
AFD GROUP CORPORATE RESPONSIBILITY

2012 REPORT

1. About us	4
1.1. 2012 highlights	8
2. Social responsibility and good governance	9
2.1. Ethics	9
2.2. Social responsibility	10
2.2.1. Our commitments	11
2.2.2. CSR governance	12
2.2.3. External dialogue on CSR	14
2.3. Financial security	15
2.4. Responsible procurement	17
2.5. Social responsibility of the employer	19
2.5.1. Working conditions	26
2.5.2. Social dialogue	28
2.5.3. Training and professional support	29
2.5.4. Equal treatment and diversity	29
2.5.5. Relations with local communities	31
2.6. In-house environmental responsibility	33
2.6.1. In-house environmental policy	33
2.6.2. Carbon footprint	38
2.6.3. Pollution and waste management	39
2.6.4. Sustainable resource management	40
3. Sustainable development	42
3.1. In strategies	42
3.1.1. In reflection with peers	42
3.1.2. In strategic documents	43
3.1.3. In research	43
3.2. In operations	46
3.2.1. Environmental and social risk management	47
3.2.2. E&S risks	51
3.2.3. Project selection	53
3.2.4. Reference standards	53
3.2.5. E&S clauses in bid invitations	54
3.2.6. Stakeholder involvement	55
3.2.7. E&S capacity building	55
3.2.8. In-house organization	57
3.2.9. Participation in the definition of international CSR references	57
3.2.10. Climate approach	57
3.3. For our partners	58
3.3.1. Training provision	58
3.3.2. Specific partnerships	62
3.4. Human rights, gender and development	64
3.4.1. Gender	64
3.4.2. Human rights	65
3.5. In results	66
3.5.1. The results-based approach	66
3.5.2. Results and impact measurement tools	67
3.5.3. Sustainable development opinion	69
3.5.4. Projects and sustainable development	70
4. Transparency and dialogue	74
4.1. Information and transparency	76
4.1.1. Your requests for information	76
4.2. Accountability	78
4.3. Dialogue	80
4.4. Participation in reflection on development	83
4.4.1. Knowledge production	83
4.4.2. Participation in debates	83
4.4.3. Raising awareness of development	85
5. Reporting method	88

Foreword by Anne Paugam, Chief Executive Officer of AFD Group

As Chief Executive Officer of AFD since June 2013, I am pleased to personally reiterate our adherence to Corporate Social Responsibility (CSR) and our commitment to promoting its principles.

The hearings before both the French National Assembly and Senate on 22 May 2013, which were held prior to my appointment as Chief Executive Officer of Agence Française de Développement, gave me the opportunity to underscore the international solidarity mandate entrusted to AFD, the main operator for France's Official Development Assistance. When we talk about development today, we automatically talk about sustainable development, a development that respects the future of the planet. I shared my conviction with our elected officials that one of the major challenges facing AFD Group is to take more account of social and environmental issues in its operational strategies, in the projects it finances and, in the interest of coherence and exemplarity, in its own in-house operations.

In terms of method, my key words are consultation, openness and dialogue both in-house, with AFD and Proparco's teams, and with all the stakeholders, following on from and in the spirit of the Conferences on Development and International Solidarity, which were held from November 2012 to March 2013. I especially have in mind our supervisory authorities, staff representatives, the other members of our Boards of Directors, parliamentarians or qualified public figures, the beneficiaries of our financing in the countries where we operate or in the French overseas provinces, international solidarity organizations, the private sector, our European, regional and multilateral partner donors, regional and local authorities and civil society in general, in both our country and in Southern countries.

Sustainable development and the Corporate Social Responsibility (CSR) process are core to AFD Group's concerns and its Strategic Orientation Plan. The aim is to control the impacts of our decisions in AFD's various activities, in accordance with national and international law and on the basis of the international standards in force. I am thinking in particular – without the list being exhaustive – of the United Nations Human Rights Charter, the fundamental conventions of the International Labour Organization, the three so-called Rio Conventions, the Paris and Accra declarations and Busan partnership on aid effectiveness, and the IFC performance standards applied by Proparco.

For AFD, 2012 was marked by its contribution to major international events, such as the World Water Forum in Marseille or Rio+20, and the continuation of its "Objectif Développement" photo exhibition in both France and Africa. 2012 was also marked by the adoption of a new Professional Ethics Charter and a new General Policy Paper, which has been enhanced in terms of corruption, fraud, anti-competitive practices and the fight against money laundering. Finally, 2012 saw the launch of a project to overhaul our CSR policy.

Since AFD Group became a member of the Global Compact in 2004, it has been engaged in a social responsibility process, both in its operations and in-house. It has been developed considerably, firstly in 2007, with the Supervisory Board's adoption of a Social and Environmental Responsibility policy for 2007-2011, then in 2012, with the publication of a first specific annual report for 2011 covering AFD and Proparco. Independent evaluations have been made of the implementation of the policy and this first report, and have served for the definition of a more ambitious draft CSR policy for 2014-2016.

This project has been led by a hundred or so AFD and Proparco officers, divided into seven working groups and representing all the Group's sectors of activity. It has also been shared on an Intranet forum involving the network. The draft policy should be submitted to AFD's Board of Directors. I intend to submit a review of the implementation of the action plans set out in this policy to the Boards of Directors every year. This momentum will contribute to further strengthening the role of sustainable development and social responsibility in the common values and requirements of AFD's departments, its private sector arm and all their teams.

Anne PAUGAM

1. About us

AFD : France's national institution working for development

➤ About us

Agence Française de Développement is the operator for France's bilateral development finance mechanism. It is a public industrial and commercial institution with the status of specialized financial institution. Its action is in line with the policy set out in France's Framework Document for Development Cooperation. This document was approved at the end of 2010 and in 2011 was translated into a three-year contract specifying objectives and resources between the French Government and AFD.

AFD's teams are based in Paris and Marseille and in a network of **seventy agencies** and representations in developing countries and the French overseas provinces.

AFD Group comprises a private sector financing arm, **Proparco**, and is also a shareholder of housing companies and a financial company in the French overseas provinces, where the Group plays a specific role in this sector.

AFD is also responsible for the management of the **French Global Environment Facility (French GEF)**, which cofinances projects that reconcile environment and development.

[Find out more about the history of AFD](#)

➤ What we do

AFD has been entrusted with a mandate by the French national authorities to contribute to economic and social development in its geographical areas of operation. It achieves this by financing and supporting development projects and programs, participating in the debate, research and dialogue with the relevant stakeholders.

The aim of these actions is to contribute to more sustainable and shared economic growth, improve living conditions in the poorest regions and countries, contribute to preserving the planet and help stabilize fragile or post-conflict countries.

[Find out more about the sectors of operation](#)

AFD carries out this mandate through its financing, risk analysis and hedging instruments, and expertise in training and capacity building, which it provides to both public and private stakeholders. In the poorest countries, primarily in Sub-Saharan Africa, AFD mainly operates through grants. In middle-income countries, it allocates soft loans and provides technical assistance, which strengthens the contracting authorities for the funded projects and develops cooperation on common challenges in these countries. In emerging countries, it allocates market-rate loans to finance projects that fight against climate change. In the French overseas provinces, it implements support, advisory and financing activities for local public and private stakeholders and promotes initiatives for cooperation and regional integration.

[Find out more about our financing tools and the project cycle](#)

In 2012, AFD Group approved a total of EUR 6.98bn of financing, including EUR 1.5bn in the French overseas provinces. Over 69% of the Government's financial effort focused on Sub-Saharan African countries, particularly the priority poor countries, and almost 14% on Mediterranean countries.

[Find out more about our areas of operation](#)

Reflection on development assistance methods and participation in international strategic debates are two full-fledged activities at AFD. The **"knowledge production"** activity allows us to adjust operations to changes in practices, needs and operational contexts.

[Find out more about knowledge production](#)

AFD maintains a regular **dialogue** on the objectives and results of its action with parliamentarians, ministries, regional and local authorities, enterprises and civil society organizations that are concerned by development issues. It also works with them to raise the French public's awareness of these issues.

[Find out more about AFD's partners](#)

➤ Who do we work with?

The beneficiaries of our financing

AFD Group provides project financing to governments (which account for the bulk of financing), regional and local authorities or Federated States, public and private enterprises, banks and microfinance institutions, investment funds, international funds, international and regional organizations, universities, NGOs, associations and foundations. These entities are the contracting authorities and lead the project, from its identification to the feasibility study, including the management of the enterprises tasked with designing and subsequently conducting the works.

AFD, for its part, selects the projects submitted for financing on the basis of their viability and relevance in terms of its strategic orientations. It is responsive to officials and contracting authorities throughout the project cycle, which allows it to define and propose appropriate resources and financial instruments. AFD's network of agencies further strengthens this dialogue.

Our partners

Sustainable development is achieved by involving the various stakeholders – from the North and South, national and local, public and private and associations – in the processes. The partners may not necessarily be the direct beneficiaries of AFD Group financing, but they do nevertheless contribute to ensuring that projects are successful. AFD is aware of this factor and supports French stakeholders that have complementary expertise, as well as their coalitions: regional and local authorities, enterprises, specialized professional entities, academic institutions and civil society organizations. It has also developed a wide range of international partnerships with European aid agencies and major development banks, but also with the new donor countries and private foundations.

Suppliers and subcontractors also play a key role, particularly for the project evaluations conducted by AFD Group (studies and consultant missions account for 60% of its procurement). AFD mainly works with specialized consulting firms or NGOs for these activities.

[Find out more about AFD's stakeholders](#)

➤ Where do the financial resources come from?

AFD receives public resources (grants and interest subsidies) to implement the projects it supports and raises funds on international markets, as well as on its own resources.

The bulk of AFD's financing comes from the international financial market. AFD is financed through public borrowing and private investments and raises funds at financial market conditions, which are pegged to the rating of the French State.

AFD's public resources are provided by its supervisory ministries: the Ministry of Foreign Affairs to finance projects *via* subsidies and co-development projects *via* grants; the Ministry of the Economy and Finance to cover the cost of the interest subsidies on the loans that AFD allocates to its beneficiaries abroad and in the French overseas provinces; the Ministry of the Interior to reduce the cost of loans allocated in the French overseas provinces.

➤ How do we work?

AFD Group is committed to adopting best practices in its activities: implementation of the principles of aid effectiveness, [dialogue and work in partnership](#), [monitoring and evaluation of the results](#) of its development action, application of controls [to prevent corruption, fraud, money laundering](#) and the financing of terrorism, integration of social responsibility into both the [funded projects](#) and its [in-house operations](#).

By becoming a member of the Global Compact in January 2004, AFD Group selected the main declarations, conventions and standards for equitable and responsible development as the benchmarks for its action:

- The United Nations Charter on Human Rights;
- The Core Conventions of the International Labour Organization;
- The World Bank Group and IFC standards;
- The three “Rio” Conventions (fight against climate change, fight against desertification and biodiversity);
- The OECD and United Nations Conventions against corruption and the international anti-money laundering rules;
- The international ISO26000 standard;
- The law on “New Economic Regulations” (NER) and the “Grenelle Environment” laws for environmental protection;
- The Environment Charter included in the French Constitution;
- And the Declarations of Paris, Accra and Busan on aid effectiveness.

AFD’s in-house Professional Ethics Charter sets out references for the conduct of every officer in the Group, in line with the principles that underscore its mandate.

AFD is both a credit institution and public institution and is subject to all the accountability requirements related to this dual status: statutory statements for the French Prudential Supervisory Authority (ACP) and Financial Markets Authority (AMF), reports to the supervisory ministries, Court of Auditors and national representation and to the OECD’s Development Assistance Committee (DAC).

➤ Focus: The French Global Environment Facility (French GEF)

A French instrument for sustainable development in developing countries

The French GEF, a public financial instrument, has a mandate to support operations in developing countries that contribute to both the preservation of the global environment and sustainable development.

The French GEF provides grants to finance development projects that give incentives to take better account of the protection of the global environment. These grants are cofinanced with other donors such as AFD and combined with other local or external resources. Since 1994, its specificity has been to support innovative and demonstrative projects, which are subsequently replicated on a larger scale. This allows major progress to be achieved in preserving environmental goods.

In 2012, 67% of the French GEF’s activities were conducted in Africa and the Mediterranean, in line with France’s strategic orientations. Since 1994, a total of 237 projects have been launched amounting to EUR 276m. 100% of this amount is recognized as French Official Development Assistance.

The French GEF and AFD

The aim is generally to identify synergies and complementarities between AFD’s operations and those of the French GEF, in order to support policies that promote environmental and social responsibility. Thanks to the French GEF’s support, AFD can get involved in **large-scale operations that it wishes to initiate in the sectors of climate and biodiversity or land degradation in various geographical areas.**

For example, in 2012, the project to protect biodiversity and ecosystems in the Ameca-Manantlán corridor in the State of Jalisco in Mexico was cofinanced by AFD and the French GEF. AFD is financing a EUR 60m budget support loan to the Ministry of Finance, backed by a public policy matrix in the biodiversity sector concerning the main challenges encountered by Mexico's National Commission of Protected Areas (CONANP). In line with the specific objective of promoting local governance and sustainable management in the country (4th objective of the matrix), AFD submitted a project proposal to the French GEF, defined with CONANP, aiming to establish a local governance model for the sustainable management of the protected area in Ameca and its surroundings *via* a EUR 1.5m grant. This French GEF financing will allow a pilot project to be conducted in the State of Jalisco, which plans to create an innovative tool to manage rural areas, based on the model of Regional Nature Parks in France. The aim is to re-establish connectivity between forest ecosystems. Work will be conducted to ensure that public policies are coherent, strengthen productive sectors and seek innovative financing for conservation. The lessons learned from the experience of the Ameca-Manantlán corridor will eventually make it possible to reproduce the project nationwide.

The French GEF's operations are under the administrative responsibility of AFD

The French GEF operates on the basis of a collective and original mechanism:

- Specific inter-ministerial governance, with six institutional members on its steering committee: five Ministries (Economy, Foreign Affairs, Sustainable Development, Agriculture, Research), and AFD;
- A high-level Scientific and Technical Committee (11 leading figures),
- A Secretariat with technical and economic expertise (10 officers).

Its Secretariat and financial management are entrusted to AFD, which provides the human and material resources required for the French GEF's operations. It also mobilizes its network of agencies for the implementation of projects. AFD's role is mainly to provide the administrative support required for the proper functioning of the French GEF Secretariat and to ensure that the funds made available by the French Government are managed effectively.

The French GEF, alongside AFD, contributes to promoting France's visibility and influence at the international level by mobilizing research institutes, public institutions (CIRAD, IRD, ANR, ADEME, MNHN, ONF...), private enterprises (equipment manufacturers, engineering companies), local authorities, regional nature parks, competitiveness clusters, NGOs and French foundations.

1.1. 2012 highlights

➤ Strategies

- **AFD's 2012-2016 Strategic Orientation Plan (POS3)** was adopted by the Board of Directors in October 2012. POS3 sets out operating methods tailored to the characteristics of the country of operation, sustainable development as a marker of its activity, the aim of consolidating its activity and the objective of exemplarity at all levels.
- **Three strategic intervention frameworks** have been adopted by the Board of Directors: the health sector strategy, on 2 May, the Latin America regional strategy, on 4 July, and the energy sector strategy, on 9 October.
- The **Group's Ethics Charter** and its **financial security mechanism** were also submitted to the Board of Directors in July and November, respectively.

➤ Activity

- The Group's activity pursued the growth initiated in recent years, with a **level of commitment approvals at some EUR 6.98bn** (against EUR 1bn at the turn of the year 2000).
- AFD has been authorized to operate in 3 new countries: Burma, Libya and Peru.
- AFD's record level of financing in 2012 underscores its position as a leading actor in supporting France's overseas economies, with EUR 1.48bn of commitment approvals.
- EUR 45m of grants were mobilized to support 52 initiatives led by 41 French NGOs.

➤ Events

- At the **World Water Forum** in Marseille (March), AFD discussed solutions for universal access to water and sanitation, with a focus on the problems of water tariffs.
- AFD's participation in the **Rio+20 Conference** in June underscored its commitment to sustainable development and to the dialogue with international stakeholders on this topic.
- In November, AFD took part in the **Conferences on Development and International Solidarity**, led by the Minister for Development and closed by the French President. It actively participated in this extensive dialogue on the priorities, methods and issues of accountability for France's development policy. The Conferences involved all French cooperation stakeholders (parliamentarians, NGOs, migrants' associations, trade unions, enterprises, foundations, regional and local authorities, research institutes).
- Following its French tour of over 10 cities, AFD's travelling photo exhibition "Objectif Développement – A new look at the South" stopped off in 3 African cities, starting with Dakar in December to mark the 6th "Africities" Summit.

➤ Partnerships

- **Partnership agreement signed with the Association of French Regions (ARF)** (September)
The agreement with ARF is the 24th to be signed with a decentralized cooperation stakeholder. It aims to further integrate economic development into the external action of regions. AFD and ARF also aim to build joint training programs, support the cooperation of regions in the French overseas provinces and develop regional networks.
- **Partnership agreement signed with Global Compact France** (December)
This partnership aims to promote the principles of the Global Compact in both the North and South: in France, via support to two partner regions (Brittany and Nord Pas de Calais) and in developing countries, by assisting two Global Compact networks, which are seeking to scale up their activity and get more enterprises to become members.

2. Social responsibility and good governance

2.1. Ethics

People who take an interest in AFD Group's activity expect the institution and its staff to have an exemplary conduct. This is especially due to its mission to serve the public interest and to the fact that the resources it uses are partly public.

Furthermore, in 2004, AFD signed the UN Global Compact, which entails a number of ethical commitments.

This imperative is also consistent with society's strong desire for common values and references. The commitment to these values, and their application by all on a daily basis, in essence enhances the performance and reputation of both the Group and of each individual.

It is for this reason that references for the Group and AFD officers in terms of conduct have been set out in AFD Group's Professional Ethics Charter.

This Charter highlights our mandate, core values and common objective, as well as our key commitments in terms of compliance, social responsibility and the fight against money laundering, corruption and fraud.

This text is applicable in the daily practice of everyone who works for AFD Group and has AFD status.

AFD Group's suppliers and partners are also asked to read the Charter.

The Professional Ethics Charter was overhauled in 2012, following an extensive participatory process. This culminated in the new text being submitted to AFD's Board of Directors in July 2012 and the signing of the endorsement of the text by the Executive Committee, agency directors and members of the Management Board in September 2012. A copy of the Charter was distributed to all staff members at the end of the year.

2.2. Social responsibility

For AFD Group, social responsibility refers to the way in which it integrates the sustainable development objectives into its activity and strategy. It is attentive to the impacts that its strategic decisions have on society and is responsive to the expectations of latter. It fulfills this social responsibility first and foremost by complying with the legislation in force in France and in its countries of operation, the main international conventions, as well as the collective agreements signed with social partners.

The transition from Social and Environmental Responsibility (SER) to Corporate Social Responsibility (CSR) is part of a process shared with the other public actors. CSR is not just a matter for enterprises and calls into question not only the environmental and social impacts of decisions, but also all the impacts that an organization has on society in all its diversity.

➤ AFD and CSR

“Develop high standards for accountability and social and environmental responsibility”¹ is one of the strategic objectives of AFD Group. The social responsibility approach is essential for the Group, which is bound by requirements for social and environmental issues, ethics, human rights, the fight against corruption, transparency, dialogue with its stakeholders and the reduction of its ecological footprint. It is, of course, an obligation to meet these requirements under the international law set out in fundamental conventions and in national law.² Yet it especially provides an opportunity to continually improve the procedures and results of the institution and its stakeholders in order to meet the challenges of sustainable development.

➤ 2012 results and progress to be achieved:

2012 results : A review was conducted at AFD and Proparco by an external independent CSR consultant. Working groups were set up based on this review in order to define the CSR policy for 2014-2016. The level of transparency of AFD and Proparco in terms of CSR was assessed using the standards of the Global Reporting Initiative (A+), the rating agency Oekom (B-) and the Global Compact (Active level). The dialogue with stakeholders on CSR issues was held *via* AFD's participation in various working groups and through consultation with its stakeholders, especially when its first CSR Report was released in the summer of 2012.

Progress to be achieved : The objective for the next three years is to better structure the way in which CSR is developed and managed at AFD and Proparco. A system will be set up to monitor the approach, formalize the existing reporting procedure and encourage all AFD officers to participate in the CSR process, mainly through training and awareness-raising. In 2014, dialogue with stakeholders will be developed on the basis of the 2013-2016 approach.

¹ Objective n° 12 of POS3.

² Implementing decree of 2012 from Article 225 of Grenelle 2, on the transparency obligations of enterprises for social and environmental issues, and Circular of 3 December 2008, on the exemplary nature of the State with regard to sustainable development.

2.2.1. **Our commitments**

Social responsibility is implemented in both AFD Group's in-house operations and in the activities it finances. Its main commitments to CSR are to:

- **Develop our dialogue approach with our partners and stakeholders by integrating our accountability obligations, our concern for effectiveness and our commitment to transparency.** The objective is to be transparent and enhance the dialogue with stakeholders (beneficiaries, peers, NGOs, partners...), in line with what is expected of a development assistance operator and in order to meet our aim of scaling up the actions of our institution.

[Find out more about this commitment](#)

- **Ensure and promote sustainable development in our operations.** This involves taking account of the challenges of sustainable development – both in AFD and Proparco's operational strategies and in the operations they finance –, implementing the process to manage the environmental and social risks of operations throughout their cycle, especially during their implementation phase, and contributing to building the CSR capacities of contracting authorities/clients and stakeholders in the South.

