakeholders.

With this in mind, AFD Group is forging alliances with bilateral European partners. Through AFD, the Group is a member of the Joint European Financiers for International Cooperation (JEFIC), a network of European bilateral public development institutions. Through its subsidiary Expertise France, the Group is also represented in the Practitioners' Network, which includes European technical cooperation agencies. Finally, via its subsidiary Proparco, AFD participates in the European Development Finance Institutions (EDFI) network of private-sector institutions.

At the same time, AFD Group is building ties with multilateral partners such as the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), and the Council of Europe Development Bank (CEB).

A “strategy of influence” via mobilized networks enhances the role and weight of national institutions in the European aid structure, and helps make aid more effective and relevant for our partners in the field.

Finally, we are aware of, and follow with interest AFD Group's strong investment in mobilizing other development actors and banks – both public and private. This activity ranges from aligning different agendas to the mobilization of financial resources for climate, development, biodiversity, and achieving the Sustainable Development Goals (SDGs). As such, we support AFD's efforts in platforms and forums such as the Finance in Common (FiC) summit, the Joint European Financiers for International Cooperation (JEFIC), and many others.

“We follow with interest AFD Group's strong investment in mobilizing other development actors and banks – both public and private.”



The first phase of the RESILAC project covered 13 territories and 254 villages in the Lake Chad region.

Coordinating responses to crises

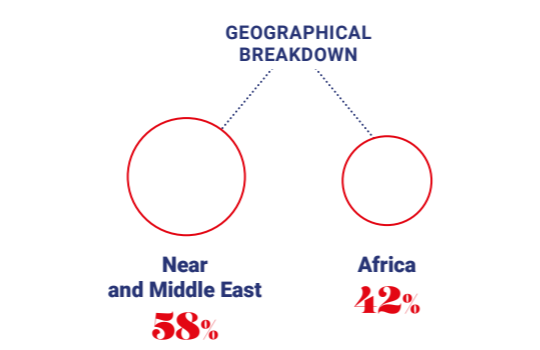
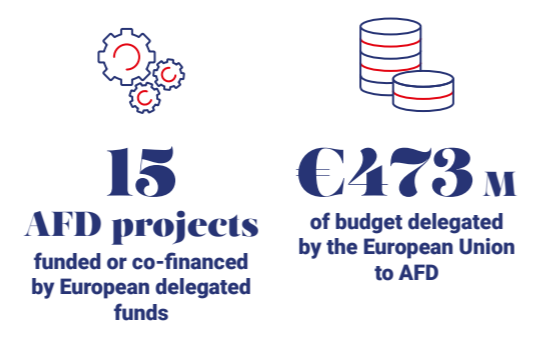
AFD Group and the European Union are committed to working on the structural causes of crises in order to prevent or contain them. The Group combines rapid response with long-term adaptability. When the violence is too great, it supports the resilience of those affected, contributing to humanitarian operations. More than anywhere else, we are committed to a collaborative approach, particularly with our European partners.

Laying the foundations for sustainable development

In prolonged socio-political crises, the Covid-19 pandemic was an additional destabilizing factor, with increased social unrest, the loss of confidence in public authorities, and vulnerable populations particularly affected by border closures and confinements. Faced with this emergency, AFD Group mobilized its resources and endeavored to adapt its operations.

Two projects funded by the Minka Peace and Resilience Fund illustrate the close partnership between AFD Group and the European Union in crisis zones. The Resilience and Social Cohesion Program, shown opposite, demonstrates the operational flexibility deployed to combat the Covid-19 pandemic in the Near and Middle East. The RESILAC ("Inclusive Economic and Social Recovery of Lake Chad") regional project is also an emblematic intervention: in an area affected by the Boko Haram crisis, it responds to the immediate needs of local communities, while at the same time taking structuring action to target the root causes of their vulnerability.

