



RÉPUBLIQUE
FRANÇAISE

*Liberté
Égalité
Fraternité*



Nature & Biodiversity

ACTIVITY REPORT

2022

#WorldInCommon

Aligning with the Kunming-Montreal agreement

2022 was marked by the adoption of the Kunming-Montreal Global Biodiversity Framework (KMGBF). This ambitious agreement defines precise goals and targets to halt the loss of biodiversity by 2030.

For AFD, this agreement is binding and reminds us of the high stakes attached to biodiversity. Like climate change, biodiversity is a multifaceted issue on which AFD is working on several fronts.

Since 2020, AFD has been preparing for the major challenges and strategic direction of the new Global Framework via its biodiversity roadmap.

This Nature-positive approach, which aims to promote greener societies and economies, has been broken down into four key areas:

1 Ambitious financial targets

- **€1 billion in biodiversity financing** in 2025 (double the amount in 2020)
- **30% of climate financing** committed to projects that also benefit biodiversity

2 A global approach

- 100% net zero - no residual negative impact on the environment.
- Mainstreaming of biodiversity in all AFD's activities, around the world.
- Preservation and restoration of land and marine ecosystems to support the target of protecting at least 30% of the earth's land and waters by 2030.

3 Taking account of risk

4 Support for countries

Our biodiversity activity in 2022:



€736 M of financing allocated by AFD Group in developing countries and Overseas France, amounting to 6.5% of the Group's total commitments



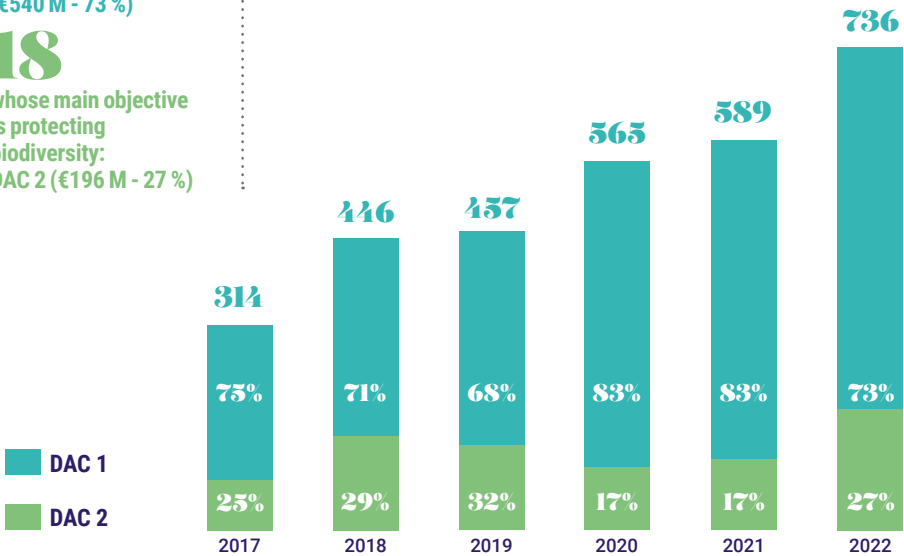
82
of which have measurable co-benefits for biodiversity: DAC 1 (€540 M - 73 %)

18
whose main objective is protecting biodiversity: DAC 2 (€196 M - 27 %)