[Find out more about this commitment](#)

- **Conduct all our actions in line with our ethics commitment and ensure fair operating practices.** This involves preventing and dealing with situations of fraud, anti-competitive practices, corruption, money laundering and the financing of terrorism. The aim is also to promote the Professional Ethics Charter and to promote CSR practices in the Group's procurement policy.

[Find out more about this commitment](#)

- **Ensure a socially responsible management of all staff.** This involves improving the employment and skills management planning system at both the headquarters and in the agencies, as well as staff management in the agencies. The aim is also to promote diversity within the institution and pay close attention to the working conditions, health and safety of our staff.

[Find out more about this commitment](#)

- **Take action on all the environmental impacts of our in-house operations.** This involves improving energy efficiency in buildings, taking measures to establish more responsible travel and reducing the environmental impacts of day-to-day activities.

[Find out more about this commitment](#)

- **Strengthen CSR governance and enhance the responsibility of all AFD Group structures.** This involves structuring the development and management of the CSR process, implementing the monitoring mechanism and formalizing the reporting process, encouraging staff participation in CSR, mainly through training and awareness-raising, and, finally, strengthening in-house cohesion and the Group's integration into its immediate environment.

[Find out more about this commitment](#)

2.2.2. CSR governance

➤ Organization

The creation of specific CSR positions and functions in 2007, along with the setting up of a unit tasked with coordinating the CSR policy (“CSR Unit”) in 2010 and a CSR working group in 2011, gave greater impetus to the approach and improved the coherence of the CSR process at AFD and Proparco.

In application of the Decree of 5 June 2009, AFD’s **Board of Directors** comprises “a member selected for his/her knowledge of ecology and sustainable development and appointed by Decree in the light of the report of the Minister for Sustainable Development”. Furthermore, a review of CSR achievements was submitted to the Board of Directors in 2012.

Senior management takes the topic of CSR to the Board of Directors. It ensures that the issues are taken into account at the highest level, combines this with the strategic integration of the CSR policy and creates the conditions for it to be appropriated by everyone in the institution. It makes decisions in terms of the human and financial resources to allocate to the various actions proposed. The **Executive Committee** oversees the implementation of the Group’s CSR policy *via* regular reviews. It ensures that there is consistency between the processes implemented in each of the executive departments. Members of the Executive Committee raise the awareness of their own teams and manage the implementation of the CSR process in their respective departments. In 2012, the senior management and Executive Committee initiated, led and supervised the renewal of the CSR policy.

The **CSR working group** comprises representatives from all AFD’s departments, agencies and Proparco. It provides a platform for the collection and exchange of information and for in-house discussions on the specific issues related to this process. Each member acts as an information relay for the teams in their respective departments and promotes the work conducted on CSR. In 2012, this group initiated and worked on a CSR review and on the production of AFD’s first CSR report. In 2013, it has produced the 2012 report and defined the 2014-2016 CSR policy. The “**CSR Unit**”, in collaboration with all the stakeholders involved in the process, supports the coordination of activities on the basis of AFD’s strategies and the indicators to monitor them. It supervises the CSR process in a cross-cutting manner, communicates on its results and maintains a dialogue on the topic with stakeholders.

➤ In-house dynamics

The preparation of the 2014-2016 policy mobilized seven working groups between November 2012 and March 2013, involving over 100 officers. Each working group comprised between 10 and 15 people, including an agency representative and a Proparco officer. The audit and consulting firm Vigeo was called on to support the project following a bid invitation. The work conducted by these groups made it possible to establish a thematic list: the priority issues for sustainable development and CSR at AFD, the commitments that need to be made and the action plans and projects to implement or continue in order to meet them, as well as the indicators to monitor their implementation. A forum was set up on the Intranet to allow everyone to share and discuss the continuous feedback on the work.

➤ Training

Regular training sessions and awareness-raising events are organized on AFD’s social responsibility. They aim to disseminate a common culture on this topic. For example, between 2008 and 2011, over 350 officers from AFD and Proparco were trained in the environmental and social (E&S) risk management process and over 1,400 in the anti-money laundering process. In 2012, Proparco trained 90 of its officers in E&S risk management. AFD organized events and exhibitions at its Paris headquarters to mark Sustainable Development Week and the European Week for Waste Reduction. There is a dedicated space for the CSR process on the Intranet site, which includes a discussion forum. The objective of raising awareness in the agencies was materialized in 2012 with a presentation of the CSR process by a member of the

CSR Unit in Dakar and Abidjan. The aim is also to promote these exchanges as far as possible when officers based in Paris go to the agencies.

➤ External assessments of the process

As part of its continuous improvement process, AFD Group commissioned an independent consultant, Ernst&Young, to assess the CSR process launched in 2007, the achievements for 2007-2011, as well as the possibility of an international standards certification, such as ISO 26000, while taking account of the specific nature of its activity and operating method. The assessment demonstrates the substantial progress achieved between 2007 and 2011. However, it considers that the CSR process is still not sufficiently clear, is shared little, and would have benefited from being integrated more into both the POS2 strategic orientation plan and AFD's mandate.

Furthermore, in 2012, the [Oekom rating agency assessed AFD's process at level "B"](#), which places AFD at the top of the development banks that have been assessed ("prime" status).

➤ Transparency in CSR

AFD Group makes itself accountable for its process by conducting its non-financial communication in line with national and international reference standards. In addition to the [Global Compact](#) Communication on Progress published since 2007, AFD released its first CSR report in 2012. Its level of transparency in this respect was rated B+ under the Global Reporting Initiative (GRI) reference and [A+ in 2013](#).

2.2.3. External dialogue on CSR

➤ Coordination of the action of French public institutions and other public entities

AFD is a signatory to the [Sustainable Development Charter for French Public Institutions and Enterprises](#) and a stakeholder of the [Sustainable Development Club for French Public Institutions and Enterprises](#) (CDDEEP). It places its action in the framework of [Circulars](#) related to the “exemplary State” from Article 226 of the Grenelle II Environment Law and the [National Sustainable Development Strategy](#). Since 2006, when the CDDEEP was set up, public institutions and enterprises have been comparing their processes and jointly propose converging action to meet these challenges. Working groups meet regularly and focus on issues such as governance in public institutions, with respect to the challenges of sustainable development, and reporting. This research provides a basis for reflection and regular exchanges for AFD and its in-house working groups.

➤ Dialogue on AFD and Proparco's CSR processes

In 2012, certain stakeholders were questioned about their expectations in terms of AFD's CSR reporting. The following stakeholders were consulted: Coordination Sud, the Directorate General of Global Affairs and the Africa Department at the Ministry of Foreign Affairs, the Ambassador responsible for Bioethics and Corporate Social Responsibility, the Directorate of the Public Policy Service of the Ministry of Overseas France, Mr. Yvon COLLIN, Senator and Vice-Chairman of the Finance Commission, and Mr. MATTEI, Chief Executive Officer of International Retail Banking at Société Générale and member of AFD's Board of Directors. The report was presented during a plenary session of the Works Council. The two staff representatives on the Board of Directors were also interviewed and informed individually. Finally, AFD's officers were directly consulted *via* an opinion survey: 250 answered. The outcomes of these discussions were taken into account during the preparation of the 2012 CSR report.

Meetings with the Ambassador responsible for Bioethics and Corporate Social Responsibility created new opportunities for the role that AFD can play in defining and disseminating CSR and for the leverage available to it.

In 2013, a dialogue with civil society and AFD Group's supervisory authorities will allow the 2014-2016 policy to be built and validated. These exchanges will lead to various modifications, prior to the policy paper being submitted to the Board of Directors.

➤ Participation in the definition of international CSR references

Proparco, along with the EDFIs, participated in the definition of the International Finance Corporation's (IFC) Performance Standards, which were reviewed in 2012. AFD also participates in discussions during inter-donor working groups, which aim to harmonize procedures and tools to measure the carbon footprint and analyze vulnerability to climate change. AFD signed a Charter last year during the Doha COP, which promotes a harmonized approach to footprint measurement.

2.3. **Financial security**

Corruption, fraud, money laundering, the financing of terrorism, anti-competitive practices and any form of misuse of public and private assistance can permanently damage AFD Group by tarnishing its credibility and legitimacy and reducing the outreach of its financing. AFD ensures that the loans, guarantees and grants that it provides are allocated properly. It must also be vigilant with respect to the reputation and governance of the companies in which it takes equity stakes, including *via* investment funds.

➤ **Policy and tools**

AFD Group has adopted **one of the most demanding sets of standards in the profession**. These standards comprise documents that set out the controls AFD Group officers are required to make at the various stages of the project life:

- AFD and Proparco's **general policy** document on the fight against corruption, fraud, anti-competitive practices and anti-money laundering. It is available [here](#).
- **Procedures** on the fight against money laundering and the financing of terrorism for in-house use.

➤ **Tools**

During the project appraisal process, a certain amount of information must be gathered on AFD Group's direct counterpart (*i.e.* the borrower, beneficiary of a grant, etc.) and, where relevant, its shareholders as part of the **"Know Your Customer" – KYC due diligence**, which is required of all credit institutions. The analysis of "politically exposed persons" is part of the due diligence, as well as the analysis of the client company's managers and directors.

AFD Group also pays close attention to the **repayment methods for its financing and the methods for the unwinding of equity stakes**, which may reveal fraudulent or anti-money laundering practices that warrant a specific analysis.

AFD Group is also attentive to the fight against any kind of illicit collusion that may occur between parties in the context of a project it finances. The contracting authority is required to oblige bidders and preferred bidders to provide an integrity statement declaring that there has been no act likely to influence the procurement process, or any other anti-competitive practices in relation to the contract. The contracting authority also undertakes to include clauses containing the same undertaking in all contracts partly or entirely financed by AFD.

The **public procurement financed** by AFD Group is subject to a specific control to ensure that the various stages of the procurement process take place under the requisite conditions of integrity, transparency, equity and efficiency. These controls lead to AFD issuing its "no objection" and are conducted *ex ante* at specific stages in the procurement process.

In addition to these controls, AFD has decided to strengthen its **exclusion criteria**,³ which the contracting authority is required to comply with for the procurement and award of the contracts it may finance.

AFD Group's officers also have access to a **screening tool** *via* its Intranet, based on the criteria for financial and commercial sanctions adopted by France, the European Union, USA, United Kingdom and UN. This screening tool is used at the project appraisal stage, prior to entering into business relations, and subsequently at regular periods throughout the project life. This application of screening is also part of the settlement process for payments made by AFD's financial department. The aim of this tool is to ensure that none of AFD Group's counterparts, and none of the persons concerned by these controls, as well as none of the successful bidders for contracts financed by AFD or suppliers, are subject to financial sanctions or operate in sectors under embargo by France, the European Union, United Nations, USA and United Kingdom.

³ C.f. [Guidelines for the Procurement of AFD-Financed Contracts in Foreign Countries – January 2013](#)

AFD Group's **financing agreements** also include a number of clauses imposing undertakings on the counterpart concerning the fight against corruption, illicit collusion, money laundering and the financing of terrorism.

➤ Organization

The **Permanent and Compliance Control Department** is in charge of this system and issues an opinion prior to any financing decision. The director of the department and his/her deputy are the correspondents for TRACFIN, France's financial intelligence unit for the fight against money laundering and the financing of terrorism.

➤ Training

In line with applicable French legislation, AFD Group ensures that all its staff members, including in its agency network, are regularly trained and informed on the risks and procedures applicable in the fight against money laundering, the financing of terrorism and corruption. The **training** takes place face-to-face, but also *via* an e-learning tool that was introduced in 2011. At 31 December 2012, 1,423 AFD Group officers had followed the e-learning training on issues related to money laundering, the financing of terrorism and corruption, *i.e.* 81.97% of the AFD officers registered for the training. In 2012, 116 officers also attended face-to-face training.

➤ Focus: The fight against corruption

All projects are analyzed in order to detect any risks of corruption in the context of the said projects. Due diligence is conducted at the appraisal and fund disbursement stages. A control mechanism is also set up at the bid invitation stage.

2.4. **Responsible procurement**

CSR in procurement involves including environmental, social and solidarity aspects in the procurement processing procedure. The effective management of gains from AFD's procurement contributes to the institution's stability and is also considered by AFD Group as one of the pillars of its responsibility.

The process for responsible procurement and its follow-up concerns procurement for AFD's headquarters. In 2012, it had an impact on 60% of contracts in number and 86% in value. Procurement by Proparco and the agencies is not included in this scope.

The agencies make "responsible" purchases (recycled paper...) whenever possible and give preference to local purchases. Their purchases are only made *via* headquarters when the products are not available on local markets.

➤ **Actions in 2012**

In 2012, AFD conducted activities for responsible procurement with three objectives:

(i) Transparency with service providers, by establishing a structured Procurement procedure, by defining a code of conduct for Buyers, and by publishing these two documents on AFD's website.

(ii) Economic efficiency, in order to meet the need "to optimize each euro spent", by structuring and developing the analysis of bids in addition to the application of the procedure, by negotiating all the contracts that the Procurement Department handles, and by defining a methodology to calculate gains.

(iii) The inclusion of social clauses in contracts, by using contract models that systematically include anti-corruption clauses and clauses on compliance with environmental and social standards. It is subsequently the ordering department that is responsible for supervising the application of the contract and its clauses.

➤ **Focus: Clauses included in AFD's contract models:**

"ARTICLE 9 - CORRUPTION"

The Service Provider declares that:

- He did not engage in any action to influence the Project implementation process to the detriment of AFD, in particular no collusive practice took place nor will take place;
- The selection proceedings, contract negotiations, award, and execution have not and will not be subject to any corrupt practice as defined in the United Nations Convention to combat corruption dated 31 October 2003.

ARTICLE 10 – ENVIRONMENTAL AND SOCIAL STANDARDS

The Service Provider undertakes to:

- Comply and procure that its Sub-consultants, if any, comply with international environmental and labor standards consistent with applicable law and regulations in the country of implementation of the Project, including the fundamental conventions of the International Labour Organization (ILO) and international environmental treaties;
- Adopt any environmental and social risk mitigations measures as defined in the environmental and social management plan or the notice of environmental and social impact issued by AFD."

➤ **2014-2016 objectives**

Four new objectives will provide guidelines for responsible procurement in the coming years:

(i) CSR will be taken into account in bid selection, by reviewing categories of procurement with regard to their social and environmental impact and subsequently including the social and environmental criteria specific to each category in the bid selection grids. The weighting with the technical and financial criteria will depend on these procurement categories and will be greater for categories considered as priorities in terms of CSR.

(ii) "Disadvantaged" SMEs will be included in bid invitations by sending the bid invitations to platforms that identify social enterprises.

(iv) Training and awareness-raising in “environmentally responsible procurement” for the Procurement Department;

(v) The definition of a responsible procurement policy and action plan.

➤ Organization

A team of seven people works on procurement at headquarters. It is tasked with centralizing procurement competence and expertise and providing this support to departments and purchasers in a cross-cutting manner. It provides simple tools to departments to facilitate procurement (procurement kits, references on supplier quality...), establishes a homogeneous procurement process, and contributes to controlling expenditure by “buying better” and not “buying less” using leverage – such as competitive bidding, negotiations, support for the definition of needs, using the volume effect... It also helps to settle disputes with suppliers and to ensure that procurement regulations are respected, and promotes responsible procurement.

➤ Focus: Promoting local procurement for the decentralized external and independent evaluations of operations

Project evaluation work is entrusted to consultants or consultancy firms. External evaluations increase the independence, impartiality and credibility of the evaluation process. They also provide specific resources and expertise that are not always available in-house.

Out of the 31 evaluations completed in 2012, 22 (71%) were conducted by local consultancy firms, six (19%) *via* a partnership between local and international firms and three (10%) by international firms (French firms in the three cases). Out of the 22 evaluations conducted by local consultancy firms, four evaluations (13%) were conducted by local subsidiaries of international groups. Unlike previous years, there was no major difference in this breakdown between local and international consultancy firms in AFD’s different geographical areas of operation.

2.5. **Social responsibility of the employer**

Over the past ten years, the number of officers with AFD status has risen by 28%. This increase has resulted in a rejuvenation of staff, a higher average level of qualification, a larger proportion of women and the recruitment of local executives in the countries of operation. The Group's human resources strategy aims to strengthen the human capital *via* a demanding policy on the employer's responsibility.

AFD Group's social responsibility as an employer is currently based on five areas:

- Offer the most favorable working conditions possible in order to attract and retain talent;
- Promote a continuous and high-quality dialogue;
- Help to develop professional career paths;
- Promote diversity in AFD Group;
- Strengthen internal cohesion and the integration of the Group into its immediate environment.

➤ **Focus: The employer's social responsibility in agencies**

French law is fully applicable in metropolitan France and the French overseas provinces. In some 65 agencies established in the foreign countries where AFD operates, it manages less than 500 staff members who come under the specific regulatory and social frameworks of each country.

In the past few years, AFD has considerably strengthened management in the agencies in its countries of operation by recruiting local executives.

This approach has been combined with continuous efforts to make pay conditions for locally recruited staff more consistent, by adapting the analysis to the different country contexts.

It is for this reason that pay rises are systematically analyzed in relation to local markets. AFD generally covers the cost of inflation in countries that have the most rapid inflation.

Furthermore, social protection and prevention systems and pension systems are set up on all the sites.

Local staff have access to appropriate recourse by contacting the Human Resources Department in Paris, or during the periodic controls conducted by the Inspectorate General in agencies (usually every three years). These controls systematically include human resources management, which comes under the responsibility of the agency management.

Finally, "World Reunion" meetings help strengthen the relationship between senior management, the headquarters teams and all the agencies. Their frequency is variable, but they will continue to be organised. The last meeting was held in 2011.

The forward-looking management of jobs and skills is one project that aims to cover all AFD staff.

➤ Key figures 2010-2012

✓ **Total headcount**

Scope: Group

Headcount	2010	2011	2012	Difference 2012/2011	Trend
➤ TOTAL STAFF MANAGED BY THE GROUP:	1,993	2,048	2,104	3 %	↗
TOTAL AFD GROUP:	1,625	1,681	1,742	4 %	↗
- GENERAL GROUP FRAMEWORK:*	1,103	1,134	1,179	4 %	↗
○ Mainland France*	914	955	1,005	5 %	↗
○ Agencies and representations in countries of operation	159	151	148	-2 %	↘
○ Technical assistance	7	6	5	-17 %	↘
○ Secondments and assignments	23	22	21	-5 %	↘
- LOCALLY RECRUITED GROUP STAFF:**	522	547	563	3 %	↗
○ French overseas provinces	106	108	110	2 %	↗
○ Foreign countries**	416	439	453	3 %	↗
TOTAL INSTITUTS***	368	367	362	-1 %	↘
- Instituts General Framework*	104	105	102	-3 %	↘
- Instituts Locally recruited staff	264	262	260	-1 %	↘
➤ TOTAL INTERNATIONAL VOLUNTEERS (IV/VCAT)****	96	78	92	18 %	↗
AFD GROUP IV / VCAT	90	75	85	13 %	↗
INSTITUTS IV / VCAT	6	3	7	133 %	↗

(*) Excl. apprenticeship and professionalization contracts.

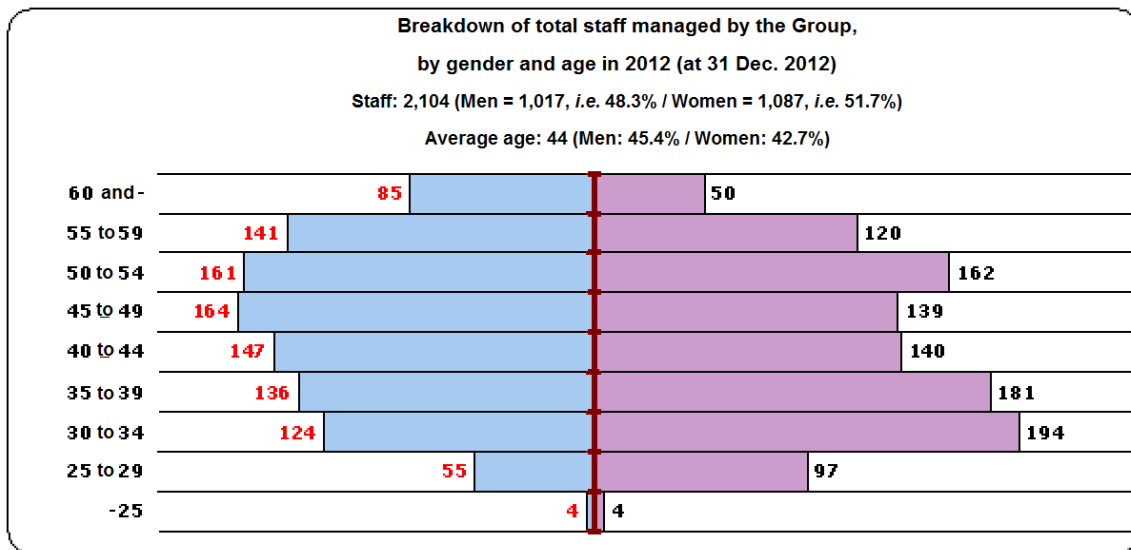
(**) Since 2007, these figures include locally-recruited officers, in accordance with the provisions of the specific labor law in each country, as well as those who are "assimilated" to staff, the service providers in the different foreign countries.

(***) The Instituts d'émission (French overseas note-issuing banks) have a mandate as a central bank under the authority of the Bank of France in the French overseas provinces (collectivities and departments). This mandate is different from AFD's activity. However, its staff are part of the AFD/Instituts Social Economic Unit (SEU).

(****) VCAT: Civil technical assistance volunteer.