FROM 2014 TO 2022*



(* AFD data)

Towards an inclusive socio-economic recovery in Lake Chad

Funding: €36 M of which €31 M EU grants delegated to AFD
Recipients: Action Against Hunger in consortium with CARE International and Groupe URD
Timeframe: 2018-2022



The Inclusive Economic and Social Recovery of Lake Chad (RESILAC) regional project supports economic recovery and improves resilience and social cohesion in the four countries surrounding the Lake Chad Basin (Cameroon, Niger, Nigeria, and Chad). The actions carried out covered 13 territories and 254 villages. To consolidate the project's achievements and scale up promising actions, AFD and the European Union have agreed on a second phase for 2022-2027.

- IMPACTS**
- 124,898 recipients, including 21,276 in extremely vulnerable situations**
 - 12,029 people benefiting from improved access to agricultural services**
 - 278 ha of land restored to agro-ecological systems**

Coping with Covid-19 in Lebanon, Jordan, and Iraq

Funding: €9 M EU grant delegated to AFD via the Madad fund
Recipients: ACTED, Action Against Hunger, French Red Cross, Terre des hommes
Partner: Italian Development Agency
Timeframe: 2017-2021



- IMPACTS**
- 9,000 vulnerable vulnerable beneficiaries at 10 sites**
 - 1,500 hygiene kits distributed in response to the pandemic**
 - Greater social cohesion**

Through the Social Cohesion and Resilience Program – funded by the European Union's Madad Fund and implemented in Lebanon, Jordan, and Iraq – AFD and its partners have demonstrated their ability to adapt to the devastating effects of Covid-19 on Syrian refugees and host communities. The actions planned in the healthcare sector have been rethought to raise awareness of the health risks associated with the virus, to adapt the psychosocial messages disseminated during awareness campaigns, and to develop new psychosocial support methods so as not to break social links.

These actions linked to the Covid-19 pandemic were carried out as part of a wider intervention to improve Syrian refugees' access to basic services – and in particular to healthcare services, including mental health – while promoting social cohesion between communities. AFD's four NGO partners worked in close collaboration with national institutions and civil society organizations.

Mobilizing a Group

AFD Group has two subsidiaries: Expertise France, the interministerial agency for international technical cooperation – which joined the Group in January 2022 – and Proparco, a subsidiary dedicated to private sector financing. Both contribute to AFD Group's European partnership.



As part of projects funded by the European Union, Expertise France is supporting the Ivory Coast's energy and climate transition.

PROPARCO

FROM 2015 TO 2022*



9

Proparco projects
funded or co-financed by European delegated funds

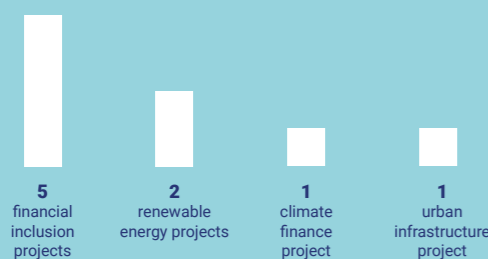


€97 M
of budget delegated by the European Union to Proparco



€370 M
loans, guarantees, and equity (leverage)

BREAKDOWN BY SECTOR



(* Proparco data)



Supporting Moldova's economy amid the war in Ukraine

Funding: €10 M
Recipients: Moldovan micro, small, and medium-sized enterprises
Timeframe: 2023-2028

One year after granting an €8 million loan to Microinvest, Proparco renewed its support for Moldova's leading microfinance institution in June 2023, via a €10 million credit line backed by the European Union's EFSD-MSME guarantee.



IMPACTS

4,500 microcredits granted primarily to small farmers and micro-entrepreneurs

171 local micro, small, and medium-sized enterprises supported

More than 600 jobs indirectly preserved

Originally set up by the Soros Foundation, Microinvest has expanded by targeting the agricultural sector. This new commitment from Proparco will particularly benefit micro-entrepreneurs and small-scale farmers. Hard hit by the drought of 2020, these farmers are now having to cope with the consequences of the war in Ukraine. Proparco's financing is thus part of a highly strategic response, reinforced by Moldova's request to join the European Union in 2022.

