



RÉPUBLIQUE
FRANÇAISE

*Liberté
Égalité
Fraternité*



AFD AND energy transition in Africa



**More than
3 million euros**

in support of
renewable energy
in Africa

between 2016 and 2020

**More than
114 energy
projects**

underway in Africa

**More than
5 million**

people with improved
access to electricity by 2020

To promote the energy transition in Africa, AFD supports the development of efficient, low-carbon energy services that are accessible to everyone.

It relies on three major assets: diversified financing, tailored technical support, and a large network of partners.

Africa represents*



17%
of the world's
population



6%
of the world's
energy consumption



3%
of greenhouse gas
(GHG) emissions

Renewable
resources are
under-exploited



Hydropower reserves
345 GW
are only 11% utilized



1750/2500 kWh/m²/year
The average solar irradiation
of African countries
is twice as high as Europe

Energy, driving development

Supporting Africa's energy transition - a major challenge

Africa is AFD Group's geographical priority and accounts for 50% of its annual investments. In 2019, €6.5 billion was spent on projects developed on the continent, including €1.2 billion in the energy sector.

Addressing rising energy needs

In Africa, population growth, urbanization and industrialization are resulting in a significant increase in energy needs. On average, energy demand will increase by 8.9% per year by 2040. To meet this increase, there is a significant need for infrastructure.

Accelerating the expansion of the electricity supply to the entire population

Africa is facing a significant energy gap. In 2020, nearly 600 million of Africa's 1.3 billion people still do not have access to quality electricity services. The modernization of existing grids is also a challenge continent-wide.

Africa's energy transition combines the development of its renewable energy potential with access to quality energy for everyone.

This transition must be based on a low-carbon growth trajectory and offer a triple payoff, with environmental, economic and social benefits.

Africa's electrification process is progressing

The percentage of people with access to electricity has increased from 29% in 1990 to 53% in 2017, providing nearly 470 million more Africans with access to electricity. Access to electricity, however, remains well below the global average, which was 89% of the global population in 2017.

Electricity access rates*

NORTH AFRICA
(Morocco, Algeria, Tunisia, Libya, Egypt)
99% access
198 million people

SUB-SAHARAN AFRICA
(excluding South Africa)
45% access
1.05 billion people

SOUTH AFRICA
85% access
59 million people



*2019 World Bank data

Africa's advantages for a sustainable energy trajectory

Africa has the advantage of having a significant renewable energy potential. Solar energy, hydropower, geothermal energy, biomass and wind power are still underexploited resources on which the continent can base its development. Promoting sustainable energies also means reducing our dependence on fossil fuels.

AFD supports countries and partners that wish to pursue energy transitions towards more sustainable energy models. This translates into mixed energy production solutions and the construction and commissioning of solar and hydroelectric power plants. AFD also supports the implementation and testing of innovative renewable energy production projects. From geothermal energy in Kenya to the first floating solar power plant in the Ivory Coast.

As a "100% Paris Agreement" agency, AFD supports energy projects that are at least climate neutral.

As a "100% social link" agency, AFD also supports projects that do not have a negative impact on communities.

In 2020, gender equality objectives were a central or significant part of 69% of the Group's energy commitments worldwide.

Underused renewable energies (in GW)

NORTH AFRICA
(Morocco, Algeria, Tunisia, Libya, Egypt)

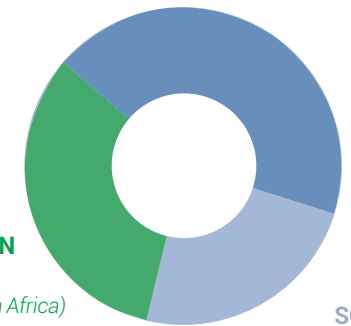
108 GW
including 9%
from RE

SUB-SAHARAN AFRICA
(excluding South Africa)

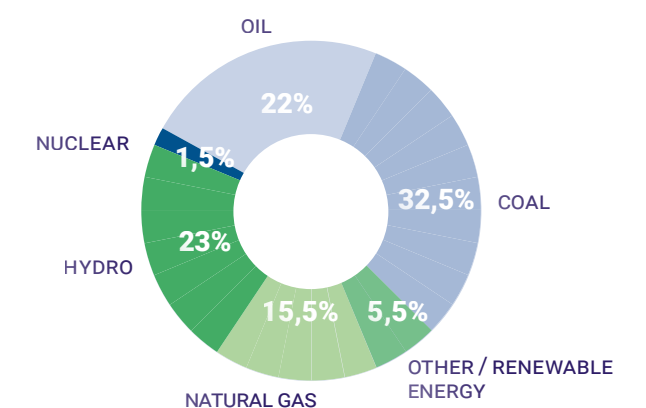
81 GW
including 38% from RE
and 3% from RE excluding hydro