✓ Staff breakdown by sex and age

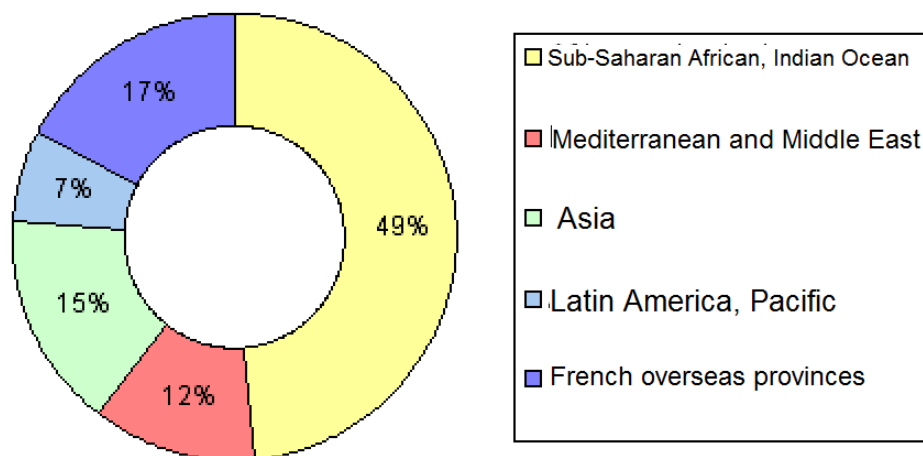
Scope: Group



✓ Staff breakdown by geographical area

Scope: Group

Geographical breakdown of AFD Group "Network" staff (excl. mainland France) at 31 December 2012



	Expatriates general framework	Locally recruited	IV / VCAT	Total Headcount AFD Group Network	
➤ TOTAL NETWORK STAFF	148	563	84	795	100 %
SUB-SAHARAN AFRICA, INDIAN OCEAN	65	276	46	387	49 %
MEDITERRANEAN AND MIDDLE EAST	24	62	9	95	12 %
ASIA	26	82	14	122	15 %
LATIN AMERICA, PACIFIC	12	33	10	55	7 %
FRENCH OVERSEAS PROVINCES	21	110	5	136	17 %

✓ Recruitments, departures and dismissals

Scope: Group

	2011	2012	Turnover rate 2012
➤ TOTAL NUMBER OF RECRUITMENTS	190	175	
OFFICERS FROM GENERAL FRAMEWORK	109	102	
LOCALLY RECRUITED	81	73	
➤ TOTAL NUMBER OF DEPARTURES FOR:	121	118	5.6 %
RETIREMENT	45	38	1.8 %
CONTRACTUAL TERMINATION	-	3	0.1 %
RESIGNATION	38	26	1.2 %
END OF SECONDMENT FOR A CIVIL SERVANT	7	5	0.2 %
END OF FIXED-TERM CONTRACT / SERVICE	17	26	1.2 %
DEPARTURE AFTER TRIAL PERIOD	7	10	0.5 %
DISMISSAL FOR:	4	7	0.3 %
- MEDICAL UNFITNESS	2	4	0.2 %
- REDUNDANCY	-	1	0 %
- PROFESSIONAL INCOMPETENCE	2	2	0.1 %
DEATH	3	3	0.1 %

✓ Compensation of employees

Scope: Group

	2010	2011	2012	Difference 2012/2011	Trend
ANNUAL AVERAGE SALARY / EMPLOYEE (EUR K)	64.8	64.9	65.3	1 %	↗
PAYROLL (EUR K)	104,312	109,477	113,515	4 %	↗
SOCIAL AND TAX CHARGES (EUR K)	45,508	48,990	52,175	7 %	↗

✓ Ratio between highest and lowest salaries

Scope: General framework

	2010	2011	2012
COEFFICIENT OF EXTREME AVERAGES FOR COMPENSATION (10% HIGHEST / 10% LOWEST)	3.82	3.89	3.69

✓ Part-time

Scope: General framework

	2010	2011	2012	Trend 2012/2011
% PART-TIME OFFICERS	5.2	5.6	6.4	↗
INCL. % WOMEN	92	90	90.2	↗

✓ Home-based work

Scope: 85% of general framework staff

	2010	2011	2012	Trend 2012/2011
TOTAL NUMBER OF HOME-BASED WORK DAYS	673	831	1043	↗

✓ Absenteeism

Scope: General framework

	2010	2011	2012	Trend 2012/2011
TOTAL ABSENTEEISM RATE	6.2	6.2	5.6	↘
ABSENTEEISM RATE FOR ILLNESS (%)	3.3	3.4	2.8	↘

✓ Accidents at work

Scope: General framework

	2010	2011	2012	Trend 2012/2011
NUMBER OF ACCIDENTS AT WORK WITH SICK LEAVE	9	15	12	↘
INCL. RELATED TO JOURNEY TO WORK	9	13	9	↘

✓ Training

Scope: General framework

	2010	2011	2012	Trend 2012/2011
TOTAL NUMBER OF TRAINING HOURS	21,288	22,887	25,110	↗
% OF PAYROLL OF OFFICERS TRAINED	3.87	3.92	4.15	↗
AVERAGE NUMBER OF HOURS OF TRAINING PER OFFICER (GENERAL FRAMEWORK)	18.2	18.6	20	↗

✓ Fixed-term employment contracts for young workers

Scope: General framework

	2010	2011	2012	Trend 2012/2011
NUMBER OF APPRENTICESHIP CONTRACTS	2	1	5	↗
NUMBER OF PROFESSIONALIZATION CONTRACTS	3	5	4	↘

✓ Representation of men and women at AFD

Scope: General framework

	2011	2012	2013 objective (2011 agreement)	Trend
PERCENTAGE OF WOMEN EXECUTIVES	43.4	45.2	50	↗
PERCENTAGE OF WOMEN MANAGERS	25.4	24.6	33	↘
PERCENTAGE OF WOMEN IN THE NETWORK	22.2	24.2	28	↗
NUMBER OF WOMEN IN TOP MANAGEMENT	0	0	-	→
NUMBER OF WOMEN ON BOARD OF DIRECTORS	1	1	-	→

✓ Average difference in salary women/men by socio-professional category

Scope: Category D2 (40% of headcount) of general framework

	2010	2011	2012
AVERAGE DIFFERENCE IN SALARY WOMEN/MEN (%)	-4.3	-2.9	-3.4

✓ Disabled employment

Scope: General framework

	2010	2011	2012	2015 objective (2012 agreement)
RATE OF DISABLED EMPLOYMENT (%)	1.6	2.1	1.8	2.3

✓ Management of older staff

Scope: General framework

	2010	2011	2012	Trend 2012/2011
NUMBER OF PEOPLE AGED 50+ RECRUITED	9	6	6	→

✓ **Methodological note**

AFD's social reporting has been defined using the Human Resources Information System. It comprises a market software package (Pleiades), which is used to manage all headquarters staff and expatriates (administrative management, career management...) and provides the source for all Group social data concerning this staff.

The reporting on HR data for locally recruited officers in some 65 agencies worldwide is mainly based on data collected in the agencies by headquarters as part of HR Group management (career management and recruitment, administrative management and compensation, budget management control). Data concerning this staff is consolidated annually during the preparation of the budget, using budget management software (GAB), combined with nominal databases.

✓ **Scope of "social" indicators:**

"Group": All staff managed by the Group, *i.e.* the staff of AFD, Proparco and the Instituts d'émission at both their headquarters and in agencies.

"General framework": employees recruited at AFD's headquarters with a French employment contract, *i.e.* 61% of total staff managed by AFD.

2.5.1. Working conditions

➤ Recruitment policy

The headcount has increased in recent years to cover new activities and new geographical areas. A new contract specifying objectives and resources will define the framework for AFD's human resources for 2014-2016.

AFD has consequently set out to strengthen its local competencies, mainly by recruiting highly qualified executives in the agencies.

The competencies that are mainly sought relate to technical and financial engineering, knowledge production (economics, politics), sectoral expertise (health, education) and the renewal of support and management functions (risk analysis, internal control, project contracting, management control...).

The proportion of departures of employees with fixed-term contracts remains low. These low turnover rates are mainly due to the staff retention policy.

➤ Compensation policy

AFD ensures that the level of its officers' compensation is coherent and motivating, both at headquarters and in its agencies. The compensation practices applied are regularly analyzed for each market, based on common principles, but also by adapting this analysis to the different country contexts.

Furthermore, all officers benefit from a Corporate Employee Savings Plan (Profit-sharing Scheme and Corporate Savings Plan), which redistributes the fruits of AFD's economic performance.

All AFD Group entities comply with its obligations in terms of the payment of social security contributions and the benefits that all AFD staff members are entitled to.

➤ Social protection

The overall compensation for all AFD Group officers also includes a social protection component (Healthcare Expenses, Life insurance and Retirement). AFD's life insurance scheme is subscribed in the form of a Group insurance. The employer bears the total cost of the contributions. The comprehensive social protection system covers all officers recruited in France and locally abroad and not only working employees and their dependants, but also retired workers and their dependants.

AFD's social protection systems abroad cover 500 officers and some 1,500 dependants. They are either additional to or replace the compulsory basic schemes. The retirement scheme is additional to the local basic scheme: a savings account is opened in euros, in France, for each officer. The rights are acquired and available in the event of an officer leaving AFD. It should be noted that the healthcare expenses system, whose guarantees are harmonized all over the world, generally starts right from the 1st euro and also allows officers to receive treatment outside their country of origin when the circumstances warrant this.

Furthermore, a charter providing for an improved level of coverage (100% of actual costs) was signed in 2009 for officers suffering from chronic diseases (HIV...).

➤ Organization of working hours

The organization of working hours depends on the regulations applied in the countries where AFD Group operates. There are consequently various different arrangements (duration, flexible hours, organization).

The regulations for staff recruited locally in AFD's agencies abroad give shorter weekly working hours compared to the working hours provided for in the legislation of the country of operation: the average weekly working hours for locally recruited officers stand at 37½ hours.

For officers in the general framework (recruited in Paris), and since the agreement on the organization and reduction of working hours signed on 30 June 2000, the annual number of working hours stands at 1,582 hours for officers whose working time is counted in hours and 206 days for officers whose working time is determined on the basis of days.

Pursuant to the French law of 8 February 2008, AFD gives its officers the possibility of buying back days placed on the Time Savings Account. The possibilities to use and add saved hours were extended by an agreement signed on 23 December 2008. This account allows 12 days of leave to be saved a year and a total maximum of 144 days.

Staff members can, on their own initiative, benefit from a part-time formula for working hours, which helps to create a balance between their professional and personal lives. The main formulas allow staff members to work the equivalent of 40%, 50%, 60%, 75% and 80% of full-time hours.

Furthermore, since 2004, occasional work from home (mainly for drafting or preparatory purposes) has been organized and guaranteed by a collective agreement for executives, *i.e.* 80% of the headcount. There are therefore possibilities to work from home occasionally, when this is agreed on between the staff member and his/her manager.

➤ Health and safety conditions

AFD Group attaches great importance to the issues of health, safety, psychosocial risks and improving working conditions for staff at all its geographical locations. The Health, Safety and Work Conditions Committee (CHSCT) is the regulatory body in charge of these issues at headquarters. It is chaired by a representative from senior management and comprises 6 elected staff members. It also associates the occupational doctor and *ex officio* members (labor inspector and health insurance authority for the Ile de France region – CRAMIF). It meets at least 4 times a year.

A regular medical and social follow-up is organized for officers at both the headquarters and in the agencies. The cost of vaccines for staff members locally recruited abroad is fully covered by AFD. All AFD Group entities have active safety standards and monitoring procedures related to safety issues for officers (terrorism, earthquake risks, bird flu...). Should an external event occur that could put officers' safety at risk, there are arrangements to set up a crisis unit and implement a repatriation procedure if required.

Furthermore, a unit for well-being at work and the prevention of psycho-social risks, comprising the CHSCT, the medical-social service and Human Resources directors, regularly meets with the aim of preventing and resolving difficult individual circumstances. Such cases can be reported by a staff representative. These difficult individual circumstances are also addressed by the management in conjunction with directors. This is one of the subjects that the occupational doctor reports on in an annual report, which is included in the CHSCT report.

In 2012, AFD commissioned an independent consultancy firm to conduct an assessment of the psycho-social risks in the institution and make recommendations. This assessment provides a basis for dialogue with a view to a negotiation on this issue.

Finally, technical training recommended in the uniform occupational risk prevention document (fire safety), or recommended by the CHSCT (movements and postures), is organized and training is offered in first aid. Special attention is paid to raising the awareness of officers in the network in terms of the safety principles and procedures that must be applied in all circumstances.

2.5.2. Social dialogue

AFD is not subject to a collective agreement. The French employment contracts of AFD officers are governed by a specific staff regulation for each institution (1 regulation for the headquarters, 4 regulations for the French overseas provinces). Staff recruited in the agencies abroad have an employment contract governed by a staff regulation or an agreement, which may be related to a collective agreement in the country (collective agreements of banks and financial institutions).

➤ Social dialogue policy:

The continuity and quality of social dialogue are one of the strategic focuses of the employer's social responsibility policy. Its four underlying principles are:

- A constructive dialogue: Management and staff representatives work together to support changes at AFD. Their joint action is in the collective interest;
- Respect for prerogatives on all sides: The roles of Management and representatives are complementary, yet remain separate;
- The professionalism of negotiations: AFD ensures that staff representatives are given the means to fully carry out their mandate (transparency of information provided, training or external support for complex negotiations...);
- Anticipation: Through the social dialogue, AFD seeks to provide solutions to medium-term social issues, particularly in connection with social change.

➤ Organization of staff representative bodies

- A headquarters works council and four local works councils for the French overseas provinces (which have more than 50 employees) give a collective voice to employees for all issues related to the management and economic and financial developments in the institution, work organization and conditions, vocational training and social protection. They also manage the social and cultural activities organized in the institution;
- A central works council gathers representatives from the five works councils and addresses economic and financial projects concerning all the employees covered by French law;
- A Group committee gathers all staff representatives from AFD and its subsidiaries;
- The Health, Safety and Work Conditions Committees (CHSCT) at headquarters and in the agencies work to ensure the protection and safety of staff and to improve working conditions;
- Staff representatives (headquarters and agencies) receive individual and collective claims from employees concerning the application of the law, statutes and the regulations of joint social bodies and submit them to the employer.

New elections for the works councils/staff representatives were held on 20 March 2012. All the trade unions that decided to put up candidates for this election passed the threshold that allows them to be represented (10%).

➤ Review of collective agreements signed in 2012

The following agreements were signed in 2012:

- The new 2012-2014 Profit-Sharing Agreement, signed on 22 June 2012;
- The agreement to support disabled employment, signed on 20 December 2012.

➤ Dialogue and changes in the institution

Significant changes planned at AFD are subject to negotiation procedures with trade union organizations, along with information and/or consultation procedures with staff representation bodies. For example, consultations were held with the works council for the structuring of the risk department or the creation of a division at Proparco.

Any changes in the institution that have major consequences on the conditions of employment, training and work, or on the general running of the institution, may only be

made after a minimum period of one month during which the staff representation bodies are informed and/or consulted.

➤ In agencies

It should first be borne in mind that AFD agencies have an average staff of about ten people. Consequently, these agencies do not, strictly speaking, have a staff representation system, since the dialogue takes place directly during staff meetings. All agency directors are encouraged to regularly organize these meetings: this is one of the criteria to appraise our managers. A periodic verification is made on managers during the inspection visits, which usually take place on a rotational basis every 3 years.

2.5.3. Training and professional support

➤ Training policy

The integration of new recruits is central to the training policy, which now offers a comprehensive program comprising several activities and seminars. In addition to giving the recruits the opportunity to familiarize themselves with the working environment, these activities allow them to gain a good understanding of AFD's current and future strategic focuses, missions and challenges.

The training policy provides for the implementation of considerable resources for:

- Language learning or training to improve language proficiency;
- The development of competencies in professional areas. Technical training courses have been organized in the fields of banking, finance and economics and to help project managers have a full command of the operations framework;
- The development of common competencies in development assistance and in AFD's role in this framework;

The "Development Professions" cycle aims to provide all staff members, including newly recruited local officers, with this shared knowledge base. This is the second year that this seminar has organized a field module, which provides a real and physical approach to how development works. In 2012, three groups of staff members were able to see operational examples of the different forms of aid by visiting projects in Morocco, Vietnam and Mozambique;

- The development of managerial skills and the notions of personal development *via* specific training sessions on these topics.

➤ Staff appraisals

The annual staff appraisal gives the opportunity to recognize the achievements of staff, on the basis of objectives established jointly with them, and to define their training priorities and prospects for professional development. The assessment tools were enhanced in 2012 and now include a specific section on the managerial competencies of managers.

2.5.4. Equal treatment and diversity

AFD makes continuous efforts to give the same opportunities for access to employment to all, on the basis of comparable competencies and profiles.

➤ Fight against discrimination

All discrimination is forbidden in France. No legal action has been taken against AFD in this respect.

AFD has a range of tools to prevent such situations in the recruitment process (unique interface *via* the website, structuring of requests, drafting of offers, which only contain information on the competencies and conduct relating to the position available) and in employment (promotion of trade union dialogue, annual assessment interviews, training and awareness-raising for officers on these issues).

➤ Promotion of youth employment

The employment of young professionals is developed in the institution *via* recruitments with work-study contracts (a program that alternates academic training with in-company training). In 2012, AFD had four people with professionalization contracts and five officers with apprenticeship contracts among its staff members.

➤ Measures to promote gender equality

In 2007, a first agreement was signed to promote gender equality at work. In June 2011, a new agreement was signed to strengthen and update this commitment. It is applicable to officers with French law contracts, *i.e.* officers within the general framework managed by the Group. It contains a set of quantified objectives, which aim to promote the professional development of women throughout their career, and sets the objective of achieving a balanced representation of men and women at all levels in the institution. The target date is 31 December 2013. The key drivers for this policy are: the promotion of a balance between private life and professional life (part-time formulas proposed, policy to facilitate the employment of spouses for officers assigned in the network signed in 2012...) and the analysis of pay gaps in order to avoid and identify, when appropriate, salary differences for similar positions.

➤ Measures to promote the employment and integration of the disabled

The employability and retention in employment of disabled officers working in the institution is a concern for senior management and AFD Group's social partners. A proactive and structured employment and recruitment policy for the disabled is implemented in France (while it should be specified that the definition of a disabled worker is not the same in all countries). This led to the signing of a new agreement in this respect in 2012. It sets out the 4 following areas:

- The recruitment and integration of new disabled members of staff and collaboration with sheltered and adapted employment organizations;
- Retention in employment for disabled employees;
- Training;
- Awareness-raising and communication.

➤ Management of older members of staff

AFD's action plan for older members of staff sets out a commitment to give all employees aged 55 and over access to training to organize the end of their careers and/or the transition between work and retirement. Furthermore, it provides for ten employees aged 50 or over to be recruited in three years (starting on 1 January 2010). Finally, professional interviews have been established for employees aged 50 and over in the second part of their career. For example, between 2010 and 2012, 276 officers aged 50 and over benefited from at least one career interview. Management has pledged to receive these employees every 5 years, at their explicit request and on a proposal by the hierarchy or HR.

2.5.5. Relations with local communities

AFD Group aims to strengthen its integration into its immediate environment by developing local activities at the headquarters and in agencies. These activities are intended to foster socioeconomic development and more effectively promote human rights at the local level. This objective leads to our officers' getting involved in activities to support social, health, cultural and human rights entities (associations, schools, integration entities...), or AFD can provide financial support to these entities.

➤ Focus: Interview with Jean BENKEMOUN, Françoise JACQUEMAIN, and Guillaume CRUSE, volunteer officers at AFD's group "Solidarités Nouvelles contre le Chômage" (SNC) (New Solidarity to Fight Unemployment)

How would you sum up the association "Solidarités Nouvelles contre le Chômage?"

SNC participates in the fight against unemployment in France. The association includes 110 volunteer groups, either in the community (neighborhood or city associations, for example), or in companies. Groups have been set up at Deloitte, Vinci, Crédit Coopératif, Mondial Assistance, at the Ministry of the Economy and Finance and... at AFD.

As the association looks at unemployment in all its forms, the issues of exclusion and housing for example, it works with other stakeholders, such as Habitat et Humanisme, ADIE (microfinance institution) and the French Employment Agency, in order to give more leverage to its action.

What are its activities?

First of all, the association offers personalized support to jobseekers. The volunteers and coaches look with the jobseeker at possibilities that will help him/her to reconnect with the job market.

Secondly, the association finances the creation of direct jobs, using grants (tax-deductible), in organizations from the social and solidarity economy.

Is AFD involved in this approach? Why?

AFD and its staff members cannot ignore the areas in which they live and are established. AFD's participation in the association SNC, both at the collective and individual level, reflects this awareness. We have supported people sent by associations located near the headquarters in the 12th district of Paris and by the City Hall of this district. In 2008, AFD provided EUR 15,000 of financial support to the association, which demonstrates our aim of integrating the local economic fabric.

How exactly do things stand with AFD's SNC group?

Our group at AFD has existed since 2002. About a dozen of us take part in it. In addition to our involvement as "coaches", two years ago we organized an in-house conference-debate on issues related to unemployment in which the President of SNC, Jean-Baptiste de Foucault, participated, along with Stéphane Hessel. We would like to repeat the experience by the end of 2013.

Do you see the results of your action?

Yes. Since 2002, our group has had a 60% "success" rate, that is the percentage of people who have found a job or started a training course as a result of our support. This is roughly the same as the association at national level. We have supported over thirty people since 2002!

In practical terms, how does the volunteer activity work?

Volunteers benefit from training before meeting jobseekers. The support is subsequently provided through regular meetings, in tandem with another coach. In terms of the life of the association, AFD's SNC group meets about once a month. This experience is extremely rewarding for everyone.

