



# Agriculture, rural development & biodiversity

ACTIVITY REPORT

2023



AFD's financing supports integrated territorial approaches to issues in farming and livestock raising, forest and fisheries resource management, and the preservation of rural, coastal, and marine ecosystems, while taking into account the impacts of climate change.

AFD invests in economic and social development through the agriculture sector, the main provider of rural employment. Support for family farming and the promotion of agro-ecological practices are at the heart of our actions, with the dual aim of ensuring food and nutritional security and improving the living standards of rural populations.

AFD also supports initiatives for the conservation and sustainable management of natural resources and biodiversity. The preservation and restoration of natural environments and the transition to a pro-nature economy are a primary objective in our efforts to address greater convergence of the climate and biodiversity issues.

Lastly, AFD supports governments in formulating and implementing development strategies for rural areas and coastal and marine environments, and helps reinforce institutional capacities.

**In 2023, AFD Group made significant commitments to agriculture, rural development and biodiversity, investing €1.2 billion.** Throughout the year, AFD was particularly active in **dialog and financing for public policies in the fields of agricultural transitions, forest ecosystem management, biodiversity finance, and ocean preservation.**

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

In 2022, AFD Group adopted a sector-specific intervention framework for agriculture, rural development and biodiversity.

The framework is the Group's first guidance document on this integrated thematic area and is based on three operational principles: a differentiated approach adapted to each context; greater priority given to economically, socially, and environmentally vulnerable populations; and systematic consideration of climate and biodiversity issues.

## It has three main areas of action:



**Contributing to the productive and ecological transitions**



**Supporting cohesive, inclusive, and resilient rural areas**



**Promoting institutions and policies that support the ecological, productive, and territorial transitions**

### Integrating Nature in productive sectors

#### • Better integrating the agro-ecological transition into projects financed by AFD Group

In 2023, AFD Group adopted a positioning paper\* to enhance its support for agro-ecological transitions. This genuine dialog and decision-making tool is based on an ex-ante characterization of contributions to agro-ecology, and provides greater accountability for dedicated funding.

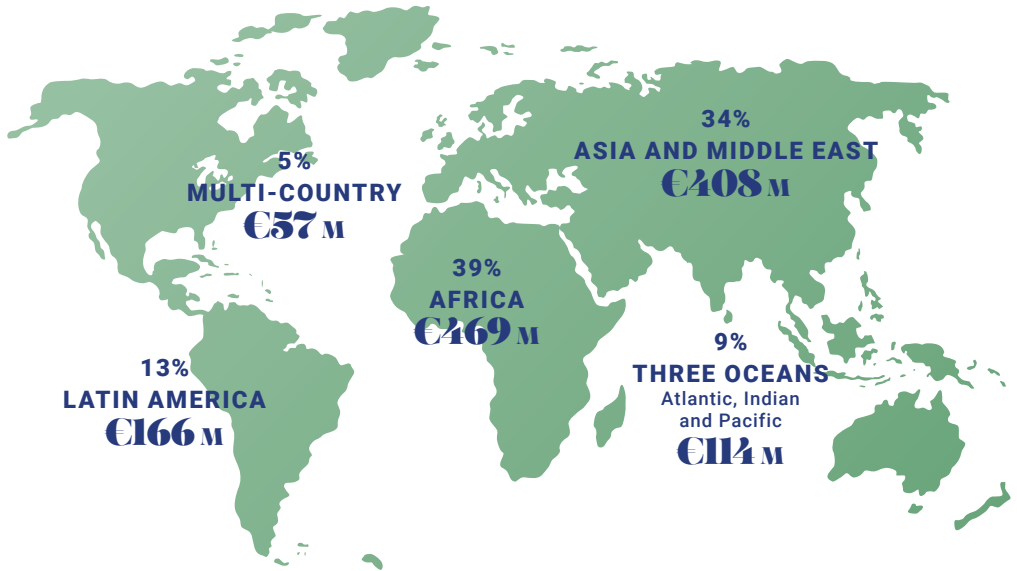
#### • Supporting livestock value chains in line with the Paris Agreement

Acknowledging the multifunctionality of livestock farming, AFD formulated ten principles to support this sector, in line with the Paris Agreement. The principles take into account the challenges of food security, adaptation to climate change, sustainable animal feed, limiting greenhouse gas emissions, dealing with the rebound effect, and sustainable diets.

\*<https://www.afd.fr/en/ressources/position-paper-improving-integration-agroecological-transition-within-projects-financed-afd-group>

# Our commitments to agriculture, rural development and biodiversity in 2023

## Breakdown by region



**€1.2 billion**

committed by AFD Group to support agriculture, rural development and biodiversity in 2023.