SOUTH AFRICA

56 GW
including 15% from RE



The energy mix in sub-Saharan Africa remains largely carbon-based

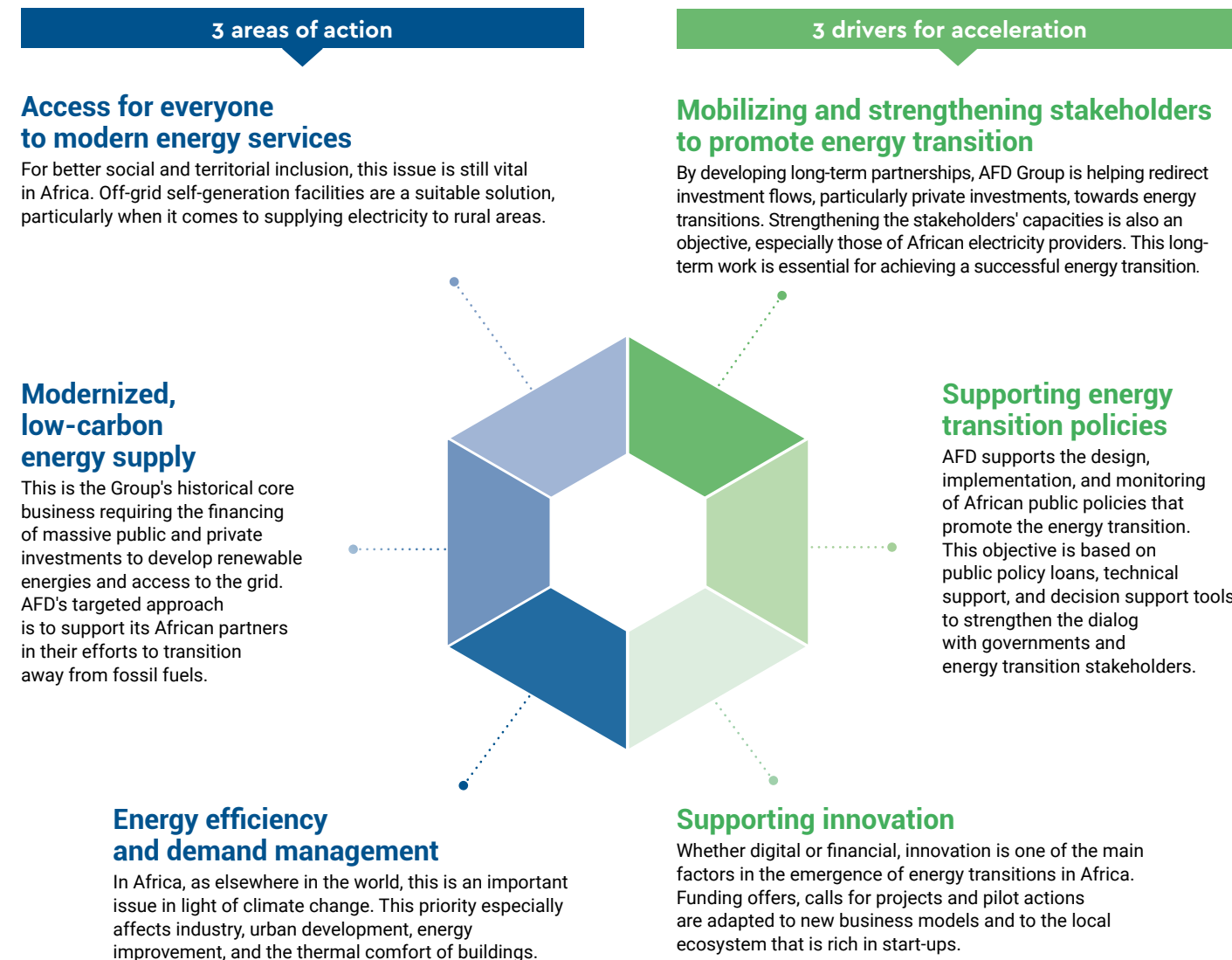


Support the Desert To Power initiative

The Desert To Power initiative, led by the African Development Bank, supports the development of nearly 10,000 MW of solar power generation capacity to benefit 250 million people in 11 Sahelian countries. In 2020, alongside the international donors involved in the G5 Sahel countries, AFD contributed to a more ambitious roadmap by supporting a number of energy-related projects. These exchanges made it possible to identify synergies while contributing to the effective coordination of the actions of the various stakeholders.

