



# Agriculture, Rural Development & Biodiversity

ACTIVITY REPORT

**2022**



**AFD** financing in areas such as farming, livestock raising, management of forest and fishery resources, as well as ecosystem preservation adopts an integrated territorial approach that takes climate change into account.

We invest in economic and social development via the agricultural sector, the leading provider of rural jobs. Support for family farming and the promotion of agroecological practices are among our key actions, with the dual objective of ensuring food and nutritional security and improving the standard of living of rural populations.

AFD also supports actions for the conservation and management of natural resources and biodiversity. The preservation and restoration of natural environments and the transition to a pro-nature economy are a priority objective for achieving greater convergence of the climate and biodiversity challenges.

We also work with governments to develop public policies to support rural, coastal, and marine areas, and help strengthen their institutional capacities.

In 2022, AFD invested €1.18 billion in this sector, thereby contributing to efforts to reach many of the Sustainable Development Goals (SDGs). These investments focused on the fight against hunger, against a backdrop of a food crisis that has been exacerbated by the war in Ukraine.

# AFD Group's strategy in agriculture, rural development, and biodiversity

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In the countries where we operate, a large proportion of the people live in rural areas or by the sea. It is they who are most affected by such issues as poverty, food and nutritional security, ecosystem preservation, natural resource management, agriculture, and climate change.

**In 2022, AFD Group adopted a strategic intervention framework on agriculture, rural development, and biodiversity.** It's the first strategy document for the whole AFD Group taking on a scope that incorporates these three themes.

This strategy is based on the following operational principles: adoption of differentiated approaches adapted to each special context; priority given to economically, socially, and environmentally vulnerable people; and systematic consideration of climate and biodiversity issues in the projects we finance.

## It provides for three main types of action:



**Contributing** to productive and ecological transitions



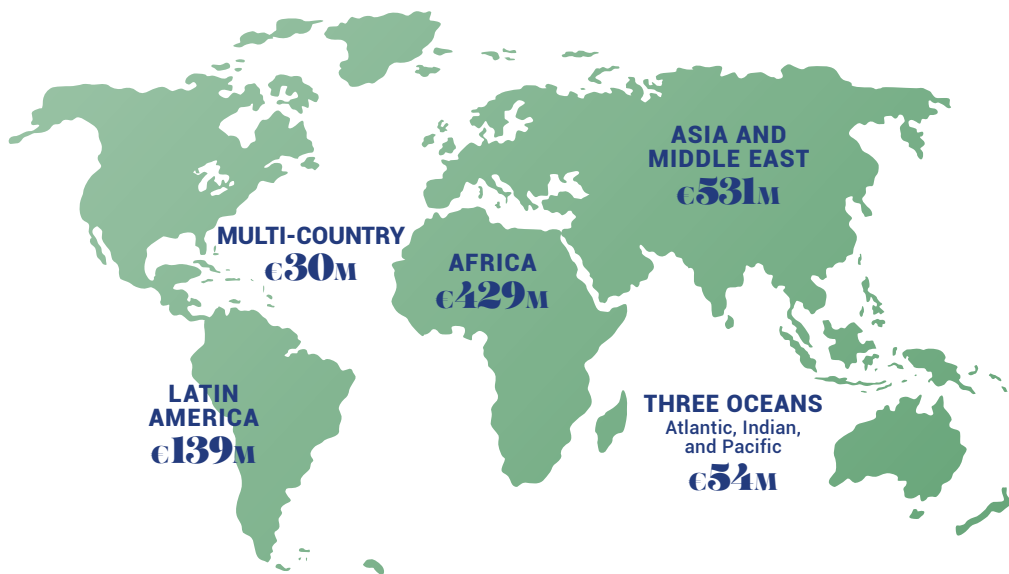
**Supporting** inclusive and resilient rural areas