➤ Integration of the disabled in partnership with the National Vocational Training Center (CNFP) and Opcalia Ile-de-France

The French Employment Agency, Opcalia Ile de France and CNFP have set up an innovative system designed to facilitate the recruitment and integration in companies of disabled employees. This project is called “Operational Preparation for Collective Employment” (POEC) and allows disabled people who have a minimum of 3 years’ professional experience in one or more secretarial or accounting-related activities to benefit from 400 hours of personalized training adapted to a vacant position in a partner enterprise. In line with the recently adopted Disability Agreement, AFD has pledged to receive people benefiting from this program for internships and subsequently under professionalization contracts.

➤ Students from sensitive neighborhoods received with the association “Un Stage et Après”

In October 2012, AFD signed a partnership agreement with the association “Un Stage et Après” (USEA) (“A Training Course and What Next?”) and pledged to receive at least 5 secondary school students a year for their third-cycle placements. Two students were received in December 2012 for a 5-day placement, which took the form of a discovery course that allowed them to find out about several different activities. This association was founded in 2009 and is accredited by the Ministry of Education. It offers students from sensitive neighborhoods a support program that aims to make their third-cycle placement a key element to help them think about their career paths. The objective is to allow each student, whatever his/her network and academic abilities, to discover professional activities and to find a placement that will be useful for his/her future. The association works closely with its network of partners, education circles and associations and helps students to find a placement that meets their needs. It also organizes thematic conferences and interactive workshops in order to prepare them for work in companies.

➤ Focus: Joint interview with Françoise JACQUEMAIN, Françoise DESMAZIERES, Marie France LHERITEAU, Geneviève JAVAYOLES, Martine NAUBRON for the Pierre Claver association

After busy careers and having worked for AFD in fragile States, where opposition is not always recognized and where the rule of law is practically nonexistent, we found ourselves giving French lessons to young asylum seekers. Our history began when we started offering French lessons to asylum seekers who were living opposite AFD in conditions that were initially extremely precarious. However, the Pierre Claver School was structured and established itself right in the center of Paris, a stone's throw away from the National Assembly. It also aims to be a place that both students and teachers like to go to. Out of the ten or so teachers, nearly half come from AFD, which is no coincidence when you look at our respective backgrounds. Our role is to introduce our young students to the joys of the French language and its difficulties and also to the customs and practices of our country. This is not an easy task, as our public has very different “academic” backgrounds, but it is extremely rewarding. It is a small school and can only receive 120 students for each six-month session. This creates a real family atmosphere. The **Pierre Claver** Association offers asylum seekers a school that provides a place to meet and study while they are waiting for their residence permit in France. Once they have obtained it, as well as the authorization to work in France – and when they have reached a sufficient language level – Pierre Claver offers to help them when they start looking for a job and, especially, encourages them to choose a training course or profession adapted to their skills and desires. All the students who are enrolled at Pierre Claver are welcome to come to the school throughout the week for various activities: to learn French, take part in sessions on general culture, drawing and theater, meet their friends, take part in sports and cultural events, trips, surf the Internet... but also to seek support for any administrative problems and ask for legal aid from lawyers who are members of the Association, which is only available to the school’s students.

2.6. In-house environmental responsibility

Our in-house environmental policy is in line with a national, European and international regulatory and incentive framework. It is based on the following areas: the assessment of our direct environmental footprint, the implementation of measures for mitigation, adaptation and carbon compensation for our environmental impact, as well as awareness-raising for our officers on this topic. An “in-house environment” manager is tasked with this function.

2.6.1. In-house environmental policy

➤ Regulatory and incentive framework for our approach

- **The Grenelle Environment (Laws I and II):** The assessment of the environmental impact of AFD Group’s in-house activities, the carbon footprint and the key projects of the environmental action plan are fully in line with the Grenelle requirements.
- **The National Sustainable Development Strategy:** Under the National Sustainable Development Strategy for 2010-2013 (SNDD), adopted on 27 July 2010 by the Inter-ministerial Committee for Sustainable Development (CIDD), France has pledged to meet the challenges of green and equitable growth. The initiatives identified for “governance”, climate change” and “sustainable consumption and production” are central to AFD Group’s in-house environmental challenges.
- **The Exemplary Administration Plans:** As a public and commercial institution, AFD is engaged in the dynamics of the Ministry of Foreign Affairs for an “Exemplary Administration Plan”, which was adopted in 2008. It has defined its own quantitative and qualitative environmental objectives on the basis of the task sheets from the Circular.
- AFD’s in-house environmental responsibility action plan also sets out the **Kyoto Protocol** commitments to reduce greenhouse gas emissions (objective: reduce global emissions by roughly 5% between 2008 and 2012 compared to the 1990 reference year; there are different objectives for each country), the European “**Energy-Climate Package**” commitments (objective: reduce the emissions of each European country by 20% by 2020 compared to 1990; this objective is combined with a commitment for 20% of renewable energy in the energy mix and a 20% reduction in energy consumption) and the **Factor 4** commitment (objective: divide greenhouse gas emissions by 4 by 2050 compared to 1990).

➤ Policy

The in-house environmental approach is based on four areas:

- (i) **Assess:** Conduct annual *Bilans Carbone®* (carbon footprint) on the in-house functioning of AFD Group, completed with periodic environmental diagnostics and a regular monitoring of various impact indicators.
- (ii) **Take operational action:** Strengthen AFD’s priority action plan to reduce its ecological footprint, with a focus on the following topics: responsible procurement, energy efficiency and renewable energy, travel and waste management.
- (iii) **Offset:** Voluntarily offset the greenhouse gas emissions generated by AFD’s activity by financing environmental projects in developing countries (acquisition of carbon credits).
- (iv) **Awareness-raising:** Communicate to AFD officers and raise their awareness of sustainable development, as both professionals and citizens.

In the international network, environmentally responsible projects are conducted to improve the environmental performance of agencies, depending on local contexts. These projects concern responsible procurement, energy efficiency, renewable energy, waste management, water management and the optimization of professional travel.

As part of AFD Group’s new CSR policy, the “In-house Environmental Responsibility” action plan **aims to reduce the Group’s total greenhouse gas emissions by 3% a year.**

➤ Organization

In-house environmental management is led by the In-house Environmental Manager (IEM), who conducts a cross-cutting monitoring of Group activities and provides technical assistance both to divisions at headquarters and to the international agencies. The IEM is a project manager and provides support to contracting authorities and, as such, is responsible for environmental management and centralizes information on all Group activities.

➤ Training

AFD Group conducts in-house communication campaigns throughout the year with the aim of raising the awareness of all officers, as both professionals and citizens, in terms of the challenges of sustainable development. A whole host of activities are organized and focus on both the in-house environmental responsibility projects that are implemented and the environmentally responsible conduct that needs to be developed: communiqués, in-house press articles, exhibitions, conferences, operations during major international events (Sustainable Development Week, European Week for Waste Reduction, etc.).

In 2013, an environmental communication and awareness-raising strategy will be implemented: reference documents, a visual identity and logo, and a dedicated Intranet space will be created.

➤ Focus: European Week for Waste Reduction 2012

AFD marked European Week for Waste Reduction 2012 (EWWR), which took place from 19 to 30 November 2012, by organizing an in-house awareness-raising operation at its headquarters and at Proparco. The aim of this event was to raise officers' awareness of their daily ecological footprint and remind them of the right things to do.

European Week for Waste Reduction 2012 (EWWR) is part of the national campaign to reduce waste. It is a key event for mobilization and takes place in over 23 European countries.

To mark the occasion AFD organized:

- An exhibition on the OPTIGEDE project to optimize the management of the waste produced by AFD and on the Africompost project supported by AFD and the French GEF on the use of organic waste (composting) in 6 African cities;
- A graphic presentation of the circular economy of paper: from the leaf of the tree to the sheet of paper;
- Activities on food waste: The 4 dishes presented at the entrance of the cafeteria were removed (i.e. 40 kg of food not wasted);
- Events on waste recycling organized by environmental education associations;
- An ID4D conference organized by the French GEF and Good Planet on waste recycling in developing countries.

➤ 2010-2012 figures

	Indicator	2010	2011	2012	Difference 2012/2011 (as %)	Trend
CARBON FOOTPRINT						
➤ HEADQUARTERS						
Emissions per officer	TEqCO2/year/officer	23	21	18	-14%	↘
Total emissions, incl.:	TEqCO2/year	24,163	23,072	20,474	-11%	↘
- Travel	TEqCO2/year % Total emissions	13,312 55%	14,489 63%	14,105 69%	-3%	↘
o Total distance travelled	Thousands of km	51,062	55,160	53,347	-3%	↘
o Emission/officer	TEqCO2/year/officer	12.72	13.12	12.45	-5%	↘
o Distance travelled/officer	Km	48,802	49,946	47,101	-6%	↘
- Freight	TEqCO2/year % Total emissions	2,610 11%	4,266 18%	65 0.3%	-98%	↘
- Inputs	TEqCO2/year % Total emissions	6,857 28%	3,031 13%	3,881 19%	28%	↗
- Fixed assets	TEqCO2/year % Total emissions	704 3%	730 3%	781 3.8%	7%	↗
- Energy	TEqCO2/year % Total emissions	590 3%	457 2%	485 2.4%	6%	↗
- Energy servers	TEqCO2/year % Total emissions	37 0.15%	36 0.2%	38 0.2%	5%	↗
- Waste	TEqCO2/year % Total emissions	52 0.26%	63 0.3%	38 0.2%	-40%	↘
➤ NETWORK						
Emissions per officer	TEqCO2/year/officer	11.84	11.41	10.76	-6 %	↘
Total emissions, incl.:	TEqCO2/year	8,435	8,493	7,661	-10 %	↘
- Travel	TEqCO2/year % Total emissions	4,643 55 %	4,200 49 %	3,416 45 %	-19 %	↘
- Energy	TEqCO2/year % Total emissions	1,760 21 %	2,400 28 %	2,135 28 %	-11 %	↘
- Fixed assets	TEqCO2/year % Total emissions	1,456 17 %	1,500 18 %	1,675 22 %	12 %	↗
- Inputs	TEqCO2/year % Total emissions	480 10 %	370 4 %	412 5 %	11 %	↗
- Waste	TEqCO2/year % Total emissions	93 2 %	23 <1 %	23 <1 %	0 %	→
WASTE						
Total volume	Tons/year	197	199	215	8 %	↗
Waste Assimilable to Household Waste (WAHW), incl.:	Tons/year	169	171	153	-11 %	↘
- Cardboard	Tons/year % WAHW	- -	- -	20 15%	-	-
- Paper	Tons/year % WAHW	- -	- -	36 23%	-	-
- Biowaste	Tons/year % WAHW	- -	- -	63 27%	-	-
- Recyclable materials	Tons/year % WAHW	- -	- -	10 20%	-	-
- Residual materials	Tons/year % WAHW	- -	- -	24 15%	-	-
Selective collection	Tons/year	-	-	17	-	-
Glass	Tons/year	-	-	3	-	-

	Indicator	2010	2011	2012	Difference 2012/2011 (as %)	Trend
Paper and cardboard sorted and collected by Tais	Tons/year	-	-	33	-	-
Hazardous waste	Kg/year	2,011	2,477	2,584	4%	↗
IT equipment	Tons/year	-	-	5	-	-
End-of-life furniture	Tons/year	-	-	4	-	-
Waste production /officer	Kg waste/officer	201	201	217	8%	↗
PAPER						
Total consumption	Tons/year	65	68	79	16%	↗
Paper consumption / officer	Kg/officer/year	45	44	59	34%	↗
White paper	Tons/year	37	40	48	20%	↗
Reams of white paper / officer	Reams/officer/year	16	16	17	6%	↗
White paper consumption /officer	Kg/officer/year	39	41	42	2%	↗
Printing paper	Tons/year	22	24	19	-21%	↘
ENERGY						
Total energy consumption /m²	kWh/m ² /year (Net floor area/excl. service rooms)	208	172	168	-2%	↘
	kWh/m ² /year (floor space)	245	202	198	-2%	↘
Total energy consumption	MWh/year	5,506	4,555	4,446	-2%	↘
Total energy consumption / officer	KWh/officer/year	5,811	4,595	4,429	-4%	↘
Total electricity consumption	MWh/year	3,629	3,443	3,184	-8%	↘
Total steam consumption	MWh/year	1,876	1,112	1,262	13%	↗
WATER						
Water consumption /officer	m3/officer/year	12	11	11	0%	→
	Liter/officer/day	58	53	55	4%	↗
Total water consumption	m3/year	11,317	10,787	11,377	5%	↗

✓ **Methodological note:**

The data mainly concerns AFD's headquarters, except for the indicators on paper and professional travel, which include Proparco data.

The environmental reporting for the international agency network is mainly based on data collected by the agencies for the carbon footprint assessments. It is sometimes difficult to obtain certain information due to the economic or structural situation in the agencies (complicated geopolitical context, difficulty to access information...). Substantial efforts were made to consolidate the information from the network and extend the scope of data monitoring. Consequently, in 2012, 57 out of the 68 agencies contacted were able to provide their carbon footprint.

The indicators related to the number of officers have been calculated on the basis of the number of average Full-Time Equivalent (FTE) staff at AFD's headquarters (i.e. 1,003.9 FTE in 2012 for AFD's headquarters and 1,132.6 FTE for AFD and Proparco's headquarters).

Similarly, the data from the agencies are also expressed in FTE.

✓ **Scope of "environment" indicators:**

"Group": AFD and Proparco headquarters, CEFEB and agencies

"AFD": AFD headquarters and agencies

"Headquarters": AFD and Proparco headquarters, excl. CEFEB

"AFD headquarters": Only AFD's headquarters, excl. Proparco and CEFEB

✓ **Information system**

The data provided are established on the basis of exchanges with the resource persons in the relevant departments and local agencies and on the basis of various documents – agreements, project briefs, notes, reports, invoices and management systems. Dashboards to monitor environmental indicators, which were validated during committee meetings, are also reporting tools that make it possible to validate and trace the data submitted.

✓ **Comments by type of data:**

- Carbon footprint:

Scope of data: Group

The consolidation of N-1 data is only available at the end of the 1st half of the year N. Consequently, the complete carbon footprint, including that of the network, will only be available in July 2013.

The differences between 2012 and 2011 for the emissions related to freight, professional travel and waste are mainly due to a change in the methodology to take account of the carbon emissions for these items. The sharp difference in the waste item between 2011 and 2012 is also due to an improvement in reporting made by teams in 2012.

- Waste:

Scope of data: AFD headquarters

The figures for 2012 were established during an external diagnostic conducted in connection with the OPTIGEDE waste management and prevention project, which refined the method for recording the volumes of waste generated. This also explains the year-on-year change between 2011 and 2012. Proparco conducted a review of recycling in 2012 as part of its paper sorting policy. It is available [here].

- Paper:

Scope of data: Headquarters

"Total consumption" includes white paper consumption, paper supplies and printing paper (publications), and "paper consumption per officer" includes white paper consumption and paper supplies (excl. printing paper).

- Energy:

Scope of data: Headquarters

"Total energy consumption/m² net floor area (NFA)" only concerns the area of AFD's headquarters, excl. Proparco and CEFEB, i.e. 26,520 m².

- Water:

Scope of data: AFD Headquarters

The water consumption shown concerns all uses made at the headquarters (cooking, general services, washrooms, air conditioning).

2.6.2. Carbon footprint

Since 2006, AFD has been conducting a *Bilan Carbone®* (carbon footprint) for its headquarters. This assessment was extended to its entire network of agencies and local offices in 2009. The largest item for AFD Group's carbon emissions is professional travel. This source of carbon is difficult to reduce as AFD's field missions are essential for the appraisal and supervision of projects on the spot. One of AFD's measures has consequently been to offset its emissions since 2007 in order to achieve carbon neutrality. The idea is to be "carbon neutral" every year.

➤ Professional travel

Travel by officers (travel for missions, assignments, home-work) and consultant missions is the activity item with the highest amount of greenhouse gas emissions in terms of AFD Group's in-house operations. Since 2006, professional travel has always accounted for **over 50% of total carbon emissions**. These results are due to AFD's core mission: as a technical operator of France's Official Development Assistance, field missions are essential for the supervision of projects on the spot.

➤ Offsetting GHG emissions

Since 2007, AFD has been offsetting its headquarters' greenhouse gas emissions. In 2011, a new carbon credit purchase agreement was signed with EcoAct, a company that initiates projects specialized in carbon finance. The aim is to offset AFD's greenhouse gas emissions for 2010-2012. Between 2010 and 2012, 24,000 tons equivalent CO₂ were offset every year, *i.e.* 72,000 teq CO₂ over 3 years. The carbon offset program will be renewed in 2014 on the basis of the 2013 carbon footprint.

➤ Presentation of AFD's carbon footprint

Since 2006, AFD has been conducting a *Bilan Carbone®* for its headquarters. This assessment was extended to its network of agencies and local offices in 2009.

The *Bilan Carbone®* is established every year using a method approved by the French Environment and Energy Management Agency (ADEME).

AFD's carbon footprint is managed and conducted in-house by the In-house Environmental Manager (IEM), who is accredited by ADEME, and through the intermediary of "carbon footprint" contact officers in the different headquarters departments and in AFD's international network of agencies (68 sites in Africa, Latin America, Asia and the French overseas provinces). This footprint concerns the scopes 1, 2 and 3 of the ADEME methodology and therefore includes all direct emissions (carbon emissions of AFD officers) and indirect emissions (carbon emissions of AFD's service providers) related to the activities of the headquarters and international agencies.

Reminder about the *Bilan Carbone®* methodology

The *Bilan Carbone®* was created by ADEME and is an inventory method used for human greenhouse gas emissions (GHG) due to an activity or site. The scope of this inventory must, as far as possible, take account of all the flows required for this activity to function (travel, procurement, energy consumption, waste, etc.).

This tool:

- Records, in increasing order, the GHGs generated by an activity and identifies the items that contribute the highest level of GHG emissions;
- Identifies possible leverage actions and defines recommendations for the reduction of these emissions.

The results are expressed in tons equivalent CO₂ (teq.CO₂), the measurement unit for GHG emissions. It allows the impact on climate change to be measured for all gases related to the carbon dioxide (CO₂) gas.

2.6.3. ***Pollution and waste management***

On the basis of a review conducted in 2012, AFD Group is implementing a series of projects to improve its waste management, most of which comes from its office activity. Part of this approach is based on the eco-friendly gestures made by officers.

➤ 2010-2012 figures

Waste production per employee and per year stands at 215 kg. By way of comparison, the administrative department of the French Post Office produces 163 kg per employee per year (excl. catering).

The share of **non-hazardous waste** sent to a waste sorting and recycling network stood at 30% in 2012. This is a low rate with regard to the Grenelle 2 target of achieving a recycling rate for “material or organic matter” of 75% by 2012 for corporate waste.

➤ Waste prevention, reduction and recycling measures

Paper waste management: Integration of environmental criteria in the choice of paper (FSC and PEFC for sustainable forest management, European Ecolabel, % recycled) and staff encouraged to print double-sided and in black and white;

Hazardous waste management: Collection and treatment of batteries/small accumulators and light sources by Altys, ATF and Screlec; removal, sorting and recycling of cartridges and toners by Conibi; donation of approximately 75% of computers to schools and associations;

Catering waste management: Trim Trax program to reduce food waste set up by the EUREST Group: the quantities cooked and thrown away at each meal are counted and weighed in order to readjust the quantities to cook and therefore reduce wastage; most glass bottles are returned to the service provider when supplies are delivered.

Responsible procurement: As the best waste is the waste we do not produce, AFD has set out to treat waste management at its source. The aim is to reduce packaging from supply purchases. In accordance with the terms of contract specifications, service providers must consequently limit the quantity of paper, plastic and cardboard, take back all packaging and only deliver the actual products to AFD.

➤ Progress to be achieved for 2014-2016: Waste optimization project at headquarters

AFD's General Secretariat wanted to make waste management optimization at AFD's headquarters an objective for 2012-2013. The unit in charge of in-house environmental issues consequently launched the OPTIGEDE (Waste Management Optimization) project in September 2012. A technical, economic, organizational and regulatory diagnostic was conducted at AFD's headquarters at the Roland Barthes site and defined four main areas for action:

- Improve the way in which waste management is organized and handled at AFD's headquarters;
- Strengthen the sectors for selective collection and treatment for the two flows, in line with Grenelle Environment: office paper/cardboard and biowaste;
- Scale up prevention in terms of waste production, as the best waste is the waste that is not produced;
- Place greater emphasis on raising the awareness of all stakeholders operating in waste management;
- Help the agencies in the network to improve treatment and recycle the waste from their activities.

➤ Agency initiatives: Green waste recycling in Yaoundé

As waste management improvement is a global challenge, local agencies in the international network have launched initiatives tailored to the local context.

In Yaoundé, like all over Cameroon in general, there is no structured waste sorting sector. Some local initiatives are being developed, often driven by associations and NGOs (for example, plastic bottle recycling). However, there are currently no industrial projects at the municipal, regional or national levels, apart from certain industries for hazardous waste (Waste Electrical and Electronic Equipment – WEEE – in particular).

In this context, the agency has set out to more effectively control its waste production by refining its monitoring of the different waste flows and looking for companies and associations that could recycle certain categories of waste (ink cartridges, IT equipment).

The Yaoundé agency, which has 4,000 m² of land, is already involved in a composting project for its green waste, which it has been able to develop itself using traditional techniques. The agency's gardener also recovers the coffee grounds to activate the fermentation process for traditional compost, which is then used as fertilizer.

➤ Recycling results via the Shred It service at Proparco:

When Proparco introduced its paper sorting policy, it got its staff involved. 3½ tons of waste were recycled in 2012 thanks to the collection bins located in different spaces. Note that 1 ton of recycled paper saves 16 trees, 20,000 liters of water and 1,000 liters of oil equivalent.