Large-scale changes

AFD Group's energy transition strategy in Africa is based on three areas of action and mobilizes three cross-cutting drivers for acceleration. These measures are in line with the Group's priorities as part of its 100% Paris Agreement and 100% social link commitments.



AFD Group is mobilizing to implement this strategy



A broad range of financial tools...

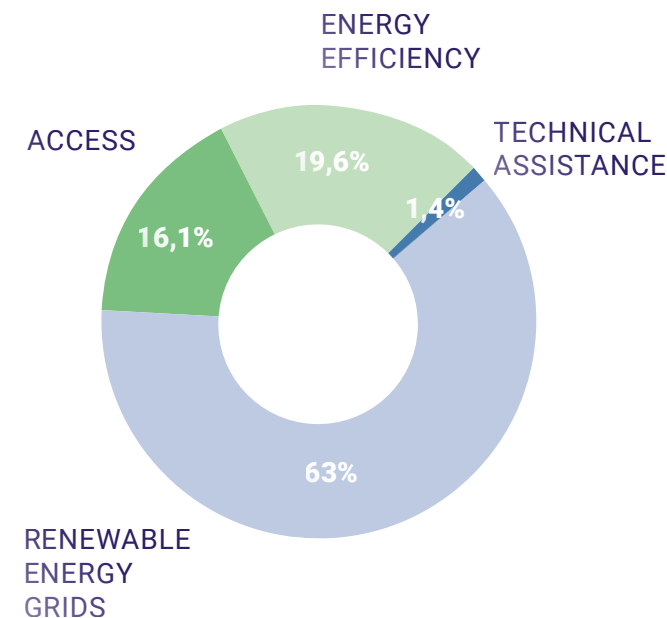
- Public policy loans
- Sovereign and non-sovereign loans
- Direct private loans, equity investments
- Lines of credit/banking intermediation
- Equity investments
- Guarantees
- Grants and technical cooperation

... for various beneficiaries

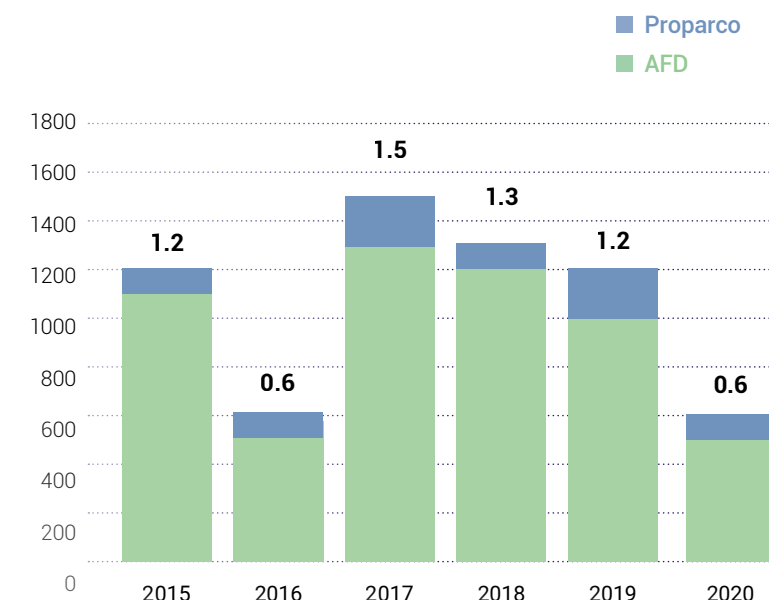
- Governments
- Public and private companies
- Local authorities
- Banks
- Project organizations

The breakdown of our commitments in Africa

By strategic area between 2015 and 2020



AFD Group's annual commitments in the energy sector in Africa/€ billions



Our partners



Various projects across the continent

Ensuring the sustainable development of energy systems is at the heart of the Group's mission to support energy transitions in the countries where it operates. The availability of energy is essential for meeting all basic human needs: water, food, healthcare and education. Energy is also an essential vehicle for economic development because GDP growth and energy consumption are linked.

At the heart of climate issues and achieving Sustainable Development Goal 7, the projects supported by AFD Group help accelerate Africa's transition to efficient, low-carbon energy services that are accessible to everyone at an affordable price.