The MSME is the first joint guarantee mechanism in the EFSD+ program. It aims to strengthen the lending capacity of local intermediary financial institutions to provide loans to micro, small, and medium-sized enterprises.

EXPERTISE FRANCE



A stronger entrepreneurial ecosystem in Africa

Funding: €11 M
Recipients: companies and entrepreneurs
Timeframe: 2023-2026

Africa's burgeoning entrepreneurial ecosystem is an essential driver of growth for the continent. In particular, it contributes to the creation of decent jobs, including for women and young people. To support this dynamic, Expertise France is helping to implement the Team Europe Investing in Young Businesses in Africa – Supporting Entrepreneurial Ecosystem Development (IYBA-SEED) initiative.



IMPACTS

Creating decent jobs for women and young people

Fostering resilient economies

Launched in 2023, the IYBA-SEED program is being implemented in five African countries: Benin, Kenya, Senegal, South Africa, and Togo. The aim is to support the stakeholders in the entrepreneurial ecosystem, encourage them to work together to create synergies, and support seed and pre-seed companies run by young people and women. The Team Europe approach that characterizes this project will enhance the effectiveness of European development aid.

IN 2022 WITH THE EU*



27 countries
supported in combating the effects of climate change



1,433 companies
supported



16,986 people
benefiting from social protection services



79 organizations
supported in their digital transition



231 civil society organizations
strengthened



12,804 people
benefiting from healthcare services

(* Expertise France data)



Working together to improve access to healthcare

Since 2014, AFD Group has been committed to mobilizing more delegated funds from the European Union on health issues. The objectives are to encourage access to quality healthcare, particularly for the poorest and most vulnerable people, promote sexual and reproductive health, work towards universal healthcare coverage, and strengthen healthcare and social protection systems in the face of climate change.

The challenges of climate change

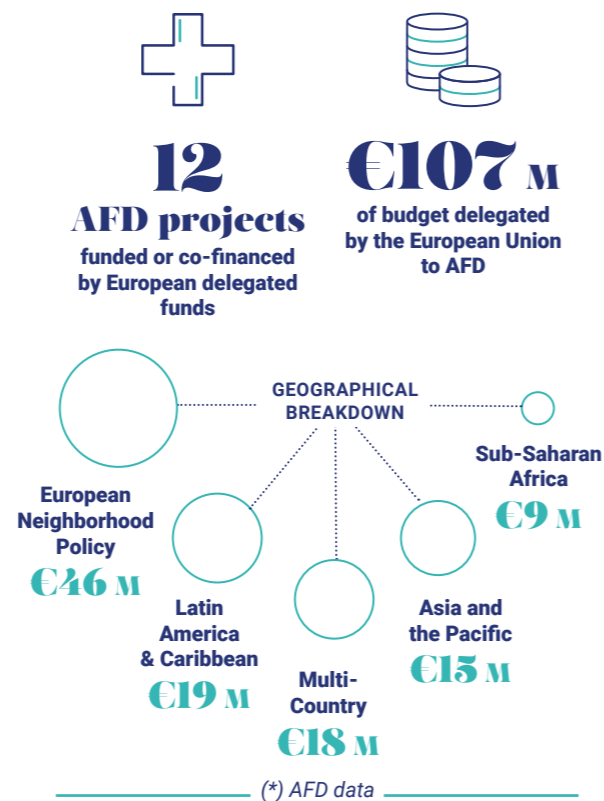
The climate is a major health issue, with the rising incidence of climate-sensitive diseases and the emergence of new infectious diseases. These impacts require us to support healthcare systems and improve their resilience. The challenge is twofold: firstly, to reduce the sector's greenhouse gas emissions, and secondly, to adapt services to the effects of climate change.