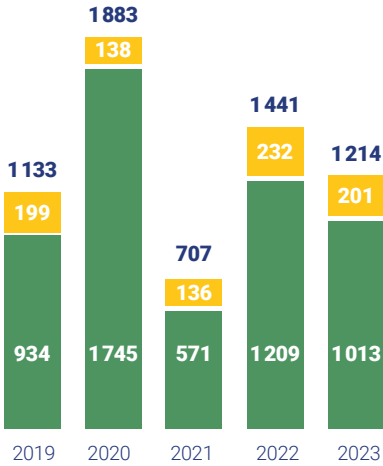


**Africa remains a priority for AFD Group in this sector, with almost 40% of financing (€469 million, of which one third was destined for the private sector) and 50% of projects.**

**In Asia, financing remains significant (€408 million), with three budgetary funding operations in Indonesia (€200 million), Georgia (€47 million), and Moldavia (€40 million).**

**Financing increased in the “Three Oceans” region (€114 million, more than double the €54 million allocated in 2022) and in Latin America (€166 million).**

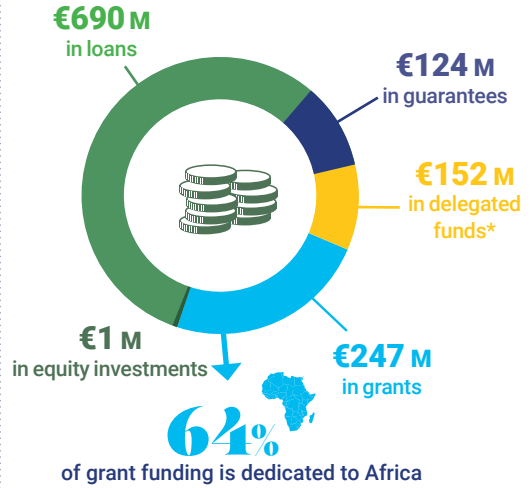
## Trends in AFD Group commitments (in €M)



"NGO Initiative" financing is included in AFD's financial commitments

● Proparco ● AFD

## Breakdown by financial tool



\* Mainly from the European Union - €150 M (98% of delegated funds).

## Climate, biodiversity, and gender commitments

<p><b>13</b> CLIMATE ACTION</p>	<p><b>57%</b> of projects</p>	<p>have a climate co-benefit, i.e. a <b>contribution of €729</b> for financing climate change adaptation and mitigation.</p>
<p><b>14</b> LIFE BELOW WATER</p>	<p><b>15</b> LIFE ON LAND</p>	<p>contribute to the preservation, conservation, or restoration of marine or terrestrial biodiversity, <b>representing a total contribution of €638 million (53% of funding)</b>.</p>
<p><b>5</b> GENDER EQUALITY</p>	<p><b>58</b> projects</p>	<p>contribute to reducing gender inequalities, i.e. <b>33% of total funding in this sector (€405 million)</b>.</p>

# Targeted outcomes\*

Over the next few years, the approved financing in 2023 in foreign countries will allow:

## SUSTAINABLE ECONOMIC DEVELOPMENT THROUGH AGRICULTURE

**2.2 million** people in vulnerable situations to receive support

**856,000** family farms to improve their economic performance

**2.4 million** people to develop their capacities through improved access to agricultural services

## NATURE AND RESILIENCE IN RURAL AREAS

**257,000** family farms to receive support in the conversion to agro-ecological systems

**92,000** hectares of agricultural land to begin conversion to agro-ecological farming

**758** local land management institutions to receive support

Over **1.6 million** hectares of natural land areas to be included in biodiversity conservation or restoration programs

Over **1.8 million** people to benefit from biodiversity conservation or restoration work

Over **6.7 million** hectares of land and sea to be included in sustainable resource and/or land management programs

**50,000** people to see their conditions of access to basic equipment, infrastructure and services improved on a long-term basis

## FOOD SECURITY

Nearly **1.1 million** people, including more than 548,000 women, to benefit from nutrition-focused projects