To achieve these objectives, the Group is engaged in a sustained political dialog with a large number of countries on their low-carbon energy transition. AFD also places significant emphasis on energy efficiency, a key issue for this transition to be successful. The deployment of renewable energies, their integration into the electricity grids, and their storage are also areas that are gaining momentum.

In sub-Saharan Africa, contributing to accelerating access to electricity, with a range of technological options, remains a major challenge for AFD just as much as a low-carbon transition.

TYPES OF PROJECTS

MODERNIZED, LOW-CARBON ENERGY

-  Biomass/biogas
-  Wind power
-  Geothermal
-  Hydropower
-  Solar
-  Grids

RESEARCH AND TECHNICAL ASSISTANCE

ENERGY EFFICIENCY

ACCESS TO ENERGY

SAHEL ALLIANCE

AFD AGREES TO JOIN THE SAHEL ALLIANCE

AFD coordinates the Sahel Alliance's energy group in partnership with the World Bank. In the G5 Sahel countries (Mauritania, Mali, Chad, Niger, and Burkina Faso), the Group is supporting 13 projects under the Sahel Alliance label, co-financed with other donors. Their goal: to double access and production capacity of renewable energy by 2022.

BURKINA FASO

SUPPORTING SOLAR POWER AND RURAL ELECTRIFICATION

Sovereign Loan and Grant: €136 M

AFD is providing financial support to Burkina Faso through the Yeleen project in collaboration with its partners from the European Commission and the African Development Bank. This program includes the construction of several solar power plants. These plants will position the country as a leader in the sub-region in terms of photovoltaic energy exploitation. This will allow Burkina Faso to export low-cost electricity to neighboring countries. The program also includes grid densification and a rural electrification component.

CÔTE D'IVOIRE

FLOATING SOLAR AND SMART GRIDS

AFD loan: €98 M - European Union grant: €11.5 M

AFD is financing the construction of the first floating solar power plant in West Africa. Located on Lake Kossou north of Abidjan, it is part of the country's renewable energy development strategy which aims to achieve a 42% renewable electricity mix by 2030. This new facility is part of a larger program to promote access to smart grids and solar energy (PARIS). Its goal: to double access and production capacity of renewable energy in the Côte d'Ivoire by 2022.

SOUTH AFRICA

PURCHASING GREEN BONDS

Loan: €200 M

In early 2021, AFD invested €200 million in the first green bond issue of the South African Development Bank (DBSA). This project supports the DBSA in diversifying its financing tools. It encourages the structuring of this financial organization on the subject, in line with green bonds. The eligible sub-projects also contribute to climate change mitigation and adaptation to its effects.

MOZAMBIQUE

REDUCING NON-TECHNICAL ELECTRICITY LOSSES

Grant: €10 M

In partnership with the European Union, AFD is renewing its support for Mozambique's Public Power Company (EDM) with a €10 million grant. It reduces non-technical losses of electricity on its power grids. The project also plans to make customer more reliable and improve knowledge of flows on the grids, while strengthening EDM's management capacities and performance. A way to support the country's goal of universal access to electricity by 2030.

NIGERIA

INNOVATIVE DECENTRALIZED ENERGY SOLUTIONS

Investment: €4 M

Proparco, AFD's private sector subsidiary, is assisting Daystar Power, a leading provider of hybrid solar energy solutions to commercial and industrial enterprises in West Africa. By 2025, the new facilities will provide nearly 153 GWh of reliable, clean electricity to businesses annually.