Proparco's recycling results

	2012
Number of collections	15
Number of bags collected	116
Number of trees saved	55
Equivalence in tons	3½ tons
Equivalence in liters of water	35,000 liters
Equivalence in oil	3,500 liters

2.6.4. Sustainable resource management

Paper is the main raw material consumed by AFD and it is working to reduce its consumption. The Group makes efforts to improve its energy efficiency by regularly upgrading its assets and facilities in France and abroad. 100% of electricity at AFD's headquarters is produced using renewable energy sources.

➤ Measures for efficient paper consumption

The entire white paper supply for printing and photocopies at AFD's headquarters is guaranteed recyclable, ecolabelled and FSC (Forest Stewardship Council – from sustainably managed forests) and contains no traces of chlorine. 76% of the white paper and printing paper used for publications is FSC-certified.

An electronic archiving platform will be established in 2013. It will eventually conserve certain natively digital documents in electronic format, while conserving their probative value. Research work started in October 2012 and the first electronic transfers have been scheduled for late 2013.

➤ Biodiversity protection

AFD Group's activity does not have significant adverse effects on biological balance, natural environments or protected animal and plant species. However, AFD Group ensures that the

collective catering service respects the balance of ecosystems: no consumption of protected fish species, organic and fair trade range of products, etc.

➤ **Energy consumption management**

Measures taken to improve energy efficiency and the use of renewable energy

AFD makes efforts to improve its energy efficiency by regularly upgrading its assets in France and abroad (hygrothermal measurements: thermal insulation and regulation, ventilation system, use of renewable energy, etc.). The reduction in energy consumption between 2010 and 2012 was due to the introduction of technical building management in 2010 for this purpose.

The Group has established a new real estate asset policy, which will allow several properties to be acquired (offices and staff accommodation) by facilitating energy management in these buildings and their equipment with renewable energy.

In this respect, a study was conducted on energy efficiency and potential investments in renewable energy (photovoltaics, wind power, etc.) in the network of agencies and local offices. The studies have led to the creation of an optimized monitoring tool for energy consumption, which makes it possible to define a detailed energy profile of the different buildings and determine priority energy management activities (equipment, conduct). Similarly, the results of the study will serve as a guide for the selection of equipment for renewable energy generation systems in the local agencies.

In addition, the Group has launched works at its headquarters and at some of its field agency premises as part of a process to meet High Environmental Quality (HEQ) low-consumption standards. The future accommodation of the management of the Fort-de-France in Martinique has been certified NF Environment – HEQ. It is one of the first tertiary HEQ operations in this overseas department.

Between 2009 and 2010, AFD set up a project to streamline and strengthen its IT infrastructure. The project has made a significant reduction to energy consumption per server. The Group requires the Energy Star label for all its electric and electronic equipment.

100% of the electricity purchased for AFD's headquarters has a "green certificate" and 100% is generated using renewable energy sources. AFD also participates in financing research projects on photovoltaics. Again with the promotion of renewable energy in view, AFD had photovoltaic generators installed at its headquarters in 2012.

Agency initiatives: The example of Papeete

The agency is moving to new premises (in early September 2013) and plans to reduce its energy consumption there by switching off all the electricity (except for safety equipment) between 8 pm and 6 am. The first results of this practice will be measured in the 2014 assessment. The teams also pay close attention to their energy consumption, in particular through a very moderate use of the air conditioning.

3. Sustainable development

The main and overarching objective for the orientations and priorities of POS3 is to make sustainable development the common reference for all AFD's operational activities.

This objective is reflected in a progress-oriented approach based on:

- An environmental and social [risk management](#) approach to the funded projects. It aims to manage these risks, improve the quality of projects and the environmental and social performance of the funded counterparts;
- The integration of a common concept of sustainable development into the Group's operations [strategies](#);
- The verification that [projects comply with](#) the sustainable development targets throughout the project cycle and the measurement of the [impacts](#) of the funded projects in this respect.

The notion of social responsibility requires AFD to go beyond its legal responsibility and share responsibility with the contracting authority, the communities in question and their representatives. The consultation and involvement of project stakeholders are an integral part of this sustainable development approach.

[Find out more about transparency and dialogue](#)

3.1. In strategies

Sustainable development issues have a dual purpose: they provide a structure that makes it possible to define both development objectives and the activities that will allow them to be achieved. AFD guarantees this structuring aspect by seeking to determine – in line with other development stakeholders and on the basis of its research activity – what it means by sustainable development and to integrate this concept into its strategic intervention frameworks.

Development stakeholders' views:

Conferences on Development - Alix MAZOUNIE – Action Climat:

"I must admit that France has become fully aware of how important the fight against climate change is for development. Yet there is still a lot of inconsistency in its policies, in the same way as they remain at the level of international policies. On the one hand, financing is allocated to the fight against climate change and, on the other hand, 'climaticide' projects are implemented [...] I welcome AFD's review of its operations policy, which has included the climate constraint in the objective of eradicating poverty."

3.1.1. In reflection with peers

AFD launched its reflection on sustainable development – a core concept for international negotiations – in line with the principle of harmonizing policies among development stakeholders. The dialogue launched on the Millennium Development Goals attests to this reflection.

➤ Contribution to the negotiations on the MDGs and 2015 agenda

The review of the roadmap associated with the Millennium Declaration that defines 8 Millennium Development Goals should culminate in the definition of Sustainable Development Goals (SDGs) in late 2015.

These SDGs will not only set quantifiable sustainable development goals, they will also determine the way in which to achieve them (processes, ways to overcome tensions and contradictions between the three components of sustainable development, organization and role of stakeholders, monitoring, participation, etc.). Multilateral and bilateral institutions,

institutional lobbies, think tanks, development and environmental NGOs and other stakeholders are already taking part in this reflection.

Given its mandate and expertise, AFD will be participating in the debate, not only in order to contribute, but also to capitalize on the ideas and proposals of other stakeholders. A specific in-house group was set up for this purpose in 2012.

3.1.2. In strategic documents

Systematically include sustainable development issues in AFD's strategic documents

AFD's intervention frameworks (sectoral, country, cross-cutting...) underpin and determine its action, particularly for projects. The inclusion of sustainable development issues in its various strategies is thus a structural focus in order to *"Make the sustainable development objective the common reference for all AFD's operational activities"* (POS 3).

AFD's view is that the sustainable development process must be pragmatic and tailored to the specific features of each country and sector of operation. The sustainable development challenges must therefore be translated in different ways and divided into topics, sectors and regions of operation.

The Energy Sector Intervention Framework (SIF) marked a further stage in the way strategic intervention frameworks are defined: this SIF takes into account the high expectations of the ministry in charge of Official Development Assistance and has reversed the initial priorities and made renewable energy its top priority.

Other SIFs under preparation for 2013 will take account of this new need to look at the long term. For example, the SIF for Food Security in Sub-Saharan Africa, which is based on Objective n° 2 of POS3, will set out the need to scale up agricultural production and productivity in this region using sustainable methods.

Finally, while AFD introduced a methodology for defining Country Intervention Frameworks (CIF) based on sustainable development results back in 2006, it has sometimes been complicated to use certain tools and improvements could be made.

3.1.3. In research

Make sustainable development more a focus in knowledge production

AFD's financing activities make it necessary to meet sometimes conflicting challenges. As AFD's objective is to contribute to reducing poverty and inequalities and stimulating growth, its aim, at the same time, is to promote production systems and infrastructure compatible with the scarcity of natural resources. The aim of the "knowledge production" activities, and more specifically AFD's research, is to provide responses to these issues that are raised today for the world of tomorrow.

The following topics from the **programs** and **studies** approved and launched in 2012 are the ones with a predominant "sustainable development" and CSR component:

➤ Topic: Growth, Productive Structures and Social Cohesion

The topics of growth and social cohesion introduce the issue of *transitions* or the issue of *impacts* on production strategies and employment.

The overall idea is that the interaction between the forces of capital accumulation and social cohesion determine the form and *sustainability* of growth regimes and, therefore, the risks of breakdown and critical situations.

One of the studies based on sustainable development worth mentioning is a study made by the Economic and Social Research Division :

- “Institutions and Long-term Growth” Program, case studies on seven developing or emerging countries ;
- Urban governance, the challenges of scale and socio-spatial inequalities in Kisumu (Kenya) ;
- Cocoa price volatility: Impact on producers’ strategies and employment ;
- China’s agrifood and forestry imports and their impact on the structuring of regional supply (corn and paper pulp industries in Lao PDR) ;
- Program of five studies on the paradigm of change in a globalized world.

We can also mention the studies produced by the technical and geographical departments in the Operations Department :

- Health impact of drainage water treatment in Cairo (Education and Vocational Training Division) ;
- Training and employability for Latin America’s youth (Latin America and Caribbean Department) ;
- Supporting equitable economic development in ASEAN (Asia Department),

➤ Topic: Environment and Development

The topic of “green growth” is a major challenge, related to that of optimizing natural capital and the topic of climate change.

Environmental challenges are still not sufficiently addressed in growth policies. Three main topics that provide input to the objective of sustainable development are addressed in order to feed into this issue (transition towards green growth, adaptation to climate change, management of natural resources and biodiversity), with a cross-cutting focus linking them together (spatial economics and spatial development). The Economic and Social Research Division is responsible for conducting the following studies:

- Environmental credit lines and CSR in Southern countries: What environmental leverage? ;
- Environmental services and adaptation to climate change (South Africa) ;
- Research program “Transition to a green growth economy”;
- Institutional donors and environmental NGOs: What strategic relations for what environmental efficiency? ;
- Energy efficiency policies in terms of demand in China, India, Thailand, Vietnam and Indonesia;
- From global rules to local contexts: The environmental potential of agro-ecology and the role of donors in the debate”;

The Asia Department has produced :

- Measurement of the ecological footprint of the Philippines.

➤ Focus: The Development model in the French overseas provinces

This topic draws on a number of aspects from the issues in the two previous topics.

Various sustainable development models are analyzed. The studies produced by the Economic and Social Research Division include :

- A first assessment of the energy saving potential in public community buildings on the island of Réunion ;
- Indicators on economic and environmental vulnerability and human development applied to the French overseas provinces; dynamic and comparative analysis ;

The French Overseas Provinces Department has produced:

- A comparative analysis of approaches implemented in the Pacific to improve and develop customary lands.

➤ Focus: Changes in aid and development finance

There has been a reorientation towards issues related to changes in financing (climate finance, carbon fund, green growth...), as well as towards the issues related to the follow-up

to the MDGs. The aim is to allow AFD to position itself at the international level on the issue of development assistance – particularly on aid to fragile States – and to enhance the effectiveness of its financial operations. Studies launched on the topic in 2012 by the Economic and Social Research Division include :

- The competitiveness of SMEs in emerging countries and Corporate Social Responsibility ;
- South-South cooperation and new agricultural development aid actors in Africa.

The Strategic Steering and Forward-looking Division has produced :

- CSR, innovative financing and donors: What leverage for environmental action in Southern countries ?

The Crisis and Post-Conflict Unit has also launched a joint study with the External Relations Division :

- Food security in post-crisis situations.

➤ Focus: Evaluations

In addition to the decentralized evaluations that are usually conducted, an impact evaluation program has been presented by the Evaluation and Capitalization Division, with the prospect of conducting two a year. Examples include :

- The impact of improved stoves in Cambodia, in partnership with the French GEF ;
- Impact evaluation of the water, sanitation and hygiene project in DRC ;
- Evaluation of the environmental and social components of Nam Theun 2.

➤ Publications

The **publications** activity – which reflects and results from the studies – consequently includes publications that largely focus on sustainable development and CSR. There are, of course, the study topics that were previously launched:

- Collection *Focales* n° 16: Corporate Social Responsibility and Competitiveness for SMEs in Developing Countries: South Africa and Vietnam;
- Collection *Focales* n° 9: The Environmental Challenges Faced by a Chinese oil company in Chad; Collection *A Savoir* n° 17: Managing Food Price Instability in Developing Countries – A critical Analysis of Strategies and Instruments;
- Collection *A Savoir* n° 15: The Governance of Climate Change in developing Countries;
- Collection *MacroDev* n° 5: *Burkina Faso : l'émergence du secteur aurifère suffira-t-elle à redresser un modèle de croissance en perte de vitesse ?* (Burkina Faso: Will the Emergence of the Gold Industry be Sufficient to Turn Around an Ailing Growth Model?, publication in French);
- Working Paper n° 128: China's Coal Methane: Actors, Structures, Strategies and their Global Impacts;
- Working Paper n° 127: *L'empreinte écologique et l'utilisation des sols comme indicateur environnemental : quel intérêt pour les politiques publiques ?* (The Ecological Footprint and the Use of Land as an Environmental Indicator: What Interest for Public Policies?, publication in French).

3.2. In operations

Development stakeholders' views:

Conferences on Development – Jochen KRIMPHOFF, WWF

"I acknowledge the progress that AFD has made in CSR over the past ten years or so, especially in the cross-cutting integration of environmental issues into its activities and the efforts it has made in terms of transparency. But I do wonder whether AFD's suppliers comply with international standards for public procurement. Furthermore, does AFD comply with IFC's environmental and social due diligence procedures, particularly for biodiversity issues?"

AFD's core mission is to finance operations that contribute to the key aims of sustainable development. However, as all development operations may affect the environment and/or communities, it is necessary to assess and manage the risks of these operations.

While the management of environmental and social risks is the counterpart's responsibility, AFD Group must support it in this. Since the Group became a member of the Global Compact in 2004 and submitted its first policy brief on Social and Environmental Responsibility (SER) to the Supervisory Board in January 2007, it has conducted a number of activities, which have led to the implementation of a social and environmental responsibility mechanism in operations.

The aim of the Group's Environmental and Social (E&S) risk management approach is to (i) assess the risks and environmental and social impacts of each project submitted to the decision-making bodies, (ii) propose appropriate measures to limit exposure to these risks, or to offset their impacts, (iii) monitor the implementation of these measures during the implementation phase for the operation, (iv) manage unforeseen events and (v) improve the quality of projects and the environmental and social performance of counterparts.

This long-standing approach has a mobilizing effect and is being developed. The 2014-2016 policy thus sets out to : update the scope of this approach, as well as AFD's reference standards in this respect, and enhance the Group's monitoring of E&S risk management, particularly during project implementation.

Proparco applies the E&S risk management approach to all its operations and applies the performance standards of the International Finance Corporation (IFC) for high-risk projects.

➤ Monitoring the implementation of dam projects: Interview with Nicolas FORNAGE, Director of AFD's Islamabad agency

What are the environmental and social (E&S) risks related to dam projects?

Dam construction projects, wherever they are located, lead to significant risks and major E&S impacts: on biodiversity, on the communities who are affected, on water resources, on cultural heritage, etc.

How can these risks be addressed?

They need to be assessed, mitigated and offset in accordance with international best practices. When a project is launched, it is also necessary to ensure that the plans to address the impacts are properly implemented for the benefit of the environment and local communities.

Who are the stakeholders involved in this risk management process?

Several levels of E&S supervision are required for this, at the minimum:

- The national and local authorities in their government functions;
- The project operator, which must assume its responsibilities;
- Independent consultants (called the "panel of experts" for large-scale dams), who certify the quality of the implementation of E&S plans and make the necessary recommendations.

In Uganda, the Bujagali hydropower project experimented with an innovative mechanism, which worked well: a local NGO, InterAid Uganda, independently monitored and facilitated programs for relocated communities.

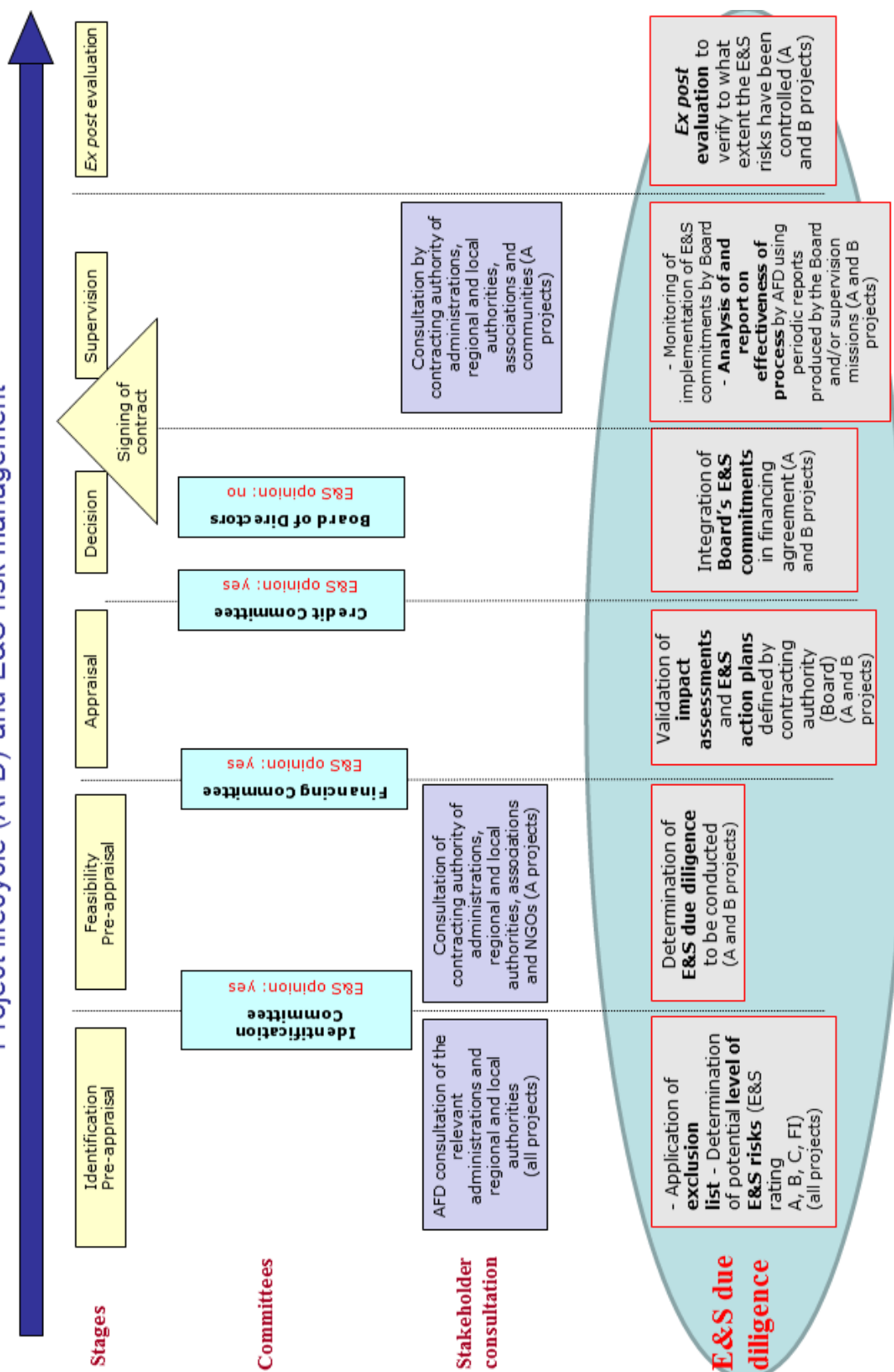
What does it involve in Pakistan where you work?

Most of our operations are for small-scale (20 to 80 MW) “run-of-river” dams (without reservoirs, therefore with few negative E&S impacts and very few people relocated). These projects have much lower risks than large-scale dams, which means they have a shorter “incubation period” and it makes them much easier to implement. The AFD Islamabad agency does, nevertheless, make at least two field visits a year to these projects to verify the quality of their E&S management. For example, we had to insist on compliance with working conditions on the sites and oblige the contractor to systematically impose the use of safety helmets and shoes by the workers – this is unfortunately not common practice in Pakistan. AFD’s operations are thus conducted with a constant concern for quality, safety and compliance with good practices.