Climate-sensitive diseases, or new infectious diseases... Climate is a major health issue.

The European Union and AFD Group are working to promote health for everyone by supporting structuring policies and programs. Two projects in particular illustrate this shared commitment: in Turkey, the construction and equipping of a hospital that proved its worth in the aftermath of the February 2023 earthquake; in Senegal, the government-led reform of the pharmaceutical sector with the aim of meeting 50% of the country's healthcare product needs by 2050.

Institut Pasteur in Dakar, Senegal. AFD and the European Union are supporting the institute in producing vaccines, notably against Covid-19.

FROM 2014 TO 2022*



Strengthening Senegal's pharmaceutical sovereignty

Funding: €25 M AFD loan and €5 M EU grant
Recipient: Senegalese Government
Timeframe: 2022-2024



IMPACTS

Promoting investment in the pharmaceutical sector

Fostering a self-sufficient, sustainable local pharmaceutical industry

High-quality healthcare products

Inequalities in access to Covid-19 vaccines worldwide have made it essential to strengthen pharmaceutical sovereignty in Africa. Alongside its European partners, AFD supports the strategy of the African Union and the African Center for Disease Control and Prevention (CDC Africa) to build regional vaccine production platforms by reinforcing local industries and their ecosystems.

In Senegal, for example, AFD is supporting the government in implementing its plan to revive the pharmaceutical sector. The aim is to meet 50% of the country's healthcare product needs by 2050. This support aims to promote a structuring approach. It is provided via a public policy loan as part of a Team Europe initiative dedicated to the production of healthcare products.

A sustainable hospital on Turkey's Syrian border

Funding: €40 M of which €30 M in grants delegated to AFD via FRIT
Recipient: Turkish Ministry of Health
Partner: AP-HP international for technical support
Timeframe: 2022-2028



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Greater access to quality care

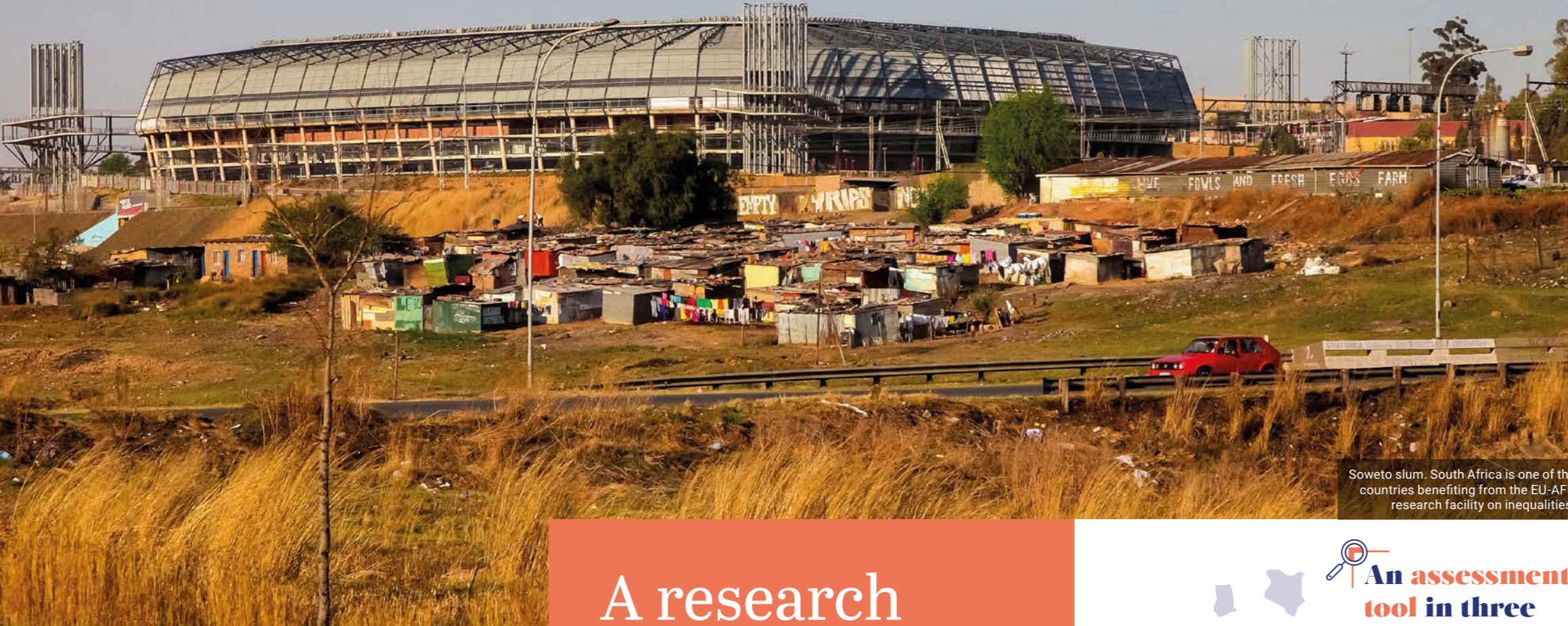
Two new palliative care and pediatric intensive care units