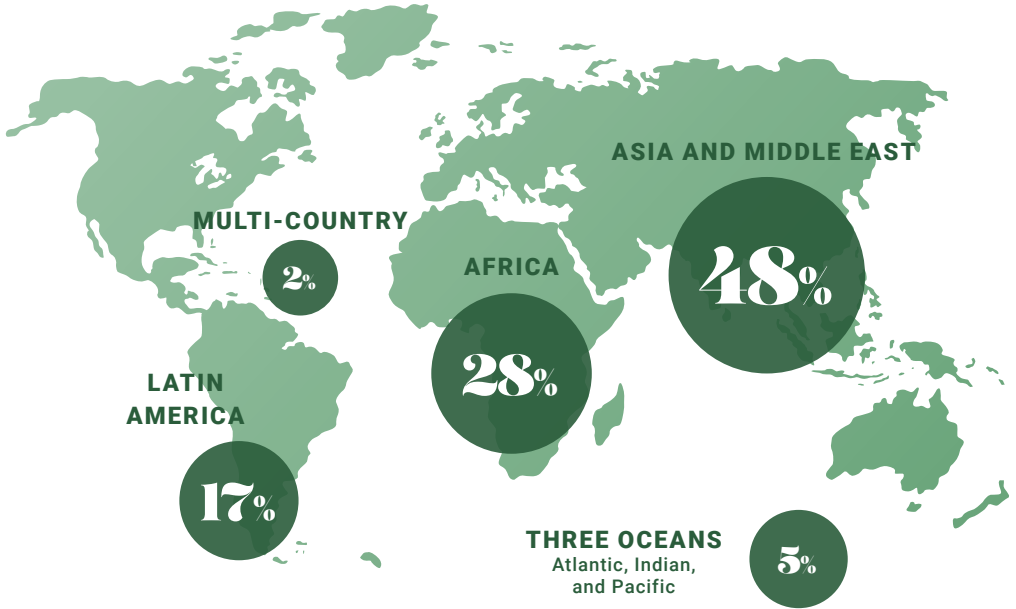
The approved financing in 2023 will make it possible to contribute to almost all the SDGs:



\*Excluding Proparco

# Projects ongoing\*

## Portfolio breakdown (%)



**598**  
**Ongoing projects**  
in agriculture, rural development  
and biodiversity as of  
December 31, 2023.



\*Excluding Proparco

# Effective results\*

In 2023, projects financed by AFD - both ongoing and completed - allowed:

## SUSTAINABLE ECONOMIC DEVELOPMENT THROUGH AGRICULTURE

**3.6 million**  
people in vulnerable  
situations to receive support

Over  
**1.3 million** family  
farms to improve their  
economic performance or  
create the conditions to do so

**1.4 million**  
people to develop their  
capacities through improved  
access to agricultural services

## NATURE AND RESILIENCE IN RURAL AREAS

**631,000** family  
farms to receive support  
in their conversion to  
agro-ecological systems

**34 million**  
hectares of natural  
land areas to benefit from  
biodiversity conservation  
or restoration programs

Over  
**10 million**  
hectares of land to benefit  
from sustainable resource and/  
or land management programs

**51,400**  
hectares of agricultural  
land to begin conversion  
to agro-ecological farming

Over  
**1.2 million** people  
to benefit from a biodiversity  
conservation or restoration  
project

Over  
**5.1 million**  
people to see their access  
to basic equipment,  
infrastructure and services  
improved on a long-term basis

## FOOD SECURITY

**248,000** people, including 99,700 women,  
to benefit from nutrition-based initiatives

Current financing has made it possible to contribute to almost all the SDGs:



\*Excluding Proparco



# A partnership-based approach for greater impact in the field

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**AFD prioritizes a partnership-based approach to strengthen the impact and effectiveness of the financing authorized.**

**In 2023, AFD consolidated its collaboration with the European Union (EU) and its member states.** The **European Commission** was a key partner, with ongoing sector-specific dialog and the financing of 13 projects with delegated funds totaling over €150 million. Agriculture, rural development and biodiversity is the main sector to benefit from funds delegated to AFD by the EU. The long-standing partnership with **KfW** also continued, with the co-financing of several projects such as the hillside dams construction project (PARC) in Togo.

AFD also continues its commitment alongside **public development banks**. It has strengthened its partnerships with several **regional development banks**, in particular the Asian Development Bank, with the budgetary financing of public policies in support of reforms to reduce marine plastic pollution in Indonesia. Lastly, AFD works closely with the **World Bank**, for example in Madagascar, to finance a rural productivity and resilience project.

## Knowledge production

AFD contributes to knowledge production by financing and contributing to thematic discussion platforms such as CTFD (Land Tenure and Development Technical Committee), COSTEA (Scientific and Technical Committee for Agricultural Water) and the CST-F (Scientific and Technical Committee for Forestry). These organizations bring together a wide range of French stakeholders and their international partners, enabling them to share and capitalize on experiences and best practices.