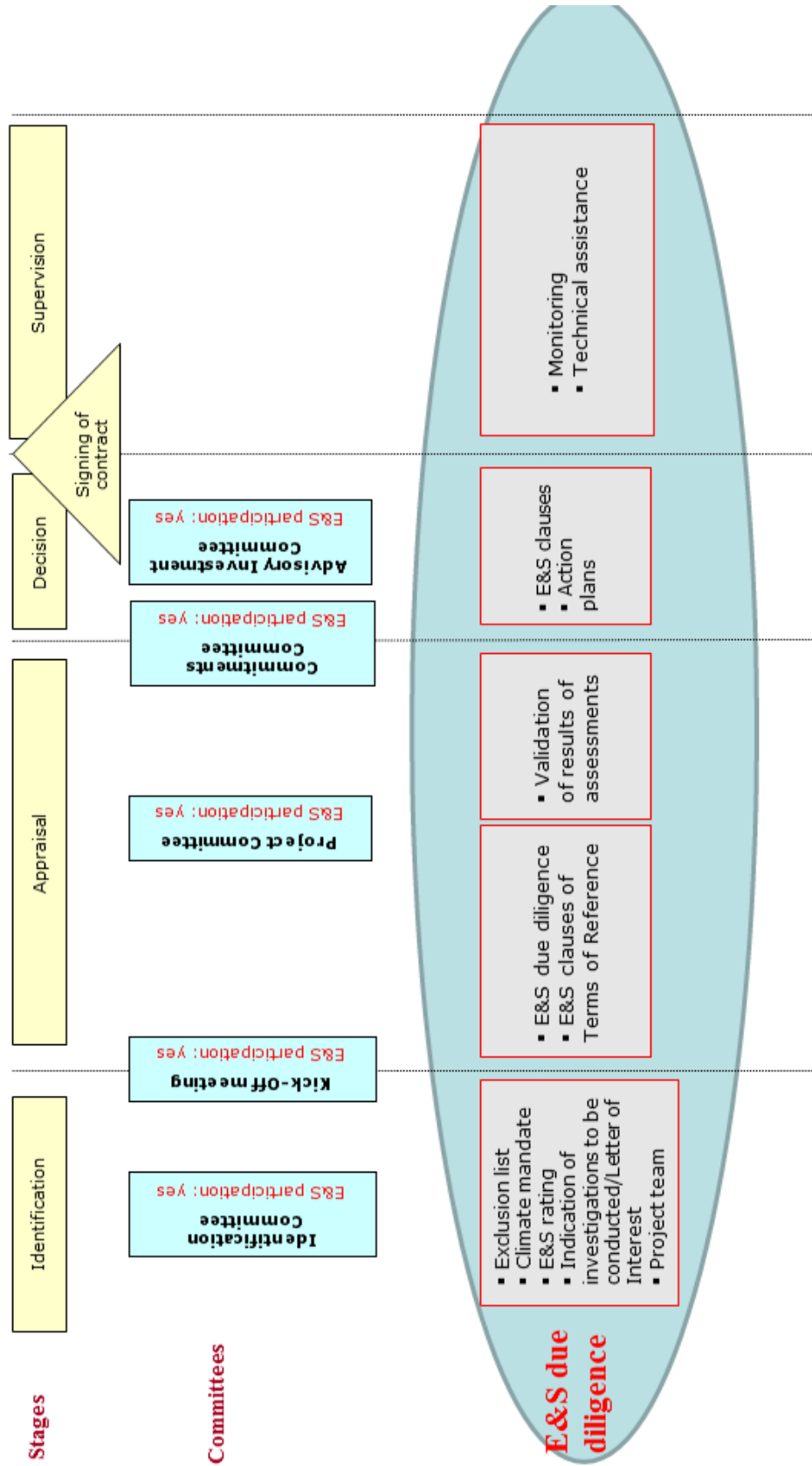
3.2.1. Environmental and social risk management

The **environmental and social risk management** process (including risks related to climate change) for the operations we finance applies throughout the project life cycle. Consult the main stages in the process set out in AFD’s 2007-2011 SER policy :

Project lifecycle (AFD) and E&S risk management



Project lifecycle (Proparco) and E&S risk management



It is the divisions in charge of Environmental and Social Responsibility in Operations (SER-O) that **support and promote higher environmental and social quality** in projects through a permanent dialogue between project managers and counterparts:

- They contribute to improving the E&S quality of projects (compliance with international standards; obtaining certifications...) *via* technical assistance, advice and support;
- They determine the financial leverage that will give the contracting authority incentives to improve its SER performance.

This risk management mechanism meets the objectives of harmonizing the environmental and social procedures of Official Development Assistance agencies set out in the Paris Declaration on Aid Effectiveness. For example, Proparco works with the EDFIs (European Development Financial Institutions) on the harmonization of E&S processes and results measurement, with multilateral institutions that finance the private sector (IFC in particular), and with UNEP-FI to promote good E&S practices for banks. A close partnership has been built up with FMO and DEG.

➤ Focus: Morocco – Implementation of a Corporate Social Responsibility (CSR) Plan by the National Port Agency

Morocco's National Port Agency (ANP) is a public institution in charge of managing port facilities. ANP manages 33 ports in Morocco (except for Tangiers-Med), including 12 ports that are open to international trade. ANP has established a 5-year investment program that aims to strengthen and refurbish port facilities, upgrade port security and safety and extend the ports of Agadir, Nador and Casablanca. AFD's financing will support this policy implemented by ANP to revive regional ports so that they can play their role as catalysts for the economic development of the regions in question.

ANP has set out to define and implement its own Corporate Social Responsibility (CSR) policy as part of this program and with AFD's assistance.

This commitment was formalized *via* the definition of an Environmental and Social Action Plan (ESAP), which is appended to the loan agreement signed with ANP. This ESAP sets out 22 activities based on 6 major sustainable development challenges, thus providing a comprehensive, coherent and progressive approach:

- Conduct an environmental and social diagnostic;
- Structure the Environment Management System (EMS);
- Operationalize the EMS;
- Mobilize and train people and give them a sense of responsibility;
- Communicate and develop partnerships;
- Develop knowledge and contribute to applied research.

This CSR process will initially be applied at a few "pilot ports", preferentially selected among the ports where the ANP investment program financed by AFD's loan will be implemented. It will develop and structure an environmental management program, the implementation of which may subsequently be extended to all the port facilities managed by ANP.

The expected outcome from the deployment of this ESAP is that ANP's institutional and operational capacities in terms of CSR will be developed with, in particular, an improvement in its ability to manage the environmental and social risks related to its activity.

The internal costs of this action plan will be borne by ANP. EUR 300 K of the external costs (external audit-consultancy, technical assistance, training design and delivery...) will be covered by a EUR 300 K grant to support the project allocated by AFD, in addition to the EUR 50m loan allocated to ANP.

3.2.2. E&S risks

It is during the project appraisal phase that AFD and Proparco qualify and assess its environmental and social risks and evaluate their level.

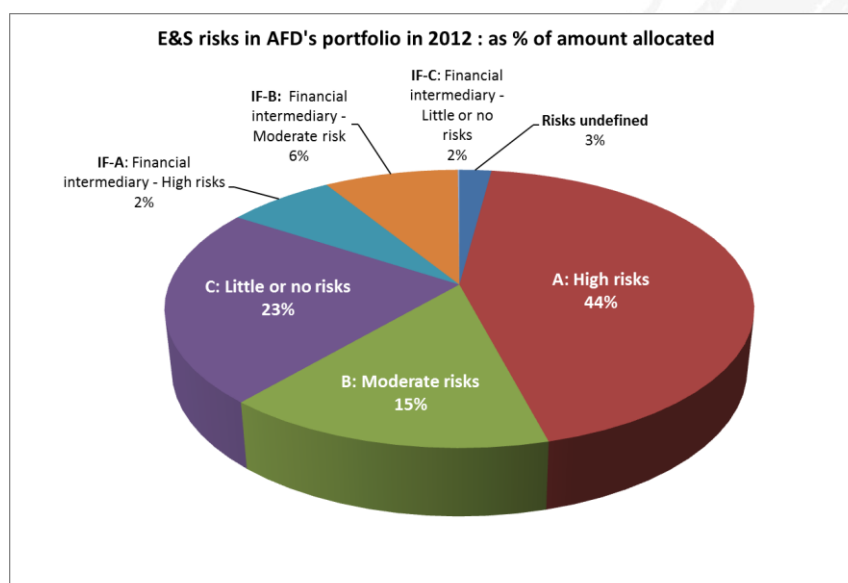
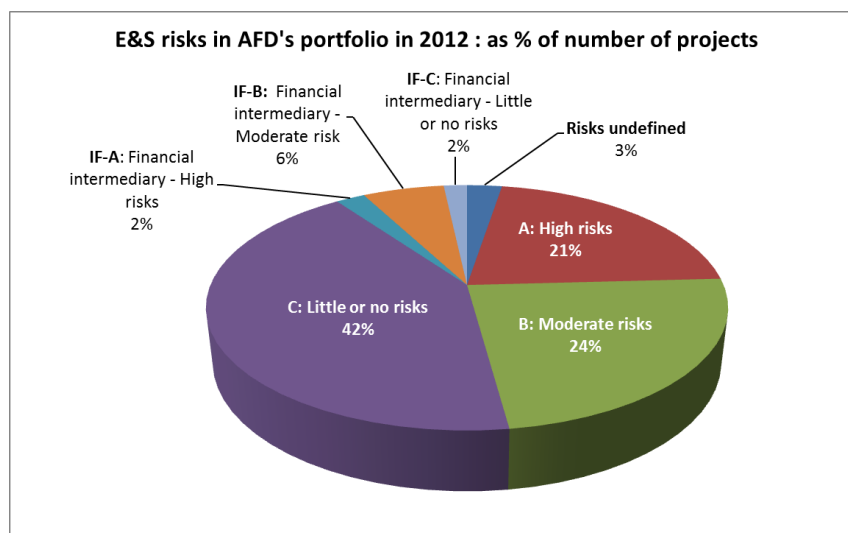
➤ What are these risks?

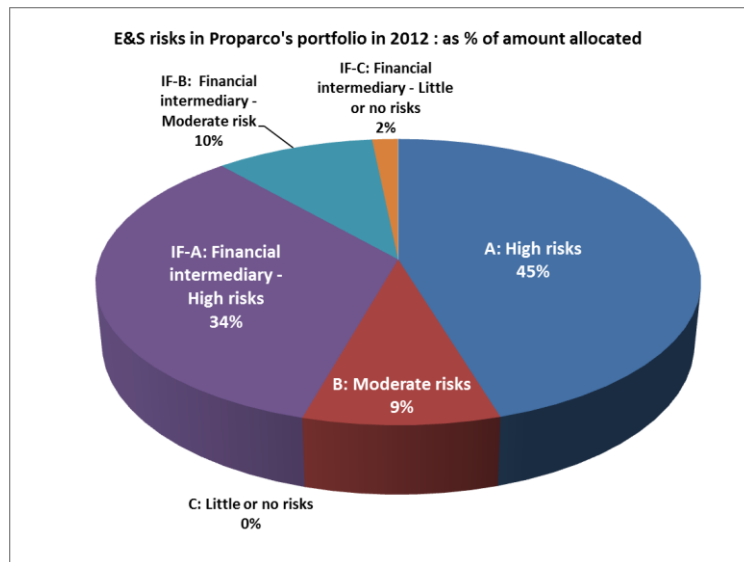
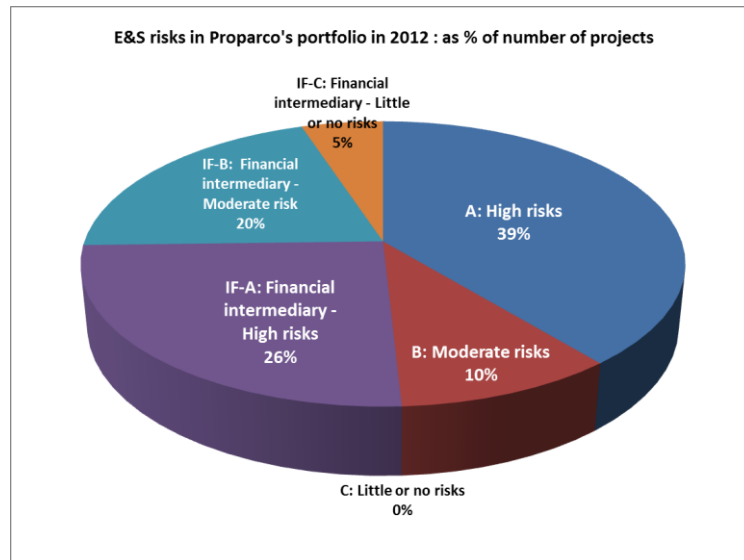
Environmentally speaking, projects can have risks in terms of ecology (adverse effect on natural environments and biodiversity), pollution (water, air, soil) and nuisances (noise, waste...) and natural, technological and health risks. They can also have an impact on the health and safety of communities, natural resources (water resources, soil and underground resources, land resources), on the living conditions of communities, and on the natural, historical and/or cultural heritage.

The social risks mainly concern the respect of fundamental human rights for which there are recognized international standards, laws and conventions: human traffic, sex tourism, population displacement, forced labor, working conditions, equity for disadvantaged or excluded social groups (particularly women), non-respect of cultural diversity, adverse effects on the environment, etc.

➤ Projects rated according to their level of E&S risk

The distribution of the potential environmental and social risk of projects authorized in 2012 for AFD Group as whole is as follows:





This ranking reflects the potential level of the E&S risk of projects at the beginning of their appraisal. It is therefore not an indicator of the performance or environmental and social quality of the project portfolio.

The environmental and social ranking of the operations financed by AFD Group is established in line with the relevant international standards and according to the following categories:

- Operations directly financed by AFD Group are ranked in three categories according to their social and environmental risk: (i) category "A" (high risk), category "B" (moderate risk) and category "C" (little or no risk); Proparco, like the other EDFIs, has included a category B+, between categories A and B;
- Operations financed *via* a financial intermediary are ranked "FI". These operations are subsequently ranked FI-A, FI-B, or FI-C, according to the environmental and social risk of their portfolio of activities, following the same principle as for direct financing.

The monitoring of the distribution of the environmental and social risk concerns all AFD and Proparco's "project" operations, whether they are financed directly or *via* financial intermediaries (banking institutions in particular). For 2012, the percentage of AFD projects in this category – and which have not been assessed, mainly due to their low level of risk (ranked C) and their small amounts – stands at 3% in number and 2% in amount. All Proparco's projects have been subject to an E&S assessment since 2009.

AFD's other financing – given its specific nature and its negligible E&S impact or an impact that is impossible to assess – is not currently subject to an E&S assessment. This is the case for general budget support (GBS) or sectoral budget support (SBS), loan refinancing for Heavily Indebted Poor Countries (HIPC), the Study and Capacity Building Fund (FERC), the French Global Environment Facility (French GEF), projects launched by NGOs, and the delegation of funds from the EU and French Foreign Ministry.

The environmental and social risk ranking for all projects is systematically validated by identification committees, using the ranking tool set out in the Operating Procedures Manual. The units in charge of SER-O maintain a ranking table of the environmental and social risks identified for projects. This table is compared to the table for the authorization of commitments allocated by AFD Group's decision-making bodies in the year, taken from AFD Group's information system (SIOP) in order to produce the statistics provided in the CSR report.

3.2.3. Project selection

Projects are first and foremost selected on the basis of sectoral and geographical strategies, which are vehicles for the principles of sustainable development.

AFD also has an exclusion list, which was approved by AFD and Proparco's Boards of Directors in early 2011 and indicates the types of project that the Group refuses to finance on the grounds of ethical, regulatory, environmental and social criteria.

Finally, AFD Group applies a selectivity policy to projects with regard to their impact on the climate. The aim of this selectivity grid is for the Group:

- Not to finance highly emissive projects in emerging countries;
- Not to finance highly emissive projects, *i.e.* over one million tons of equivalent CO2 emissions annually, in middle-income countries, notably Mediterranean countries, if it is not possible to ensure that the project in question is part of a national and sectoral policy to mitigate greenhouse gas emissions.

It is important to note that AFD Group does not aim to exclude the financing of risky projects *a priori*. Its objective is to fully ensure that counterparts are committed to mitigating the risks and impacts of their project. Accordingly, the allocation of financing is subject to the contracting authority implementing actions to mitigate these risks and impacts. These actions are defined on the basis of a reasoned E&S assessment (due diligence) of projects.

3.2.4. Reference standards

All operations financed by AFD Group are required to comply with the national regulations of the country where the operation is implemented, including for environmental and social issues.

However, as regulations in the countries where AFD Group operates are sometimes incomplete or being developed, AFD Group uses a number of rules, good practices and directives produced by international standard-setting organizations as a reference.

This mainly concerns:

- The UN Principles for Responsible Investment (UNPRI);
- The World Bank Safeguard Policies for public sector financing;
- The IFC Performance Standards for private sector financing. These standards are applied by Proparco for high-risk projects (A and B+);
- The "Principles for Responsible Financing". They are used by all European Development Finance Institutions (EDFI Group) and are applied by Proparco.

The major international conventions ratified by the countries where AFD operates are also used as references, mainly:

- The United Nations Universal Declaration on Human Rights;

- The ILO fundamental conventions on labor law;
- The United Nations Convention on the Elimination of All Forms of Discrimination against Women;
- The OECD guidelines.

3.2.5. E&S clauses in bid invitations

The aim of introducing environmental and social (E&S) clauses in the contracts for goods and services financed by Official Development Assistance is to promote a level playing field for international competitive bidding and improve the overall level of E&S requirements.

AFD started taking account of this concern in the contracts it finances in the context of its operations in 2007, but additional efforts must be made to strengthen its scope and effectiveness.

Indeed, AFD has observed that there is little coordination between the E&S requirements for projects, on the one hand, and the selection criteria for enterprises and the monitoring of these requirements in the performance of works contracts, on the other hand.

Consequently, in order to award contracts with high E&S impacts to responsible enterprises and enforce the E&S requirements during the works, AFD proposes to strengthen the E&S requirements in the bidding documents:

- At the prequalification stage: The aim is to be able disqualify enterprises that do not meet specific E&S criteria;
- At the bid appraisal stage: The aim is to reject bids that technically do not comply with the E&S component;
- During the performance of works: The aim is to impose penalties on enterprises that do not respect their undertakings and the E&S requirements of the contract.

Broad-based consultation has been conducted on these proposals, both in-house and externally, with representations from French companies, NGOs and other donors. AFD is particularly working with KfW (German cooperation) with the aim of jointly finalizing the proposals.

3.2.6. **Stakeholder involvement**

Consultation and involvement of project stakeholders

For category A projects (e.g. large-scale dams), the contracting authority/client must, in association with the local authorities, consult the communities affected and local NGOs concerning the social and environmental impacts of the project and the way in which these impacts will be managed. These stakeholders' opinions are duly taken into account and reflected in the project planning documents.

Provision must be made for a grievance mechanism to be set up for projects with the highest E&S risks that are cofinanced with multilateral donors. The grievance management mechanism gives communities who may be affected by projects the opportunity to have a mechanism that allows their complaints and concerns about the impacts of the project to be collected and promptly resolved. However, the mechanism to manage grievances caused by the project must not limit the possibility for communities to have access to other existing legal and administrative recourse in the country where the project is implemented.

➤ **Focus: Involvement of local fishing communities in the creation and extension of marine sanctuaries in Quirimbas National Park in Mozambique**

Quirimbas National Park is a park whose creation was largely inspired by the approach of local stakeholders, as shown in the [following article](#). It is a park not only for nature, but also for residents, as over 150,000 people live in it.

AFD, whose approach to biodiversity makes a close link between natural resource conservation and local development, was a partner in this adventure right from the very start.

For example, in 2002, AFD took part in the ceremony for the creation of the park. In 2004, it initially allocated EUR 4.2m of financing (AFD+French GEF) to support its development. One of AFD's concerns during this first support phase was to promote greater coordination between the park and the other stakeholders, particularly civil society, *via* the Park Development Committee (COMDEQ). In the context of this financing, AFD also insisted on the involvement of communities in the management and exploitation of the park's natural resources: empowerment for village fishing committees in the marine area, human-elephant conflict management on the land area.

In 2011, following this initial financing and at the request of the Mozambican partners, AFD accepted to continue its support for 5 more years. A second EUR 5.0m tranche of financing (AFD+French GEF) was allocated. This new support is based on the experience gained during the first project and also meets the requests of local stakeholders, which are mainly passed on *via* COMDEQ. It thus aims to: (i) continue to support local resource management committees, particularly in the marine area, (ii) disseminate best practices for resource management (conservation agriculture, marine sanctuaries to protect spawning grounds, alternative activities, etc.) and (iii) continue to reduce conflicts between farmers and elephants.

[Link to the video](#)

3.2.7. **E&S capacity building**

Real progress in the integration of environmental and social issues into projects will only come about if the contracting authority has the capacities to manage and monitor these issues. The capacity building activities must allow the contracting authority to manage the works contracts more effectively, but also to handle the specific activities under its responsibility for which the lack of experience can prevent them from being effectively implemented.

Certain projects benefit from specific E&S support *via* relevant technical and financial assistance.

AFD Group finances this assistance *via* the allocation of a grant from the Governance Capacity Building Facility (FRCG) or credit lines with subsidized terms. For example, since 2009, Proparco has financed the implementation of E&S risk management systems in about a dozen banks *via* technical assistance financed using FRCG grants, its technical assistance fund, or a margin reduction mechanism.

“CSR” credit lines have been allocated in the context of bank financing in order to support the implementation of CSR processes by their SME clients.

This objective also includes the dissemination of good E&S practices in the value chains of beneficiaries/clients.

➤ Capacity building for contracting authorities: The example of the Lom Pangar dam project in Cameroon

AFD is cofinancing the construction of the Lom Pangar storage dam in Eastern Cameroon. It has been designed to store a volume of over 6 billion m³ of water and will regulate the Sanaga River, Cameroon’s main river. This will firstly improve the performance of dams in operation and, secondly, eventually raise Cameroon’s hydropower capacity by creating the conditions required for the construction of new hydropower dams.

Despite the surface area of the reservoir – 650 km² – only two villages with a total of about fifty families have been displaced. However, the project is located in an extremely sensitive natural environment near the habitats of large primates (gorillas, chimpanzees...) where the flora and fauna is particularly rich.

The compensation measures plan to create and support a National Park, the Deng-Deng National Park, in order to offset the direct environmental impacts of the project – particularly the loss of natural habitats due to the reservoir – and contribute to the sustainability of the gorilla and chimpanzee population in Deng-Deng.

Support measures have also been planned to ensure that the project’s economic and social impacts not only benefit the urban communities downstream, but also the communities directly affected by the project.

Finally, the construction company is required to respect internationally recognized environmental and social specifications. The consultant engineer is closely monitoring this. This dam project is the largest in Cameroon to date and it was necessary to help the contracting authority, Electricity Development Corporation (EDC), to implement the Environmental and Social Management Plan (ESMP) and the Resettlement and Compensation Plans (RCPs), which amount to over 20% of the EUR 300m of the total project cost.

A capacity building program is thus being implemented for the contracting authority and relevant administrations for a total cost of EUR 7.5m.

This program aims to:

- Build the capacities of the contracting authority’s in-house structures, mainly by providing support to the Sub-Division for the Environment and Communication;
- Support EDC for the implementation and monitoring of activities to restore the living standards of communities affected by the project, by recruiting an NGO or a group of NGOs;
- Provide technical assistance to the Ministry of Forests and Wildlife to help it set up and manage the Deng-Deng National Park;
- Recruit independent experts, who will come to both closely monitor the implementation of the ESMP and RCPs and to provide assistance and advice in order to remedy any weaknesses.

