



# AFD GROUP AND Support to energy transition policies

+ 90 partner countries worldwide 100% of projects compatible with the Paris Agreement + 2 billion C committed to the energy transition each year

Energy transitions combine the multiple objectives of universal access to quality energy services, low-carbon development, and social justice. Achieving these objectives requires optimizing demand, replacing fossil fuels, reducing the carbon footprint of production and supporting the transition in social terms. Our goal is to assist you in designing, steering, and implementing ambitious strategies and policies for a just energy transition.

#WorldInCommon

# Energy, driving development

The energy transition is underway in our WorldInCommon. It seeks universal access to carbon-free, resilient energy services. This transition is also an economic, social, and environmental opportunity to achieve the Sustainable Development Goals (SDGs), and a necessity to achieve those set by the Paris Agreement on Climate Change. It seeks universal access to efficient, resilient, carbon-free energy services. In order to be deployed on a massive scale, the energy transition involves profound technological and societal changes: well beyond the issue of electricity, it affects industry, construction, mobility, urban planning,

agriculture, our consumption patterns, and our leisure activities. The challenge is to make large-scale changes in energy consumption and production systems and, at the same time, provide more than one billion people with access to reliable energy services.

In order to meet these challenges and the demands of the countries where it operates, AFD Group has adopted a strategy that focuses its activities on accelerating the energy transition.

## **6 flagship projects** to support energy transition policies

#### MEXICO

SUPPORT FOR THE DEPARTMENT OF ENERGY

#### FUNDING ▶ 2 sovereign loans €80 million in 2015 and €100 million in 2017 TIME FRAME ▶ 3 years - 2015 to 2017

Through two public policy loans, AFD, in co-financing with the Inter-American Development Bank, is supporting the Mexican government in its efforts to develop electricity production from renewable resources, mainly by opening up production to private investors. The evaluation and implementation of an energy efficiency policy, as well as the strengthening of the Department of Energy's (SENER) planning and forecasting capacities, are also part of this project's objectives. This budgetary support aids in developing clean energy, reducing the carbon footprint and the cost of energy.

#### ALGERIA

MODELING FUTURE ENERGY STRATEGIES

FUNDING > 1 million euro grant TIME FRAME ▶ 3 years - 2019 to 2021

Algeria is one of the main gas exporting countries in the world and his economic model is highly dependent on hydrocarbons. Aware of the need to strongly curb the growth of national gas consumption and to develop renewable energies, the Algerian Department of Energy has requested financial support from AFD. With this funding, a technical-economic model was developed for the department's prospecting branch to enable it to analyze different energy transition scenarios.

#### NIGERIA

#### DEEP DECARBONIZATION PATHWAY (DDP)

FUNDING > 750,000 euro grant TIME FRAME > 4 years - 2020 to 2023

In partnership with Alex Ekwueme Federal University Ndufu-Alike Ikwo (AE-FUNAI), the Institute for Sustainable Development and International Relations (IDDRI) and AFD, the Deep Decarbonization Pathway Development in Nigeria(DDPNigeria) project is the first country implementation of the DDP-Africa program. This project will build local capacity in low-carbon modeling and develop decision support tools and analytical reports on the low-carbon development of different economic sectors.

### **Our Support for Energy Transition Policies (SETP)** A range of services tailored to your needs

#### Enhancing your energy transition management tools

- Support for the modeling of energy transition strategies
- · Analysis of the macroeconomic impacts of these strategies
- Support for creating a governance framework

#### Assisting with designing, managing, and implementing your energy policies

- Support on institutional and regulatory aspects of the energy sector
- Technical cooperation to maximize
- the integration of renewable energies Strengthening the consideration
- of the social aspects of transitions

#### Building capacities and sharing experiences on the challenges of energy transition between:

- Central governments, regulators, and agencies
- Public operators and private-sector players
- Research and education

#### Technical cooperation since 2014

Public policy budgetary funding technical cooperation since 2014

#### ALBANIA

SUPPORT FOR REFORMING THE ELECTRICITY INDUSTRY

FUNDING > 50 million euro sovereign loan / 1.4 million euro grant TIME FRAME > 4 years - 2018 to 2021

In partnership with KfW, AFD has co-financed a public policy program to support reforming the power sector in Albania in order to improve its sustainability and diversify the electricity mix towards renewable energy. AFD's assistance is helping to strengthen investment planning and analysis of the reform's impacts. It also makes it possible to consolidate stakeholders' capacity to adapt to the new sectoral landscape and assists in implementing a sustainable process of financial, social, and environmental reforms.

### Our tools

### A broad range of financial tools

Technical assistance for capacity building

- · Loans for supporting the design, steering,
  - and implementation of public policies
  - Sovereign and non-sovereign loans to assist innovative investments and structuring projects

Tools made available to governments, public and private companies, banks and local authorities, in close partnership:

 French institutional players French and international expertise Other European and multilateral donors

The players supported by the Group are assisted throughout the project, from its design to its implementation in the field, in order to monitor the transfer of expertise and skills.

#### CHINA

PUBLIC POLICY DIALOGS AROUND THE ENERGY TRANSITION STRATEGY

FUNDING > 1.4 million euro grant TIME FRAME > 3 years - 2019 to 2021

The 2050 Facility supports the implementation of public policy dialogs initiated by the International Energy Agency (IEA) with the Chinese authorities, by funding studies to contribute to the discussions around developing a long-term strategy, implementing a national GHG emissions market, and improving the electricity system in order to integrate more intermittent renewable energy into the grid.

#### INDIA

#### MODELING THE DEVELOPMENT PROCESS

#### FUNDING > 260,000 euro grant TIME FRAME ▶ 2 years - 2019 to 2020

With a population of 1.35 billion, India has the largest growth potential on the planet. This situation involves a rapid, substantial increase in infrastructure and energy needs. A study funded by AFD through the 2050 Facility and the European Climate Foundation contributes to developing a policy assessment model, focusing on climate change resilience options and long-term strategies consistent with the Paris Agreement. It also enriches the debate on future strategies and provides essential elements for India's strategy for 2050.

## Towards a world in common

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.



Contacts Olivier Grandvoinet | grandvoineto@afd.fr Aurélie Sol | sola@afd.fr Jérémy Gasc | gascj@afd.fr Olivier Longchamp | longchampo@afd.fr



#### AGENCE FRANÇAISE DE DÉVELOPPEMENT

5, rue Roland Barthes 75012 Paris – France Tél. : +33 1 53 44 31 31

#### ⊕ afd.fr

- facebook.com/AFDOfficiel
- twitter.com/AFD\_France
- instagram.com/afd\_france

#WorldInCommon