Greater acceptance of refugees by host populations

From 2017 to 2022, AFD appraised the project to build and equip a public hospital in Dörtyol on behalf of the European Union. The project was funded as part of the Refugee Facility for Turkey (FRIT), launched in 2016 to support Turkey's efforts in hosting more than four million Syrian refugees.

In this main town of the Hatay state, where more than 500,000 refugees have been welcomed for a population of 1.5 million, this new facility, inaugurated in 2022, has doubled the local hospitalization capacity to 300 beds. The hospital also facilitates access to specialized healthcare for refugees and host populations.

High anti-seismic standards, in line with European standards, have enabled the hospital to withstand the February 2023 earthquake and meet the population's needs during this crisis.



Soweto slum. South Africa is one of the countries benefiting from the EU-AFD research facility on inequalities.

A research facility to better understand inequalities

Funding: €7.5 M EU grant
Partners: research centers and local authorities in partner countries
Timeframe: 2022-2024

Since 2015, AFD and the European Union have made it a priority to combat inequality. The European Commission and AFD began their collaboration on this topic in 2017 with the establishment of the EU-AFD Research Facility on Inequalities. Funded by the European Union and coordinated by AFD, this facility helps to improve knowledge of socio-economic inequalities and to develop the most appropriate strategies for reducing them. In this way, it is helping to achieve the Sustainable Development Goals (SDGs), and more specifically combating inequalities (SDG 10).



23
projects
 were carried out during phase 1 of the facility

Between 2017 and 2020, 23 research projects were conducted in 32 countries. They have provided a better understanding of socio-economic inequalities, their determining factors, effects and dynamics, and have led to the publication of one hundred research articles. This program has also fueled academic debate and initiated or intensified national exchanges on the theme of inequalities in the countries involved.

Strengthened partnerships between countries

The success of this program led to the launch of a second phase in 2021. This extension supports defining policies to reduce inequalities in four partner countries: South Africa, Mexico, Colombia, and Indonesia. In the long term, it will enable partner countries and development stakeholders to better understand the dynamics of inequalities and respond to them through more inclusive, equitable public policies and strategies.

This research facility also plays a role in building a common European strategy to reduce inequalities. Through its Strategic Committee, it reinforces cohesion between EU member states and supports the European Commission in implementing this objective.

Equitable economic diversification in South Africa



South Africa remains a highly unequal country in terms of wealth distribution, living standards, employment opportunities, and household incomes. The two pillars of phase 2 of the Research Facility support South Africa's Economic Recovery and Reconstruction Plan. The first pillar consists of developing an online tool to provide detailed information on the local labor market and skills to help public authorities, from national to local level, to develop equitable economic diversification strategies, especially in a coal phase-out scenario.