- In 2023, **CTFD** launched a MOOC on land policy issues in the southern countries. The committee has also published numerous works, notably on pastoralism in West Africa.
- **COSTEA's** work has led to the publication of two "Development Questions" on the service-based approach that put water users at the heart of policies, and how economic analysis can contribute to the design of sustainable irrigation projects.
- **CST-F** has elaborated several deliverables on key topics such as the implementation of operation-based approaches to the forest landscape restoration, the opportunities of certification in preventing imported tropical deforestation, and the *Référentiel Empreinte Forêt France* (French Forest Footprint Framework).

# Focus on some of the projects financed

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## Argentina

### Biodiversity for climate action

> €65 M | AFD non sovereign loan

The Paraná river valley, in Argentina's Santa Fe province, has a rich biodiversity. It provides food, shelter, and breeding grounds for many species of fish and birds. Its wetlands help regulate the water cycle, reducing the risk of fire and drought.

This operation is AFD's first biodiversity financed project in this province and will support the protected-area system and environmental education.



## Indonesia

### Support for reforms to stop marine plastic pollution

> €200 M | AFD sovereign loan co-financed by KfW and BASD

Indonesia has set itself the ambitious target of reducing marine plastic pollution by 70% by 2025. This pollution is damaging to biodiversity, human health, and the millions of Indonesians who depend on fishing and tourism.

This budgetary financing supports public policies for the national action plan to improve plastic-waste management on land and at sea, reduce plastic production and consumption, and strengthen data collection and monitoring.



## The Aliment'Action facility

### Improving food and nutritional security

> €10 M | AFD grant

World hunger has been on the rise since the Covid-19 pandemic, exacerbated by the effects of the war in Ukraine. In this context, AFD launched the "Food in Common" initiative in 2021 to provide a comprehensive and coherent development-based response to all the



challenges of food and nutrition security. The Aliment'Action facility contributes to this aim. It is designed to strengthen public-policy dialog and the identification and formulation of new projects to improve food and nutrition security in the most vulnerable countries.



## Adapting agriculture to climate change and encouraging agro-ecology

- > €10 M | AFD grant
- > €10 M | Delegated grant from the European Union

Led by ECOWAS (Economic Community of West African States), this project aims to increase the productivity and production of agro-pastoral activities and fishing by promoting and transferring innovation for agro-ecological transitions through multi-stakeholder partnerships and the creation of an institutional, policy and regulatory framework that increases support



for the agro-ecological transition. The project is part of the second phase of the West African DeSIRA (Development of Smart Innovation through Research in Agriculture) initiative, a European initiative that was launched at the first One Planet Summit and aims to support the transition of farm and food systems to cope with counter climate change and biodiversity loss.



## Improving food security in Cameroon

- > €13 M | Proparco non-sovereign loan

Animal protein consumption in Cameroon is 14g per person per day, far below the 30g recommended by the WHO, yet poultry farming is unable to meet demand. This shortage could increase as a result of population growth and changes in eating habits. In light of this issue, Cadyst Group is directing a project for feed and chick production for local farms. The loan granted to Cadyst will help provide more than 1.5 million Cameroonians with chicken, an affordable and local source of protein, in a context of inflation and growing food insecurity.



## National programme for the development of pastoralism and livestock farming in Chad

- > 6 M€ | Subvention AFD
- > 20M€ | Parallel EU grant

About 80% of Chad's livestock is managed by mobile pastoral systems dependent on natural resources. They play an important role in terms of employment, food security and nutrition. The project contributed to the management and sustainable exploitation of agro-pastoral resources in the South, Centre and East for pastoralists, agro-pastoralists and farmers. Suitable pastoral infrastructures has been built. 237,804 ha are managed in a concerted manner via local agreements negotiated within 80 local land management committees. The resilience of populations has been strengthened and their needs are integrated into public policies.

**Project completed in 2023**

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## For a world in common

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Agence Française de Développement (AFD) Group finances, supports and accelerates the transitions necessary for a more just and resilient world. It thus contributes to implementing France's policy on sustainable development and international solidarity. It is with and for communities that we build, with our partners, solutions in more than 160 countries, as well as in 11 French over-seas departments and territories.

Our objective: To reconcile economic development with the pre-preservation of common goods: the climate, biodiversity, peace, gender equality, education and health. Our teams are involved in more than 3,600 projects in the field, which are part of the commitment of France and the French people to fulfilling the Sustainable Development Goals. For a world in common.



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