€2 billion in climate financing granted to biodiversity-friendly projects

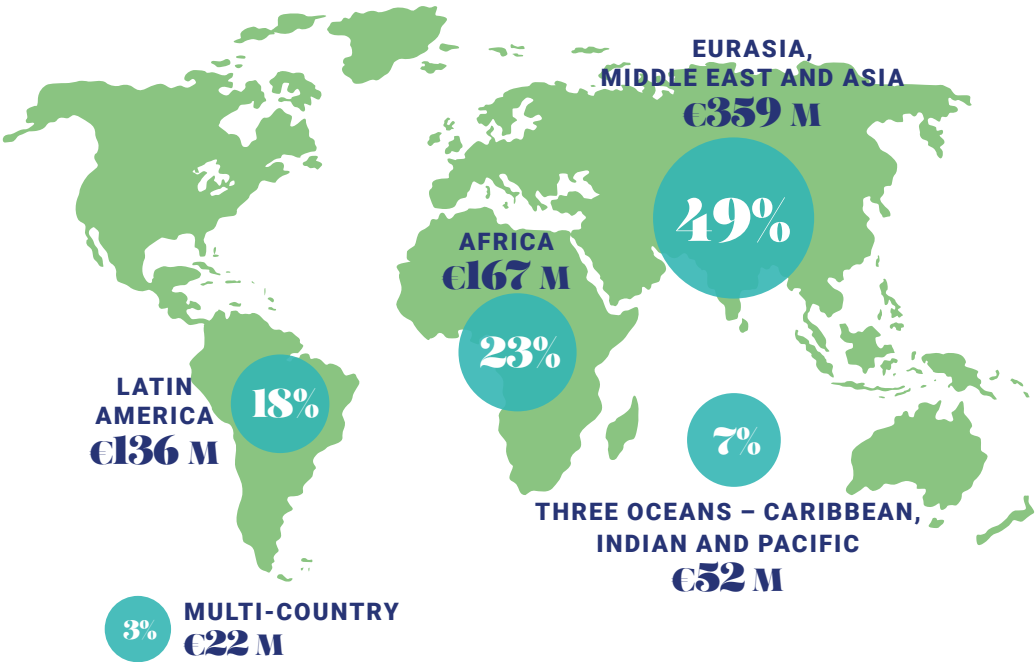
The sharp increase in biodiversity financing seen this year is closely anchored to climate funding: **29%** of climate financing has been committed to projects that also help protect biodiversity, as part of the Group's commitment to coordinate these two agendas.



The amount committed to biodiversity projects by the Group increased significantly in 2022 (+25% compared to 2021), in line with the target of €1 billion by 2025.

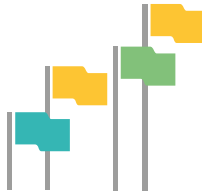
Our nature and biodiversity commitments in 2022

Breakdown by region



€121 M

in grants and government loans (including European Union delegations)



€490 M

in government loans



€125 M

in loans to local authorities and financial institutions

A new tracking and accounting method

In 2022, a more detailed method of accounting for biodiversity financing was introduced. It can be broken down into three stages.

1

PROJECT QUALIFICATION

Each project is identified via the OECD's "Rio Biodiversity" marker: the project is rated **DAC 0** if it does not target any of the objectives of the Convention on Biological Diversity; **DAC 1** if the project contributes indirectly to one of the CBD objectives; and **DAC 2** if its main goal is one of the CBD objectives.

2

CLARIFICATION OF INTENT

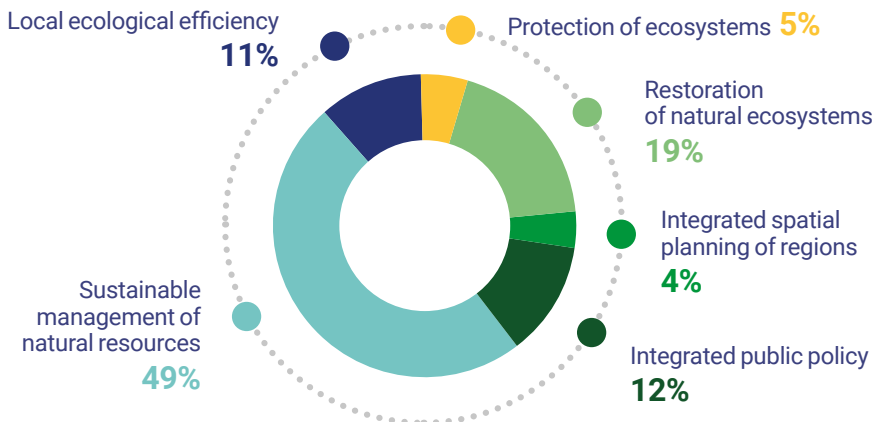
One of six levers relating to the six issues identified by IPBES is then used to define the project's main purpose.