**Promoting** institutions and policies that promote ecological, productive, and territorial transitions

# Our commitments in agriculture, rural development, and biodiversity in 2022

## Breakdown by region



**€1.18  
BN**

committed to agriculture,  
rural development  
and biodiversity in 2022

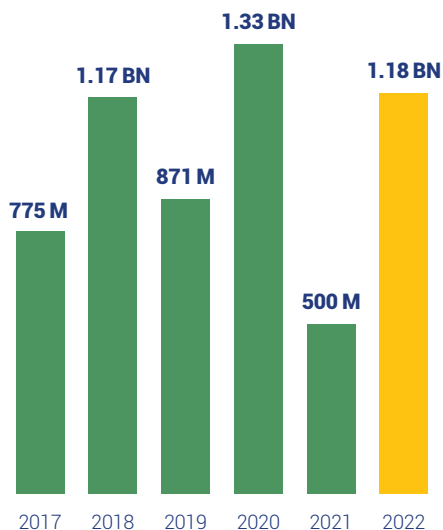


Approved financing rose sharply in Asia (€531 M vs. €132 M in 2021), notably due to a public-policy loan to the Philippines and several loans dedicated to ecosystem conservation and restoration (in India and China) and to the fishery sector (in India and Indonesia).

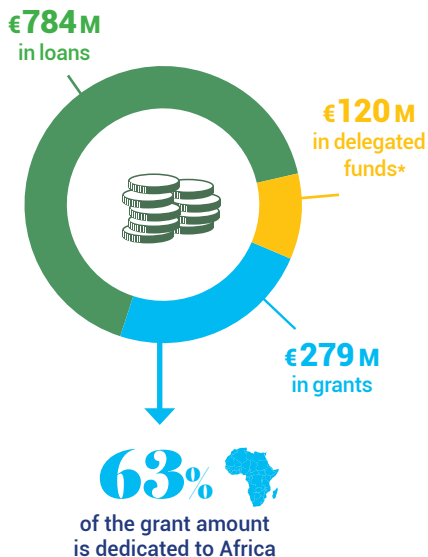
Africa (including the Maghreb) remains a priority for AFD in this sector, with €429 M committed.

## Trends in commitments

(in €)



## Breakdown by financial tool



\*Mainly from the European Union (86%), but also from the Central African Forest Initiative (CAFI) and from New Zealand for the Kiwa initiative.

## Climate and gender objectives



**63%**  
of projects

**also benefit the climate**, representing a contribution of more than €786 M, through actions involving adaptation to the effects of climate change and mitigation of greenhouse gas emissions.



**35**  
projects

**will help reduce gender inequalities**, representing **61%** of the total amount of financing in the sector (€722 M).

# Intended outcomes

The approved financing in 2022 in foreign countries aims for the following in the coming years:

## SUSTAINABLE ECONOMIC DEVELOPMENT THROUGH AGRICULTURE

**2.4 million** people (including more than 830,000 women) in vulnerable situations will be supported.

**748,000** family farms will improve their economic performance.

**874,000** people (including more than 310,000 women) will be empowered via improved access to services in the agricultural sector.

## NATURE AND RESILIENCE OF RURAL AREAS

**188,000** family farms will be supported in their conversion to agroecological systems.

Support will be provided for the conversion of

**166,500** hectares of agricultural land to agroecological systems.

**376** local territorial management institutions will be supported.

more than **2.2 million** hectares of natural terrestrial, coastal, and marine environments will benefit from biodiversity conservation or restoration programs.

more than **3.6 million** people (including more than 1.4 million women), will benefit from a biodiversity conservation or restoration action.

more than **1.1 million** hectares of land and sea will benefit from sustainable resource and/or land management programs.

**543,700** people (including 220,000 women), will see their conditions of access to basic equipment, infrastructure and services sustainably improved.