EEBP

ENERGY EFFICIENCY IN BUILDINGS PROGRAM

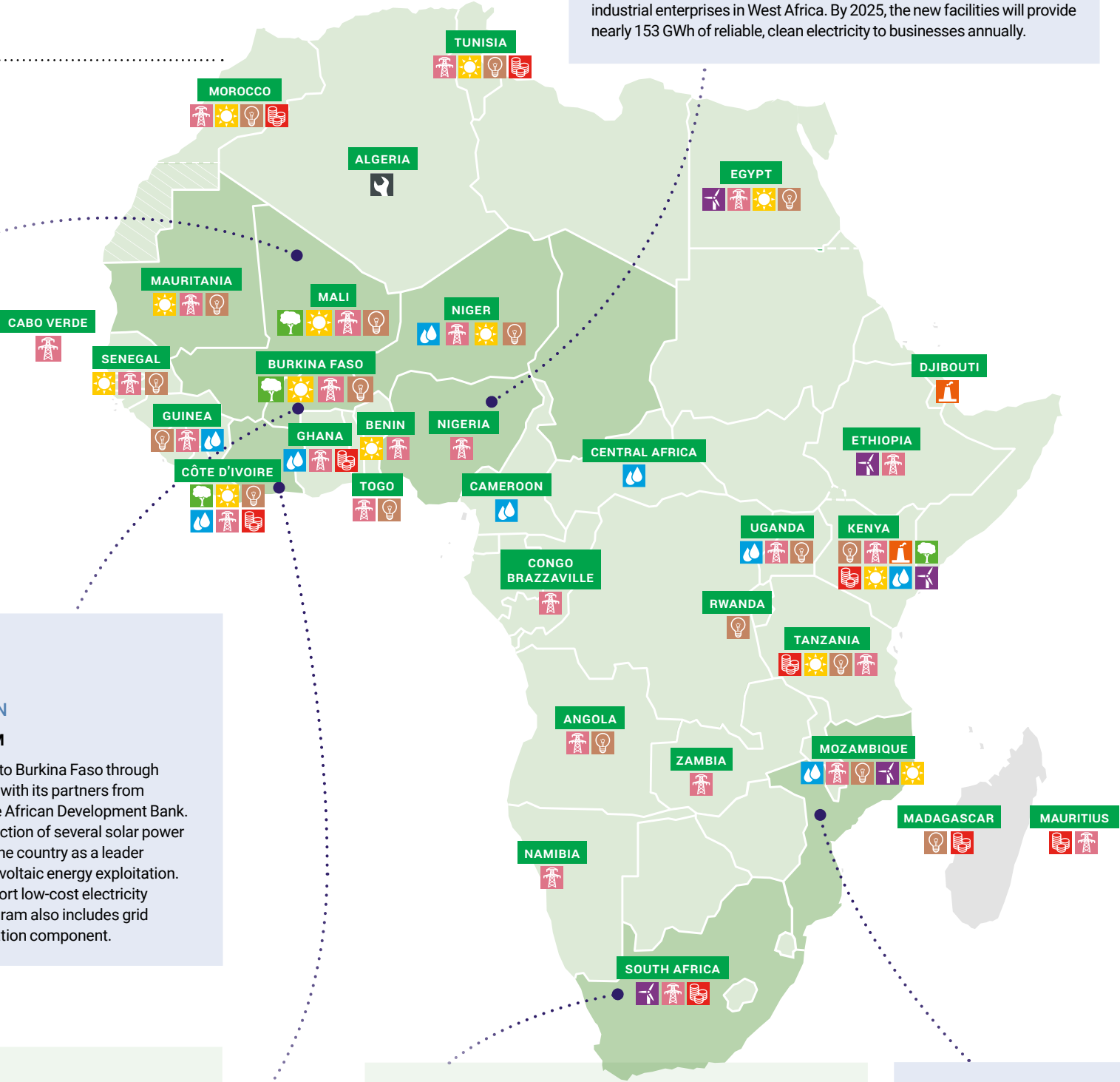
Grant: €8.5 M

The Energy Efficiency in Buildings Program (EEBP) supports public and private stakeholders in their efforts to improve their buildings. In Tunisia, it is contributing to the rehabilitation and construction of regional hospitals so that they can achieve international High Quality Energy (HQE) certification and improve their energy performance by 20% above local thermal regulations.

AREI

AFRICA RENEWABLE ENERGY INITIATIVE

At the COP21, France agreed to support AREI, the African initiative to install 10 GW of renewable energy by 2020, with €3 billion in funding over five years to be implemented by AFD Group. By the end of 2020, the objective had been reached with €3.1 billion agreed to finance more than 60 projects across the continent. These projects concern the production and integration of renewable energies (solar, wind, hydro) into the grid, as well as the electrification of peri-urban and rural areas. Their financing has mobilized the entire Group and has been associated with several European grants.



Agence Française de Développement (AFD) is responsible for implementing the French government's development and international solidarity policy. AFD funds, supports and accelerates the transition to a fairer and more resilient world through its public sector and NGO financing activities, its research and publications (Éditions AFD), its sustainable development training programs (AFD Campus) and its awareness raising initiatives in France.

We are working with our partners to develop common solutions, with and for communities in the Global South. Our teams are actively involved in more than 4,000 projects in the field, in France's overseas departments, in 115 countries and in territories in crisis, working to establish common goods and focusing on climate change, biodiversity, peace-building, gender equality, education and health. In this way, we contribute to the commitment of France and French people to support the Sustainable Development Goals (SDGs). Towards a world in common.

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