3

CALCULATION OF THE PROJECT'S SHARE OF BIODIVERSITY FINANCING

A weighting factor (generally ranging from 20% to 100%) is applied to the total project value to obtain the share of financing to be included in AFD Group's biodiversity financing.

Breakdown by lever



Nature preservation or conservation projects

These projects focus on protected areas, restoration, preservation of natural resources and mitigating environmental pressures.

€196 M committed to projects whose main objective is protecting biodiversity (DAC 2)

In 2022,
ongoing projects
financed by AFD
resulted in:

700,000
people benefiting from
biodiversity conservation
or restoration actions.

41 M
hectares

of land, coastal and
marine environments
benefiting from
conservation or
restoration programs

30x30

AFD Group's nature conservation projects are contributing to the goal of protecting at least **30%** of the planet's land and **30%** of its seas as defined in target 3 of the KMGBF and promoted by the High Ambition Coalition for Nature and People (HAC).

Featured projects



Reducing threats to protect the African savannas

Benin

€10 M grant



AFD is subsidizing the West African Savannah Foundation, a conservation trust fund set up by the Beninese authorities and IUCN to preserve the WAP (W-Arly-Pendjari) ecological complex, which is currently facing multiple threats (demographic, agricultural, climate and security issues).

Strengthening governance in indigenous territories to protect forests

Amazon

€7 M grant



Approved at COP15, the second phase of the TerrIndigena project aims to strengthen the crucial role of indigenous communities in protecting biodiversity in the northern Amazon.

Increasing the resilience of rural communities through forest conservation

India

€72 M loan



Amid severe drought and significant deforestation, this project aims to support the state of Rajasthan in conserving and protecting its forests (60,000 hectares to be reforested or restored) and creating job opportunities in the forestry and tourism sectors.

Protecting areas of prime importance for biodiversity

€15 M grant



AFD has provided capital to the Legacy Landscape Fund (LLF), a conservation trust fund which aims to provide long-term financing for operations in iconic protected areas of high ecological value.

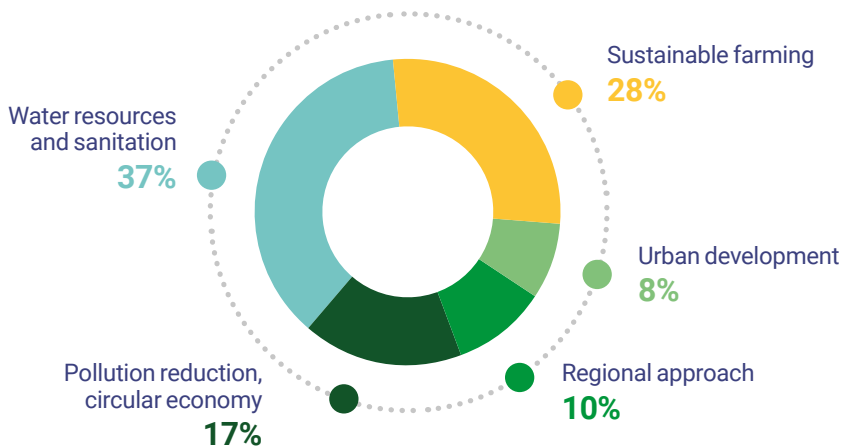
Sector-specific projects with a positive environmental impact

These projects make a secondary but measurable contribution to enhancing biodiversity, and represent all the sectors in which AFD operates.

€540 M

committed to projects whose secondary objective is protecting biodiversity (DAC 1)

Breakdown by sector



Projects financed in 2022 have already contributed to a number of the Sustainable Development Goals (SDGs)



21,000 hectares converted for agro-ecological systems



998 local land management institutions have received support



36 million m³ of drinking water saved per year

Increased wastewater treatment capacities to manage water pollution for 2.8 million people

Featured projects

Multi-country

€10 M grant

Preventing the risk of zoonotic diseases



In line with the “One Health” approach, the Prezode Afri-Cam project aims to support national policies, which combine human, animal and environmental health in Cambodia, Cameroon, Senegal, Guinea and Madagascar.