## FOOD SECURITY

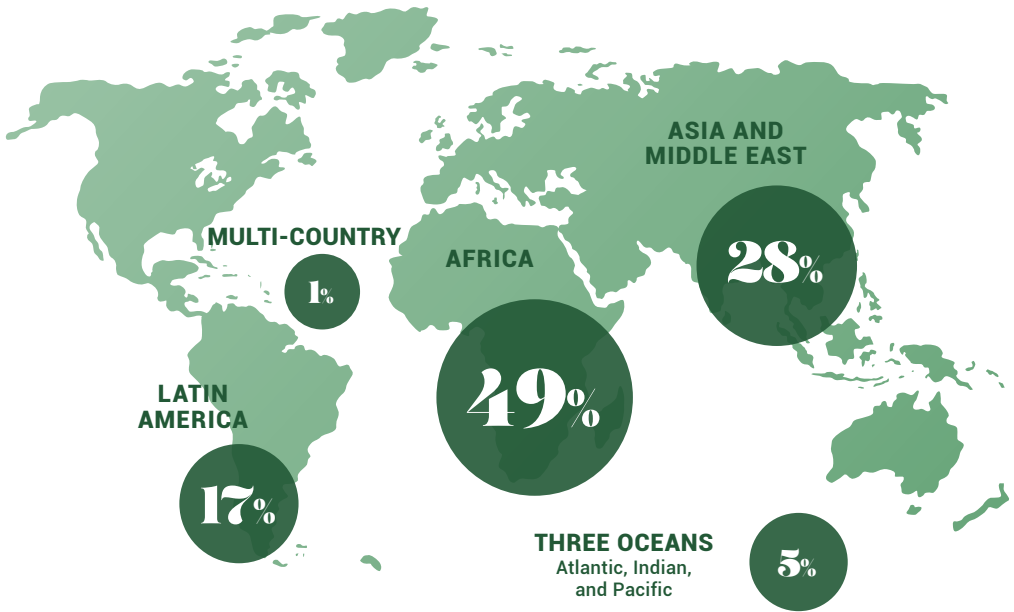
More than **380,000** million people (including more than 107,000 million women) will benefit from action on nutrition.

The approved funding in 2022 will contribute to efforts toward practically all the SDGs:



# Projects in progress

## Portfolio breakdown (in percentages)



**336**  
projects

in progress  
in the agriculture, rural  
development, and biodiversity  
sector as of December 31, 2022

For a total  
amount of

€**6.2**BN

including  
€**3.6**BN  
yet to be disbursed



# Actual results

AFD-financed projects that were in progress  
or completed in 2022 enabled the following:

## SUSTAINABLE ECONOMIC DEVELOPMENT THROUGH AGRICULTURE

**683,000**  
people (including  
**308,943 women**)  
in vulnerable situations  
received support.

**363,000**  
family farms saw their  
economic performance  
improved or met the conditions  
to achieve it.

**935,500** people  
were empowered  
through improved access  
to services in the  
agricultural sector.

## NATURE AND RESILIENCE OF RURAL AREAS

**20,700** hectares  
of agricultural land  
are being converted to  
agroecological systems.

**90,700** family farms  
were supported  
in their conversion to  
agroecological systems.

more than  
**36 million**  
hectares of land  
benefited from sustainable  
resource and/or land  
management programs.

**700,000** people  
benefited from  
biodiversity conservation  
or restoration.

nearly  
**41 million**  
hectares of natural  
terrestrial, coastal and marine  
environments benefited  
from biodiversity conservation  
or restoration programs.

**1,820,000** people  
saw their conditions of  
access to basic equipment,  
infrastructure and services  
sustainably improved.

The financing underway has contributed to efforts toward practically all the SDGs:





# A partnership approach for greater impact on the ground

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**AFD is continuing its partnerships with NGOs**, which possess in-depth knowledge of the issues and problems on the ground, the stakeholders, agricultural value-chains organization, and management of natural resources. We also mobilize higher education institutes, research centers, and consulting firms to help us study sectoral positioning, particularly on issues related to land, irrigated agriculture, agroecology, forests, and oceans.

In 2022, **AFD consolidated its partnerships with other public development banks on food security and financing for the agricultural sector**, notably with IFAD and KfW.

## Knowledge production

AFD contributes to knowledge production by financing and participating in theme-based exchange platforms such as the Land Tenure and Development Technical Committee (CTFD), the Agricultural Water Scientific and Technical Committee (COSTEA) and the Forest Scientific and Technical Committee (CST Forêt).

These platforms bring together a wide range of French stakeholders and their international partners, enabling them to exchange experiences and capitalize on and share best practices.



- **CTFD's main outputs in 2022** dealt with land reform in Madagascar, the process of fighting the concentration of land in few hands and the growing gap in inequalities, special economic zones, and tools for securing land rights.
- **COSTEA's work** focused on such issues as the agroecological transition in irrigated areas, irrigated land tenure, reuse of treated wastewater, and economic analysis of irrigation projects.
- **CST Forêt produced many studies**, several of which are fueling discussions prior to implementation of the Deforestation Regulation.