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A better understanding of inequalities in South Africa

More effective public policies to reduce inequalities

More equitable and sustainable economic planning processes

As part of the second pillar, AFD and the South African government are developing a research program to measure the economic externalities of South Africa's economic recovery policy.

An assessment tool in three test countries



IMPACTS

Public policy strategies to reduce inequalities

In-depth national research on inequalities

Public debate fostered by in-depth studies

This research project furthers the analysis of inequalities and public debate on strategies to reduce them. To this end, it is developing a test assessment tool to be implemented in a limited number of pilot countries: South Africa, Kenya, and Ghana. This tool provides an in-depth analysis of multi-dimensional inequalities in a given country. The conclusions drawn from this analysis help governments to identify priorities and policy options for reducing inequalities.

Promoting more egalitarian public policies in Colombia



IMPACTS

Reforms with strong potential for reducing economic, social, and rural inequalities

More sustainable and equitable development pathways

The second phase of the facility supports the Colombian government in setting up a public policy program to reduce inequalities. To date, an assessment of inequalities has been conducted, along with a study of the redistributive effects of fiscal and social policy.

also shows that fiscal and social policies have a significant impact on inequalities, notably through social transfers, retirement pensions, and indirect taxes. Based on this, the cornerstones for future public policy will take environmental sustainability into account. They must also address social and fiscal issues, reduce territorial inequalities, and provide for comprehensive rural reform.

This first stage of the program revealed that territorial and land inequalities are the most significant ones in Colombia. It



“Aid can support **Europe’s** geopolitical assertiveness”

With **Anna Lipchitz**, Head of AFD’s Europe Division and AFD Group representative to European institutions

How do you view the partnership between the European Commission and AFD Group?

Our collaboration has grown considerably in recent years. Guided by common strategies and a shared commitment to achieving the Sustainable Development Goals, the partnership is growing in depth, with greater impact on the ground.

This partnership has led to constant improvements in AFD’s methods. It also helps the Commission to better understand the challenges involved in implementing projects in the field. Our collaboration also helps to bring together European actors in technical assistance and funding, both public and private, to create leverage effects.

The new Global Gateway strategy, launched at the end of 2021, aims to take this partnership approach even further.

It calls for stronger coordination within Team Europe, thereby reinforcing AFD Group’s partnership mindset. More than ever, we are forging alliances with other European partners, within networks, such as with bilateral and multilateral banks (see page 13). For our operational teams, this means higher coordination costs, but they are essential if we are to provide more effective, more relevant aid to benefit our partners in the field.

How can funding instruments support this evolution and contribute to greater impact in the field?

Funding tools are continuing to evolve, guided by a greater focus on the needs of project recipients. They are also moving towards greater simplicity in order to work more effectively and attract more private sector investment.

In this sense, the co-financing agreement signed in March 2023 within the Joint European Financiers for International Cooperation (JEFIC) takes things further. Recognizing each other’s expertise encourages funding for joint projects carried out by the appropriate stakeholders in a context of greater trust.

It is by pursuing this path that the architecture of European aid can truly support Europe’s geopolitical assertiveness on the international stage.

“Funding tools are moving towards greater simplicity to work more effectively and attract the private sector.”

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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, NGOs, research, and training; its subsidiary Proparco, which is dedicated to the private sector; and Expertise France, a technical cooperation agency. The Group finances, supports, and accelerates the transitions needed for a fairer, more resilient world.

With our partners, we are building shared solutions with and for the people in more than 150 countries, as well as in 11 French Overseas Departments and Territories. As part of the commitment of France and the French people to achieving the Sustainable Development Goals, our teams are at work on more than 4,800 projects in the field. Our objective is to reconcile economic development with the preservation of common goods, from peace, the climate and biodiversity to health, education, and gender equality. Towards a world in common.



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