Furthermore, the project's prime contractor has also been strengthened in terms of monitoring the environmental and social measures that the construction company must comply with under the terms of its works contract. A panel of high-level environmental and social experts has been appointed to provide its expertise in line with the highest international standards.

3.2.8. In-house organization

Specific structures for the risk management process

Specific structures are responsible for managing the environmental and social risks of projects:

- The Environmental and Social Support Division (AES) at AFD. It was set up in 2007 and comprised six experts (Head of Division, three environmental experts and two sociologists) in 2012.
- Proparco's Environmental and Social Impact Unit (ESI). It was set up in 2010 and today comprises five experts (Head of Division, three E&S experts and an expert in results measurement). This division also handles the measurement of the results and impacts that the operations financed by Proparco have on development.

These E&S entities are tasked with:

- Contributing to the management of the environmental and social risks of the funded operations;
- Analyzing and reporting on the effectiveness of the process and monitoring the implementation of clients' contractual undertakings;
- Providing SER support to the Group's other departments for the definition and implementation of specific tools and processes for the E&S assessment of the funded projects, training for officers, defining model SER clauses for AFD and Proparco's agreements and developing E&S monitoring and *ex post* evaluation tools;
- Developing partnerships in order to harmonize donor practices, jointly appraising projects as effectively as possible, monitoring practical developments and participating in international debates *via* working groups or exchange platforms, for example;
- Developing knowledge production and expertise in SER.

Proparco, along with the EDFIs, participated in the definition of the International Finance Corporation's (IFC) Performance Standards, which were reviewed in 2012. AFD also participates in discussions during inter-donor working groups, which aim to harmonize procedures and tools to measure the carbon footprint and analyze vulnerability to climate change. AFD signed a Charter last year during the Doha COP, which promotes a harmonized approach to footprint measurement.

3.2.9. Participation in the definition of international CSR references

Proparco, along with the EDFIs, participated in the definition of the International Finance Corporation's (IFC) Performance Standards, which were reviewed in 2012. AFD also participates in discussions during inter-donor working groups, which aim to harmonize procedures and tools to measure the carbon footprint and analyze vulnerability to climate change. AFD signed a Charter last year during the Doha COP, which promotes a harmonized approach to footprint measurement.

3.2.10. Climate approach

The fight against climate change and economic and social development are intrinsically linked: the acceleration of climate change will have a lasting negative impact on development. Today, countries' development paths go hand in hand with a rapid increase in the consumption of natural resources and fossil fuels. The adoption of drastic objectives to reduce greenhouse gas

emissions by developed countries and of low fossil-fuel modes of development by developing countries, particularly emerging countries, has become a major challenge for both the global fight against climate change and the sustainable development of countries. At the same time, it is vital to support the poorest and most fragile countries, so that they can adapt their economies to the inevitable and already present effects of this climate change.

With over EUR 12bn of “climate” financing allocated since 2005, accounting for an average of over 10% of international public “climate” finance, AFD is today a major and innovative actor in “climate” finance at the international level, both in terms of quantity and quality, particularly for the methods and financial instruments that are used.

In this context, AFD has defined an ambitious [strategy](#) and action plan for 2012-2016 based on three core pillars. The operational components of these pillars are tailored to the different geographical areas of operation:

- An objective of a sustainable financial commitment to the climate representing 50% of AFD’s allocations to developing countries and 30% of the allocations of PROPARCO, its private sector financing arm;
- A systematic measurement of the carbon footprint of funded projects, using a robust and transparent methodology;
- A policy of selecting projects according to their climate impacts, taking into account the level of development of the countries in question.

This commitment is fully integrated into AFD’s development assistance objectives and does not compete with its action to support poverty reduction and social development.

AFD’s “Climate Change” Division is tasked with developing appropriate assessment and measurement tools and with supporting the operational teams for the implementation of this strategy. A “Climate Change” coordination committee, in which all the relevant AFD departments are represented, as well as the French GEF Secretariat and Proparco, has been set up in order to strengthen the cross-departmental management of the topic.

The methodologies developed by AFD are available on the website <http://climat.afd.fr>.

3.3. For our partners

One of the missions of AFD Group is to build the capacities of development stakeholders in terms of social responsibility. The social responsibility of organizations, as well as certain new entrepreneurial models, can be vehicles for environmentally-friendly socioeconomic development. This objective leads to training sessions on CSR and sustainable development being offered by CEFEB and to a number of partnerships that aim to promote this CSR. The support to enterprises also contributes to promoting good environmental and social practices in the value chains of these enterprises (suppliers, subcontractors) and, more generally, in the countries where AFD Group operates.

3.3.1. Training provision

CSR capacity building for partners by CEFEB

The convergent action of clients, partners and AFD Group employees is a key factor for the success of projects. CEFEB – the training center based in Marseille since 1995 – is the Corporate University for this “extended family”, working on core topics for AFD Group. It provides short, medium and long-term capacity building activities for all these stakeholders.

CEFEB offers – or is planning to offer – partners a wide range of training courses on sustainable development and SER. The Masters in Public and Private Management Capacities (MOPP), which trains students who are executives from partner institutions, includes an SER component. An e-training module in Social and Environmental Responsibility in operations (SER-O) is currently

being developed. It is primarily intended for AFD's executives and may subsequently be opened to partner institutions. A symposium on SER has been scheduled in Algeria in 2013 in partnership with a banking institution. This initiative may be repeated in Tunisia. A training seminar on the climate strategy is currently being prepared for BOAD executives.

CEFEB's strategy is currently being reviewed and will include the objective of scaling up the center's SER and sustainable development activities.

➤ **Focus: The strategy for CEFEB's activity**

CEFEB was founded on 19 June 1963 and is gearing up to celebrate its fiftieth anniversary *via* various events, including the release of a publication.

A new CEFEB strategic plan for 2013-2016 is currently under preparation.

Developments in CEFEB's orientations

The first of these orientations is the significant development in its activity. CEFEB's role was for a long time to design and deliver courses. Today, CEFEB staff only deliver 20% of the courses, against 30% by headquarters staff. The remaining 50% are external lecturers: engineers, consultants, experts from public enterprises and elected officials. CEFEB has therefore built up an extensive network of experts around it in all sectors and has especially acquired real expertise in designing training programs. The center designs customized responses and procures the pedagogical skills wherever it can find them, using a methodology that is similar to the one used for the design of technical expertise programs. This expertise is the reason for CEFEB's decision in terms of the project to create a Technical Expertise Fund (FEXTE).

The second development is the extension of the target public. CEFEB's university Master's has benefited from a renewal until 2017 by the Evaluation Agency for Research and Higher Education (AERES), with the maximum rating. It targets project preparation, financing and management and receives students from Sub-Saharan Africa and the Maghreb region. The seminars increasingly focus on promoting French experience and expertise at the international level with, for example, a training program on the management of local authorities. In 2013, a seminar on public-private partnerships will be launched, with both a French and English version. The aim is to promote the French system of public service delegation. CEFEB also organizes field trips: for example, a group of Turkish bankers and elected officials were trained in energy efficiency credit lines and municipality management. Finally, a seminar on public-private partnerships is organized every year in partnership with the Asian Development Bank. It is held alternately in France and Asia.

Consequently, CEFEB has followed the extension of both AFD's geographical area and of its missions, by shifting its focus towards capacity building and access to France's experience and model. It now reaches a broader public. For example, a Cooperation and Development cycle gathers about twenty participants for between three weeks and a month. They comprise officials from the French Ministry of Finance and Ministry of Foreign Affairs, representatives from regional and local authorities, researchers, directors from NGOs and this year included a journalist. This seminar is based on an approach to share experience and build a common vision between the different professional communities. Support for in-house training is provided *via* the Development Professions cycle, but also through thematic seminars on biodiversity, food security and EU instruments. There are also seminars on team building.

Finally, it is necessary to overhaul the approach to the public from local authorities in the French overseas provinces.

Developments in CEFEB's methodology

AFD has now been given the objective of promoting France's expertise and economic interests, an area in which CEFEB has always been involved. Indeed, the seminars often result

in the signing of contracts. The center is currently establishing new products such as e-learning, in partnership with the University of Cergy-Pontoise. The second instrument is the forum for former students: CEFEB benefits from a particularly well developed network, which includes several former ministers. However, this network is not sufficiently exploited. It is for this reason that a forum will be organized with support from a specialist. Thirdly, CEFEB aims to work more with NGOs and French local authorities. It has partnered with the National Center for Local Government (CNFPT) to prepare training programs for a public that works abroad. A similar initiative has been launched with Coordination Sud.

CEFEB is also planning a parliamentary cycle at the request of administrations from France's National Assembly and Senate. The pilot phase involves proposing a three to four-week cycle, which will take place throughout the year, to a dozen or so parliamentarians who are involved in the policy that AFD works towards. The main difficulty lies in organizing the schedule, considering the agendas of the people in question. Each cycle involves two high-level speakers and a key observer from the South. François Bourguignon, Jean-Christophe Victor and Tertius Zongo were asked to speak at the April session.

There would appear to be a good match between the achievements and the challenges, thanks to CEFEB's expertise in designing training programs, a wide range of tools and the extension of its public to new countries and stakeholders. The two remaining challenges involve promoting French experience, development models and expertise and playing a role as an incubator of French ideas.

CEFEB has also set up an in-house reflection process by having a consultant, Gwenaëlle Corre, and an AFD officer from an agency, Mathieu Vasseur, at the center for a week. They presented their "discovery report" during a two-day seminar. The Operations Department, Strategy Department and two directors attended. A task force comprising three executives and an assistant from the CEFEB was responsible for preparing the conclusions, which were presented at the end of April. A strategic outline was defined following this in-house reflection and will be presented to AFD.

This strategic process has been combined with specific projects: the parliamentary cycle, e-learning, the celebration of the fiftieth anniversary, with the release of a reference publication, and the preparatory mission for the future FEXTE. On this last point, the mapping methodology for France's expertise has now been finalized and CEFEB can launch the process. CEFEB's approach is based on co-construction with the Operations Department and subsidiarity.

Five target client categories

Firstly, Least Developed Countries (LDCs) in Sub-Saharan Africa and Middle-Income Countries (MICs) in the Mediterranean are interested in capacity building. CEFEB offers them the Master's, which comprises about forty students. Academic partnerships have also been established for other Master's, particularly with the universities of Dakar (Master's in Sustainable Development), Ouagadougou and Kampala. The partnership with the latter will replicate the AgroParisTech Master's in Water for All. Partnerships have also been established in France, particularly with Institutes of Political Studies. Finally, some sixty skills development seminars are organized every year

Secondly, emerging countries and Middle-Income Countries (MICs) in Asia and Latin America want to have access to France's experience, model and expertise. Several cycles have been organized. This new public has allowed CEFEB to propose seminars that are more specifically adapted, as well as new products, such as field trips, placements and networking.

The third type of client is made up of various French professional communities who are interested in development, experience sharing, the incubation of ideas and informing public decision-making. The multi-professional cycles organized by CEFEB create strong ties. However, the exchanges that result from these seminars subsequently need to be formalized.

In-house training is managed by HR and targets new recruits. A new e-learning training product, iDev, will be launched in early June. CEFEB also organizes sectoral and team seminars for this public. Finally, AFD staff also occasionally attend other seminars.

Finally, CEFEB will be scaling up its action for local authorities from the French overseas provinces.

CEFEB has three objectives:

- Capacity building;
- The dissemination of French experience at the international level;
- The incubation of ideas.

These objectives are pursued *via* three platforms:

- Training;
- Promotion (network and technical advice-support),
- Dialogue, either internally in France, between France and the South, or between Southern countries.

3.3.2. Specific partnerships

For several years now, AFD has been seeking to enhance its support for the efforts made by enterprises towards sustainable development. AFD provides this support *via* (i) the organization of conferences, (ii) participation in studies in association with enterprises in order to feed into reflection on new entrepreneurial models that are likely to have a socioeconomic impact for developing countries, and (iii) financing for entities working for sustainable development and SER. The topics promoted include: BoP strategies (“Bottom of the Pyramid” approaches developed by enterprises to make their products and services affordable to the poorest), the involvement of enterprises in fair trade, the involvement of enterprises in the local socioeconomic development of the regions where they are established and the promotion of sustainable development and SER in the South. In 2012, this approach was materialized through various partnerships. AFD is also invited to speak at specific local events (forums, conferences...) on CSR.

➤ Allocation of a grant to Institut de Belleville (June 2012)

The partnership with Institut Belleville, an association founded by the CFDT trade union, aims to strengthen 24 trade union organizations in 7 French-speaking West African countries. The objective is to help these stakeholders become influential actors in the definition of the national political agenda and the implementation of reforms.

➤ Effective launch of the new CSR and DC website (October 2012)

The CSR and DC (developing countries) website and its newsletter were indeed revamped and modernized in 2012 thanks to support from Agence Française de Développement. These improvements will further the achievement of common objectives :

- To improve knowledge of CSR and the tools used for its implementation by stakeholders in the South;
- To promote exchanges of good CSR practices and dialogue;
- To foster the implementation of CSR processes and activities by the different stakeholders and collective CSR approaches.

[Go to the website](#)

➤ Partnership signed with Global Compact France (December 2012)

The aim of this partnership is to promote the principles of the Global Compact in the North and South:

- In France, by supporting two partner regions (Brittany and Nord Pas de Calais). Their objective is for the enterprises in their regions, which have a strong international focus, to integrate good CSR practices;
- In developing countries, by supporting two Global Compact networks, which are seeking to scale up their activity and get more enterprises to become members;
- The French network will provide its expertise and experience to enterprises in partner Regions and to the two African partner networks.

[Find out more about this partnership](#)

➤ Support for actions conducted under the partnership with the Platform for Fair Trade (PFCE)

In 2012, our partnership with PCFE was based on 3 areas:

- Strengthening the assessment and professionalization of sector stakeholders;
- Measuring, analyzing and strengthening the impacts of fair trade;
- Raising the general public’s awareness of fair trade in order to boost demand.

For example, in the field, this partnership led to the creation of a brochure on fair trade cotton for the purchasing divisions of enterprises and local authorities, the development of communication tools on fair trade products, the creation of professional newsletters, the organization of a conference on responsible purchasing in November 2012, support to ATEs (Association for Equitable and Solidarity-based Tourism), the organization of training for fair

trade organizations and interbranch days of reflection, the preparation of a study on production contracts in fair trade systems, the use of studies conducted in 2009/2010 and AFD's support for the implementation of the Trade Capacity Building Program (TCBP) to develop and strengthen Fair Trade industries in West Africa.

➤ Support for the organization of a symposium at the French National Assembly by the association "Éthique sur l'étiquette"

On 13 December 2012, the association "Éthique sur l'étiquette" (Ethics on the Label) co-organized a symposium with the Citizen Forum on CSR at the French National Assembly on the topic *"The Duty of States – The Responsibility of Multinationals. Prevent and Remedy Violations to Human Rights and the Environment"*. AFD has been supporting this association since 2009. It gathers over 30 organizations, including associations, trade unions and consumer protection associations. The association organizes campaigns that aim to advance respect for rights in countries where manufacturing industries for goods bought in France are located.

[Find out more about this partnership](#)

➤ Participation in Dakar Forum on CSR

AFD was in Dakar for the 4th edition of the Dakar Forum on CSR on 2 and 3 November 2012. The topic was *"Next steps after Rio+20: The Quality of Partnerships for the Institutionalization of CSR in Senegal and West Africa"*.

The President of RSE Senegal asked AFD to take part in the debate *"Post RIO+20: What institutional framework and what partnership for CSR?"*, alongside Canadian and German experts, on the specific topic of *"AFD as an example of a public institution that integrates CSR and promotes it to its partners"*. The Ambassador responsible for CSR and bioethics took the floor on the topic *"International cooperation policies to support the deployment of CSR in West Africa"*.

➤ Participation in the Abidjan Forum on CSR

On 30 November and 1 December 2012, AFD took part in the Abidjan Forum on *"Corporate Social Responsibility in the context of post-crisis reconstruction in Côte d'Ivoire"*, organized to mark the fiftieth anniversary of CERAP-INADES.

The managers of CERAP (Center for Research and Action for Peace) asked AFD to take part in the debate, alongside representatives from the academic community and business world, during two debates on the topics (i) *"Comparative views of the concept of CSR: The diversity of representations of CSR by various actors from different sectors"* and (ii) *"Managerial practices for CSR in Côte d'Ivoire: Experience sharing among the various categories of actor"*.

➤ Roundtable on CSR at Proparco

This roundtable, which was held in November 2012 during Proparco's Investors' Club meeting, provided the opportunity to discuss the Corporate Social Responsibility policies of major private players in Africa and to look at the constraints and opportunities for the continent.

Indeed, large private enterprises are one of the driving forces for the dissemination of good environmental and social practices in Africa towards their activity sectors and their value chains and the service providers that work for them.

However, they cannot take action single-handedly and are dependent on legislative and institutional contexts, local expertise, and the public services required for the implementation of these good practices (water and waste treatment, social services...).

Their deployment provides effective leverage for access to international markets and financing, but is also a prerequisite for improving the local socioeconomic situation. NGOs and civil society are vigilant. However, certain irresponsible practices continue.

[Find out more about this roundtable](#)

3.4. **Human rights, gender and development**

AFD operates in countries where human rights are not necessarily applied, even if they do formally adhere to the relevant fundamental conventions.

Consequently, the issue of applying international standards for human rights is continuously raised and integrated into the implementation of all projects. The mandatory due diligence for operations, conducted *via* the agreements signed with our partners and beneficiaries, looks closely at child labor, forced or compulsory labor, respect for the rights of indigenous peoples and the ban on operating in certain sectors.

It is the mission of embassies to work on the issue of human rights within their areas of competence. However, while it is not its primary mission, AFD works to promote human rights *via* its mandate to cofinance the initiatives of civil society organizations, some of which are extremely active on this topic (Lawyers Without Borders, Agir ensemble pour les droits de l'homme [Act Together for Human Rights], Reporters Without Borders...).

Furthermore, AFD has been taking the issue of gender into account for several years now, both in its in-house operations and in its operational activities. In 2013, it will be taking fuller account of the topic by implementing a specific strategy, which is currently being drafted.

Development stakeholders' views:

Conferences on Development – Pascal ERARD – CFSI/Coordination Sud:

"The human rights approach is important in order to achieve consistency in policies. This can be reflected in an operational manner. For example, the Directorate General for Trade of the European Commission has a human rights department that analyzes the potential impact of bilateral agreements on human rights during negotiations."

3.4.1. **Gender**

Integration of gender into AFD's operations

Following the evaluation of the Gender and Development Strategic Orientation Document, the conclusions of which were submitted to the Minister for Development in January 2013, AFD launched a process to define a strategic operational framework on gender. The aim is to further integrate gender issues into its operations. This process should be validated by AFD's Board of Directors in early 2014. Its reflection and action are based on conventions and programs from international conferences, approved by France and its partners, and aim to promote gender equality. The process is also part of joint reflection with the most dynamic donors on the issue of women's empowerment.

The orientations of AFD's new gender strategy will consolidate the practices that have already been initiated on the issue of "gender and development", which are divided into operational activities, institutional monitoring and participation in national and international reflection (OECD/DAC Gendernet, French Gender and Development Platform...).

Development stakeholders' views: [Interview with Ginette-Ursulle Yoman – African Development Bank](#)

3.4.2. Human rights

“Human rights” programs and projects financed by AFD

The human rights projects financed by AFD through its relations with NGOs have an influence on strengthening international human rights standards. This is, for example, the case with all projects on rights for the disabled, which effectively strengthen the application of the international Convention on the Rights of Persons with Disabilities, or projects to fight against torture and the death penalty, which reinforce the application of the 1987 international Convention Against Torture, and the optional protocol n° 2 of the International Covenant on Civil and Political Rights, which aims to abolish the death penalty.

Since 2009, 12 projects have benefited from financing on this topic for a total amount of some EUR 5m.

AFD is currently conducting a sectoral evaluation of its human rights programs, the results of which are expected in 2013.

➤ Focus: “Human rights” projects and programs financed by AFD until 2012

Between 2009 and 2012, some programs financed by AFD took this direct approach to human rights by aiming to meet objectives such as:

- Protect children and youth, who are vulnerable or victims, against trafficking and sexual exploitation in Africa, by financing projects implemented by the development group “Acting for Life” (Algeria, Benin, Burkina Faso, Kenya, Lebanon, Morocco, Niger, Rwanda, Uganda);
- Promote and defend the fundamental rights of children in conflict with the law, by financing the “Childhood without Bars, 2012-2015” program (Brazil, Colombia, Côte d’Ivoire, DR Congo, Ecuador, Guatemala, Mali, Peru and Togo);
- Protect the human rights of migrants, by financing projects implemented by Cimade (Algeria, Mali, Mauritania, Morocco, Senegal);
- Strengthen the system for the humanization of conditions of detention, by financing projects conducted by Médecins du Monde;
- Defend and promote the freedom of the press in Sub-Saharan Africa, by financing projects implemented by Reporters Without Borders;
- Fight against torture and the death penalty in Nigeria, by financing projects implemented by Lawyers Without Borders;
- Support trade union economic action to make decent work a reality in Africa, by financing projects implemented by Institut Belleville (Benin, Burkina Faso, Guinea Conakry, Mali, Niger, Senegal and Togo).

Finally, it should be noted that AFD is extremely active in the health sector (EUR 850m committed for 2004-2011). The objectives are to improve maternal and child health (Benin), fight against non-communicable diseases with support to the private sector (Kenya), support the extension of health risk coverage (WAEMU) and support fragile States.