The goal is to reduce the risk of zoonotic disease emergence while protecting biodiversity and combating poverty, social injustice and food insecurity.

Brazil

€51.8 M loan

Strengthening the resilience of Porto Alegre



Co-financed by AFD and the World Bank, the Centro +4D program will focus on advancing the green, resilient and inclusive regeneration of Porto Alegre’s city center.

The plan is to increase the surface area covered by natural spaces, reduce water consumption in the city and eradicate the illegal dumping of waste in the Guaiba River.

Angola

€150 M loan

Providing sustainable solutions to water-related risks

In 2022, AFD extended the Reclima program aimed at improving climate resilience and combating drought.

This extension was granted to create a better institutional framework for water resource management, particularly through nature-based solutions.

Madagascar

€1.5 M grant

Supporting farmers through organic farming



The “Bio'Tsika, l'Agri Bio pour Tous” project will support the implementation of the national organic farming strategy by creating two organic farming regions and thus strengthening the industry.

Cambodia

€25 M loan

Promoting sustainable management of fishery resources

Co-financed with the Asian Development Bank (ADB), this project aims to replenish fishery resources, in particular by restoring coastal ecosystems such as mangroves.



A year marked by partnerships and nature-positive projects

With public development banks



The IDFC club's working group on "Making Finance Work for Nature" began reviewing the conditions for aligning its members with the KMGBF, notably by committing to allocate \$100 billion to biodiversity projects by 2027. The Biodiversity Toolbox, to be finalized in 2022, is a practical tool for members to help them start preparing for this alignment.

In its Green Finance Mapping published in 2022, IDFC reported that its members had committed \$224 billion in green financing in 2021, including \$18.4 billion in biodiversity financing.

Taskforce on Nature-related Financial Disclosures



The TNFD, an international working group on nature-related financial risk disclosure and transparency, published the fourth version of its framework for assessing and reporting nature-related risks, impacts, dependencies and opportunities in early 2023. AFD is participating in this work and coordinating the involvement of public banks via a specific hub.

With academics and entrepreneurs



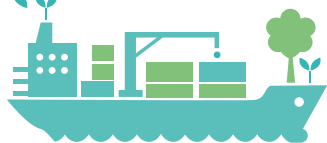
The research program for a pro-nature economy (Ecopronat) has launched six projects in different geographical regions (Africa and Latin America) focused on incorporating biodiversity and nature-based solutions into agricultural development models, cities and ecological restoration.



AdaptAction

The AdaptAction program has entered its second phase (2022-2025), with the aim of strengthening the resilience of communities and ecosystems in 12 particularly vulnerable African countries. It has been broken down into three key areas (understanding, planning and investing) and the two transversal issues of gender mainstreaming and promoting knowledge sharing.

The aim of this new phase is to better understand the climate-biodiversity society nexus.



Oceans: from Brest to Nice

In February 2022, the One Ocean Summit was held in Brest. This summit, the first of its kind, was an opportunity to consolidate international mobilization on a wide range of issues, from the decarbonization of maritime transport to the extension of marine protected areas.

For AFD, the summit was an opportunity to reinforce its positioning as a bank and "blue agency". France is intensifying its efforts to safeguard the future of the oceans ahead of the UN Ocean Conference to be held in Nice in 2025.



At COP15

AFD Group was in Montreal for the fifteenth meeting of the Conference of the Parties to the Convention on Biological Diversity (COP15 Biodiversity). AFD took this opportunity to speak on behalf of public development banks committed to nature, and to highlight the need to align all financial flows, both public and private, with the KMGBF.



Blue carbon

AFD has joined the International Partnership for Blue Carbon (IPBC) to help better understand, finance and protect mangroves, seagrass beds and coastal marshes. These ecosystems play a major role in CO₂ sequestration, as well as adaptation and biodiversity. They also provide essential services to coastal communities.



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 4,200 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.



www.afd.fr/en - Twitter : @AFD_en - Facebook : AFDOfficiel

5, rue Roland-Barthes - 75598 Paris Cedex 12 - France

Tél : +33 (0)1 53 44 31 31