# Focus on a few of our financed projects

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## West Africa

### Improving and securing milk production



> €11 M | AFD grant

In West Africa, only 5–7% of locally produced milk is collected by dairies, which is insufficient to meet local demand. The PAOLAO project supports the Economic Community of West African States in implementing its “Milk Offensive” strategy. Its goal is to structure the local milk sector to reduce the growing dependence on imports and to develop employment, incomes and food and nutritional security locally.



## Multi country

### The Great Green Wall: food security via support for plant protein value chains

> €12 M | AFD grant

In 2022, AFD decided to make the development of plant protein value chains a core aspect of its contribution to accelerating the Great Green Wall. A call for projects targeting civil society organizations led to the selection of four projects, which started in early 2023. One of them, led by the GRDR and three other NGOs, will help sustainably bolster food system resilience in cross-border municipalities of Senegal and Mauritania.



## India

### Forests and biodiversity conservation in Rajasthan



**Loan: €72 M, corresponding to the 1st tranche of a €140 M facility**

India is a “mega-diverse” country, home to 8% of known mammal species in an area equivalent to only 2.4% of the world’s surface. The project will help conserve and restore the biological diversity of wildlife, forests, and wetlands in southeastern Rajasthan and improve the resilience of rural communities to climate

change. Approximately 60,000 hectares are to be reforested or restored.

This project is a direct contribution to the goal of protecting 30% of the planet and restoring 30% of ecosystems, as provided for in the Kunming-Montreal Global Biodiversity Framework and encouraged by the High Ambition Coalition for Nature & People.



## Democratic Republic of Congo

### Ensuring food security in Kinshasa

- > €40 M | AFD loan
- €10 M | AFD grant

Because it lacks infrastructure, training opportunities, and financing, Kinshasa's food supplies are mostly imported. The *Avenir* ("future") project is seeking to reverse this trend by investing in the surrounding provinces to build the right conditions for sustainable rural



development and adequate food supply for the city. Investment targets include rural tracks, markets, storage facilities, promotion of sustainable agriculture and entrepreneurship, environmental protection, structuring of agricultural professional organizations, and access to financing.



## Indonesia

### Developing fishing ecoports

- > US\$105 M | Sovereign loan, supplemented in 2023 by an EU delegated grant

In Indonesia, 15–18 million people depend directly on fishing. In terms of food security, the country is the eighth most dependent in the world on fishery products, which account for 52% of the animal protein on people's plates. The project will help upgrade four fishing ports so that they conform with international standards. Its goal is to improve the efficiency, attractiveness and governance, health quality, traceability and added value of fishery products, and to control environmental and climate impacts and challenges.



### Project completed in 2022



## Lake Chad RESILAC

### Inclusive economic and social recovery

- > €30 M | European Union delegated grant
- €5 M | AFD grant



This regional project contributed to the economic recovery and improved resilience and social cohesion of the people in the countries surrounding the Lake Chad Basin (Cameroon, Niger, Nigeria, and Chad). It was implemented by a consortium of NGOs: *Action Contre la Faim* ("Action Against Hunger, the leading NGO), CARE International and Groupe URD, in partnership with national and local organizations. From 2018 to 2022, its actions spread to 13 regions and 254 villages and reached nearly 158,000 beneficiaries.

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## Towards a world in common

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Agence Française de Développement (AFD) implements France's policy on international development and solidarity. Through its financing of NGOs and the public sector, as well as its research and publications, AFD supports and accelerates transitions towards a fairer, more resilient world. It also provides training in sustainable development (at AFD Campus) and other awareness-raising activities in France.

With our partners, we are building shared solutions with and for the people of the Global South. Our teams are at work on more than 3,250 projects in the field, in the French Overseas Departments and Territories, in 115 countries and in regions in crisis. We strive to protect global public goods – promoting a stable climate, biodiversity and peace, as well as gender equality, education and healthcare. In this way, we contribute to the commitment of France and the French people to achieve the Sustainable Development Goals (SDGs). Towards a world in common.



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