3.5. **In results**

AFD Group attaches the utmost importance to taking development results and impacts into account. This approach meets the objective of improving its contribution to sustainable development.

Consequently, AFD has been developing a mechanism to measure the results and impacts of its operations for several years now. In 2007, Proparco adopted a results and impact measurement tool for the funded projects. It is used prior to financing decisions and also to monitor the portfolio.

Development stakeholders' views:

Conferences on Development – Esther DUFLO – MIT:

“Aid should be evaluated, as it is traditionally, for macroeconomic reasons in order to know how effective this aid is overall and ‘rate’ the donor. Aid also needs to be evaluated at the microeconomic level in order to measure the effectiveness of a project in particular, and to learn lessons from the aid that works and that which does not work so well. Moving from the macro to the micro level represents a change in perspective, a change based on the following reasoning:

- *Aid is merely a small drop in the immense financial flows that contribute to development;*
- *Given the limited amounts of aid, it is better to use it as effectively as possible...”*

3.5.1. The results-based approach

A results-based approach for enhanced aid effectiveness

This approach is in line with an international trend: the challenge of achieving the Millennium Development Goals (MDGs), the Declarations of Rome and Paris and, finally, the Busan Forum (2011).

Consequently, AFD has been developing a mechanism to measure the results and impacts of its operations for several years now. This approach has several objectives:

- To enable the management of strategies and selection of operations;
- To be accountable (towards taxpayers and partner countries);
- To respect the results measurement requirements of the new regulations of the Finance Act and comply with international commitments (Declarations of Paris, Accra and Busan on aid effectiveness).

At all levels, the aim is to enhance and demonstrate the effectiveness of operations. There are four lines of action to achieve this objective, three concern management, while the last is based on evaluation:

➤ **Definition of geographical and sectoral strategies based on sustainable development results**

The strategies are based on the following four core principles:

- Integrate AFD's operations into the national strategies of beneficiary countries, coordinate them with other donors, contribute to the main international challenges;
- Offer a forward-looking vision of AFD's operations;
- Conduct selectivity based on objective selection criteria.

➤ **Selection of operations on the basis of expected outcomes and enhanced economic analyses**

The aim of the economic analysis of development projects is to assess their costs and economic benefits at the level of society, beyond simply their financial equilibrium. It also looks at the distribution of benefits and any possible transfer mechanisms. Environmental goods and services are also valued.

➤ **Results-based management for all AFD's consolidated activity**

Aggregatable indicators provide a consolidated statement of the expected and actual development outcomes. They can be defined, for example, as access to water, the job in question or the reduction of CO2 emissions.

The monitoring of the contribution to the Millennium Development Goals measures France and AFD's commitment, both in terms of resources and outcomes.

➤ **Strengthening evaluations**

AFD Group's evaluation system makes it possible to define methodologies and ensure there is a high-quality process for *ex post* project evaluations, conduct impact analyses, manage overall or strategic evaluations, and conduct meta-evaluations and thematic capitalization.

AFD has strengthened its evaluation system by establishing a decentralized project evaluation procedure and a rigorous impact evaluation program in 2007.

Project evaluations focus on [criteria](#) defined by the Development Co-operation Directorate (DCD-DAC). The percentage of evaluated evaluable projects (or programs for evaluation) at completion in foreign countries has stabilized at around 80%. AFD has a 2013 target to systematize the mechanism at 90% of evaluable projects.

In late 2009 and early 2010, the Board of Directors agreed in principle on the rules of procedure and composition of an AFD Evaluation Committee. The role of this Committee is to:

- Examine AFD's evaluation program every year;
- Report on AFD's evaluation work;
- Formulate opinions, where applicable, on AFD's evaluation mechanism and on the relevance and quality of the work conducted;
- Regularly report to the Board of Directors on the evaluation work.

[Find out more about the evaluation system](#)

3.5.2. Results and impact measurement tools

AFD has adopted a number of tools and methods designed to enhance the measurement of the results of its operations. They include aggregatable indicators, which specifically focus on the dual perspective of institutional communication and contribution to the analysis of AFD's strategic positioning. Proparco has adopted a tool used by a number of European development finance institutions, called GPR GPR (*Geschäftspolitisches Projectrating*®). It has been adapted from a tool developed by Proparco's German counterpart, [DEG](#).

➤ **Focus: Aggregatable Indicators (AI) – The main principles**

These aggregatable indicators were introduced with the aim of providing a quantified and consolidated summary of the outcomes of AFD's operations in foreign countries (since 1 January 2004) and in the French overseas provinces (since 1 January 2005). These indicators were reviewed in late 2004 and late 2005, following the first years of use.

These indicators are monitored every year and have been subject to an annual review after eight years of use. The diagnostic was completed in March 2013 and the indicators are currently being reviewed on the basis of the lessons learned from this study.

The "aggregatable" indicators proposed are numerical indicators that include indicators on achievements and outcomes. They are consequently halfway between the monitoring of resources and the impacts themselves:

- Resources: financial commitments;
- Achievements: number of schools built, number of health structures built...;
- Outcomes: Number of children in school, number of beneficiaries of health structures...;
- Impacts: Improvement in literacy rate, reduction in mortality rate...

Aggregatable Indicators (AI) are not strictly speaking impact indicators. They measure the achievements and outcomes made possible by the initial resources mobilized thanks to external financing. The achievements and outcomes are therefore the most tangible object that can be monitored during the cycle of operations.

To go further than this, impact evaluations estimate the effect directly attributable to an operation, by comparing situations prior to and after the operation between the beneficiary group and a comparable control group.

Impact indicators are not indicators for which one can hope to rapidly isolate the consequences of ODA action. These impact indicators (“child mortality”, “literacy rate”...) generally have a high level of inertia and are statistical measurements of extremely complex phenomena on which ODA generally only has a partial impact. They very often depend on the main and complex macroeconomic and socio-demographic trends. The time factor also plays an important role.

The contribution logic involves considering that AFD’s contribution participates in achieving the outcome of the funded project or program as a whole. This means that in the case of a cofinanced project, AFD contributes to all the project outcomes and does not only attribute to itself certain outcomes that could only be attributed to the components it is financing, or part of the overall results proportionally to its financing.

Since 2006, the issue of quantifying the AI proportionally to AFD’s share of financing has been settled: the quantification is made for the entire project/program and the AI statement includes AFD’s “effort rate”, *i.e.* AFD’s share in the overall financing. This choice results from the combination of two arguments:

- 1) The approach taken is that of the contribution and not of the attribution of development outcomes, in line with the Declaration of Paris;
- 2) The monitoring of implementation and the final evaluation concern the entire investment financed.

AFD has a guide that provides a methodology on how to use and estimate Aggregatable Indicators (AI) for its operations in foreign countries. It reviews all the questions that users will need to address when using the AI. It also helps to analyze and understand the development outcomes estimated by AFD thanks to the AI.

- User guide for aggregatable indicators in foreign countries (2007)
- User guide for aggregatable indicators in the French overseas provinces (2007)

➤ Proparco’s results and impact measurement tool

In addition to rating counterpart risks, the profitability of the operation, the conformity with Proparco’s strategic orientations and its advisory role, the tool assesses the impacts that different types of funded projects have on development. This particularly means the impacts that operations have on government revenue, employment, training, knowledge transfers, governance, E&S performance, social impacts (social protection, salaries, non-discrimination, gender) and environmental impacts (green projects, ecological footprint, certification efforts...), as well as the accessibility of products and services locally.

3.5.3. Sustainable development opinion

AFD is committed to ensuring that the projects and programs it finances are consistent with the five major objectives of sustainable development: fight against poverty, fight against inequalities, conserve biodiversity, fight against climate change and foster economic development.

In addition to its social and environmental risk management policy, its results-based approach, and its specific partnerships, AFD is preparing a sustainable development “second opinion” process, which will aim at verifying that AFD financing conforms to the sustainable development principles and objectives.

Relevance of projects with regard to the sustainable development challenges

In 2012, the three executive departments in charge of operations, strategy and risks conducted reflection which, in 2013, led to a series of measures that aim to better inform the decision-making bodies in terms of the compliance of operations with AFD’s operations policy (strategy, risks...). In this regard, special attention is paid to the project presentation notes which, in addition to a set of information about the strategic coherence and type and situation of the credit risks, comprise a concise form of second “sustainable development” opinion.

The second “sustainable development” opinion provides a view that is independent from the project team. It gives an opinion based on the elements collected by the Operations Department indicating the project’s contribution to the five main objectives of sustainable development:

- Economic development;
- The fight against poverty;
- The fight against inequalities;
- Biodiversity conservation, the management of environments and natural resources;
- The fight against climate change and the preservation of the atmosphere.

The project’s contribution to each objective ranges from “no contribution” to “very strong contribution”. Overall, the second “sustainable development” opinion is expressed as follows: “favorable”, “favorable with recommendations”, “reservations”, “not applicable”.

The integration of sustainable development issues into operations also involves adapting existing project analysis and presentation tools (Project Identification Brief, note to the Board...).

It should be noted that this second sustainable development opinion needs to be dissociated from the environmental and social risk management mechanism. Indeed, this mechanism concerns risks specifically related to the project implementation phase and has been applied since 2007.

➤ Sustainable development for the Territory of the West Coast of the island of Reunion

In June 2011, AFD and the Urban Community of the Territory of the West Coast, which comprises the five municipalities of Western Reunion, signed a technical and financial partnership framework agreement to support the implementation of the Community’s investment program. This conurbation project constitutes the strategy for the spatial development and planning of the territory over the next 20 years. It provides for respectful development tailored to each of the territory’s components. Economic, environmental and social development pillars are integrated into this project, as well as the need for them to be balanced.

A main focus of the project is to optimize **economic** activity and employment. One of the components of the 2009-2015 multi-year investment plan is to finance the tourism sector and road infrastructure, thus improving access to the region’s agricultural areas. The corresponding **environmental** component for these activities is core to the project. It

involves protecting the lagoons and balancing tourism development in the coastal area, coral reef and marine reserve, and protecting the natural heritage on the hillsides (listed as a UNESCO World Heritage Site since 2010).

The Territory of the West Coast, which covers a fifth of the island's territory and is home to a quarter of its population, *i.e.* some 210,000 inhabitants, is today well and truly in a phase of rapid development with the launch of these structural investments. The project aims to meet the challenge of this growth by preserving and/or strengthening territorial **solidarity** through a balanced distribution of transport services and support for the production of subsidized housing. It will also preserve elements that convey its identity, such as the region's natural and landscape heritage. Finally, it will improve living conditions for communities by implementing sociocultural policies.

The project's last pillar aims to promote **sustainable public practices**. The technical component of the agreement notably concerns AFD's support for the definition of a monitoring-evaluation mechanism for the Community's operations. This innovative governance approach has several objectives: improve knowledge of the economic, environmental and social outcomes and impacts of the Community's operations, have tangible elements on the effectiveness and efficiency of these operations, improve accountability towards citizens and financiers, and learn lessons from these analyses.

[Consult the project brief](#)

3.5.4. ***Projects and sustainable development***

Examples of projects that meet sustainable development goals

- Objective: Fight against poverty / meet human needs
 - ✓ **FIGHT AGAINST POVERTY: FOOD SECURITY**
 - ✓ **HOUSING AND ACCESS TO BASIC SERVICES**
 - **WATER AND SANITATION,**
 - **ENERGY**
 - **TRANSPORT**
 - ✓ **IMPROVE POPULATION HEALTH**
 - ✓ **IMPROVE LIVING CONDITIONS FOR COMMUNITIES**
 - ✓ **EDUCATION / TRAINING**
- Objective: Fight against inequalities and strengthen solidarity between human beings and between territories
 - ✓ **CONSERVE AND TRANSFER REMARKABLE ELEMENTS OF HERITAGE THAT MARK THE IDENTITY**
 - ✓ **RESPECT HUMAN RIGHTS**
 - ✓ **STRENGTHEN TERRITORIAL SOLIDARITY**
 - ✓ **PREVENT AND MANAGE SOCIAL RISKS**

Focus : Taking action in a fragile State

Conflicts, crises, political instability... how to implement sustainable action in a country where the crisis situation limits visibility? The comparative views of four agency directors.

Over a quarter of the countries where AFD operates can be classified as crisis, unstable or even conflict countries. AFD's strategy is to address some of the root causes of these situations, by adapting its operating methods and procedures, coordinating its action with the action of other partners working in the field, particularly NGOs, and paying the utmost attention to the physical safety of its officers.

In a country like Pakistan, which has a whole host of areas of political, economic and social tension *“It is vital to target AFD’s aid effectively, with the objective of long-term development”*, explains Nicolas Fornage, Director of AFD’s Islamabad agency. *“We have decided to invest in renewable energy, such as hydropower, in agreement with our Pakistani partners. It allows us both to take action against the major energy crisis, which costs 3 to 4% of GDP growth, and contribute to the fight against climate change. Focusing our operations on one sector also gives us greater visibility and facilitates partnerships with Pakistani operators and other donors”*.

In the Central African Republic, *“We must have the courage to look at how to strike the right balance between development and humanitarian action”*, explains Hugues Marion, AFD’s representative in Bangui. For its action to be more effective, AFD needs to base its strategy on three pillars: long-term development in sectors where the capacity exists (for example, the forestry sector), humanitarian action (health, via NGOs, for example) and the capacity to respond to emergencies, *“This means having funds to rapidly meet a non-program need”*, points out Hugues Marion. AFD implements a wide range of operations to meet the many needs and in view of the small number of resident donors. *“Generally speaking, there are problems of appropriation, due to the low level of commitment of our partners, but also of the absorption of aid by the local authorities”*, adds Hugues Marion.

In Afghanistan, the key problem is *“capacity building in a fragile State”*, explains Bruno Juet, Director of the Kabul agency. *“The fledgling administrations need a permanent local supervision and their capacity to absorb grants remains low, about a third, in a context of corruption. In addition, there is little coordination for the international community’s operations; there are too many diverging interests.”* The Kabul agency makes efforts to offset these weaknesses by working with stakeholders who are well-positioned in certain sectors, such as KfW in the water sector, or well established, such as the Aga Khan Foundation, which is very active in the health sector.

➤ **Objective: Biodiversity conservation, the management of environments and natural resources**

✓ **BIODIVERSITY**

✓ **RATIONAL NATURAL RESOURCES MANAGEMENT**

Focus : Dominican Republic – Reconciling integrated natural resources management with an improvement in living conditions

The project implemented by Plan Sierra, a Dominican association financed by AFD for this project since 2001, aims to reconcile conservation and rational natural resources management with an improvement in living conditions for communities.

The project aims to offset the deforestation that occurred between 1950 and 1970 due to timber exports to the river basins that supply water to the Cibao plain, one of the country’s main areas of economic activity.

To achieve this, an integrated and sustainable management has been implemented at the economic, environmental and social levels for the 9,700 ha that are to be reforested.

Plan Sierra’s activities initially targeted reforestation and the economic development of the region. They now aim to support the development of environmentally-friendly agricultural and forestry practices (use of anti-erosion practices, development of sylvo-pastoral systems, ecotourism), while guaranteeing satisfactory living conditions for the residents of Cordillère (organization of a local timber industry, support for rural credit...).

Between 2001 and 2008, AFD financed initial support via a EUR 3.1m loan. Between 2010 and 2016, AFD is providing financing to help improve forest management (reforestation and exploitation), create income-generating activities that protect the environment, implement drinking water supply and sanitation projects, via a EUR 9.2m loan, and provide technical assistance to support the implementation of these activities via a EUR 1m grant.

[Find out more about the project](#)

- ✓ **FIGHT AGAINST WATER AND SOIL POLLUTION**
- ✓ **WASTE MANAGEMENT**

Focus : Palestinian Autonomous Territories – Solid waste management in Gaza

AFD's operations in the solid waste management sector in Gaza are mainly based on the landfill of waste (construction of a landfill on the Al Fukhari site) and on improving waste collection. The project also includes reflection on recycling activities (compost recycling) *via* a specific study and the creation of pilot units, as well as on the development of governance in the sector.

A marked improvement in living conditions is expected for the communities in question (726,000 residents from the center and south of the Gaza Strip), particularly in their health conditions (reduction of the quantities of waste dispersed in urban and peri-urban areas, launch of pilot recycling activities). Furthermore, sealing the dumping sites and treating leachates reduces the risks of groundwater pollution and therefore the risks of water-borne contamination for communities, while 95% of water in the Gaza Strip is already unfit for consumption. Finally, the installation of collection facilities and gas flaring on the new dumping sites will reduce the quantities of greenhouse gases emitted into the atmosphere.

Only 18 rag-pickers work at the current Al Fukhari landfill and two transfer stations. The plan defined for these informal workers involves reintegrating them *via* a social program implemented by the United Nations Development Programme.

Technical assistance has been planned for the newly-created inter-municipal management entity of Deir El Balah and Rafah. Capacity building is also required for the municipalities and other sector stakeholders in order to improve the quality of collection (hygiene in urban areas, control of the quality of the cleaning/collection service, standardization of the activity of the pre-collectors, etc.). It is also necessary to optimize the related costs and look at opportunities to use the waste *via* recycling and compost.

Finally, information and awareness-raising campaigns on health issues, waste treatment and collection, as well as cleaning and hygiene in public spaces, will be planned and conducted in the Gaza Strip. This activity should improve both municipal waste collection and the collection of the refuse disposal fees.

➤ Objective: Fight against climate change and preserve the atmosphere

While the fight against climate change is not only related to the management of the environmental and social risks of projects, it is a major component of AFD's action to preserve the global environment. This commitment is set out in a [strategy](#) for 2012-2016, which was submitted to the Board of Directors in 2011.

See [AFD Group 2012 Climate Activity](#) (presentation of strategy, figures and calculation method) - PDF

➤ Objective: Economic development / investment in responsible production and consumption patterns

- ✓ **MICROFINANCE**
- ✓ **FINANCING THE SOCIAL AND SOLIDARITY ECONOMY**

AFD, *via* its loans or grants in foreign countries, finances development projects implemented by SSE enterprises, such as associations and non-governmental organizations working in the education, health, agriculture and fair trade sectors, as well as mutual or cooperative banks, or social enterprises that are active in the microfinance or microinsurance sectors.

In this context, AFD has been strengthening its relations with NGOs for over a decade, with the creation of specific financing, such as the Sectoral Innovation Facility for NGOs (FISONG) and, in 2009, was delegated the cofinancing for projects initiated by civil society.

AFD also supports the SSE in the French overseas provinces thanks to its position as a long-standing actor for social housing financing and its support to the Association for the right to Economic Initiative (ADIE) for microfinance.

At the same time, AFD and its subsidiary have launched reflection and supported initiatives in the field of social entrepreneurship. Indeed, in recent years, enterprises – multinationals and SMEs alike – have set out to experiment with models that include vulnerable communities in Southern countries by adopting a “Social Business” approach. They have also defined “Bottom of the Pyramid” (BoP) strategies to create a range of goods and services targeting the four billion people at the bottom of the wealth pyramid and tailored to their needs.

✓ FINANCING SMEs, BANKS AND LOCAL ENTREPRENEURS

Focus: Madagascar, Nutri'zaza – Creation of a social enterprise with the aim of sustainably improving the nutritional status of children from vulnerable groups

The nutritional status of children in Madagascar is extremely precarious and structurally fragile (50% of under-fives show stunted physical growth). It is in this context that the Nutrimad project came about. Its urban component involves setting up nutritional education advice centers and supplying affordable food suitable for babies *via* the hotelin-jazakely or baby restaurants.

AFD is providing a EUR 0.9m grant (out of the total project amount of EUR 1.4m), along with technical assistance to support the creation of the social enterprise Nutri'zaza. Its purpose is to develop this restaurant network and market the “Koba Aina” dietary supplement in the country's network of grocery stores and in civil society organizations (NGOs, charitable associations...).

Social enterprises are tools that contribute to the sustainability of development projects. Financial profitability, which is an objective, guarantees the future of the activity and removes the need for a chronic provision of new grants. This structure is also conducive to improving the organization's governance. AFD's grant consequently aims to help the company achieve a budgetary and accounting balance in its first four years in business and to strengthen its governance capacities.

Positive impacts

In addition to giving as many people as possible access to food, the creation of the company will generate employment, as well as a franchise network, the income of which will be increased and secured. Indeed, while the social enterprise applies prices that make the products affordable for the most disadvantaged communities, it must also ensure that there are decent payment conditions for its suppliers. The local food processing company, TAF, which is involved in the project, needs to increase its production as almost 88% of the Koba Aina is made with local raw materials. Finally, the company has initiated an environmental management system to handle the waste it produces.

4. Transparency and dialogue

AFD is convinced that the comparative experiences of the leaders of Official Development Assistance policies, parliamentarians, civil society organizations,⁴ researchers and regional and local authorities give a better understanding of what each party is doing. It also creates opportunities, feeds into reflection and strengthens actions. For the past 10 years, it has been developing a strategy to increasingly open up to its stakeholders.

The dialogue currently aims to meet three objectives: (i) comply with French regulatory requirements in this area (see the section on “Accountability”); (ii) develop the Group’s transparency to a level expected from an Official Development Assistance operator (see the section on “Information and transparency”); (iii) strengthen the Group’s action, under its mandate to finance development (see the section on “Dialogue”).

The institution’s governance also reflects this opening up, as AFD’s Board of Directors comprises a number of stakeholders: Government representatives, but also non-governmental organizations, directors of research and training institutes, Parliamentary representatives (MPs and Senators), private sector representatives, as well as two staff representatives. In addition to AFD members, Proparco’s Board of Directors comprises representatives from enterprises, banks – from both the North and South – and a staff representative.

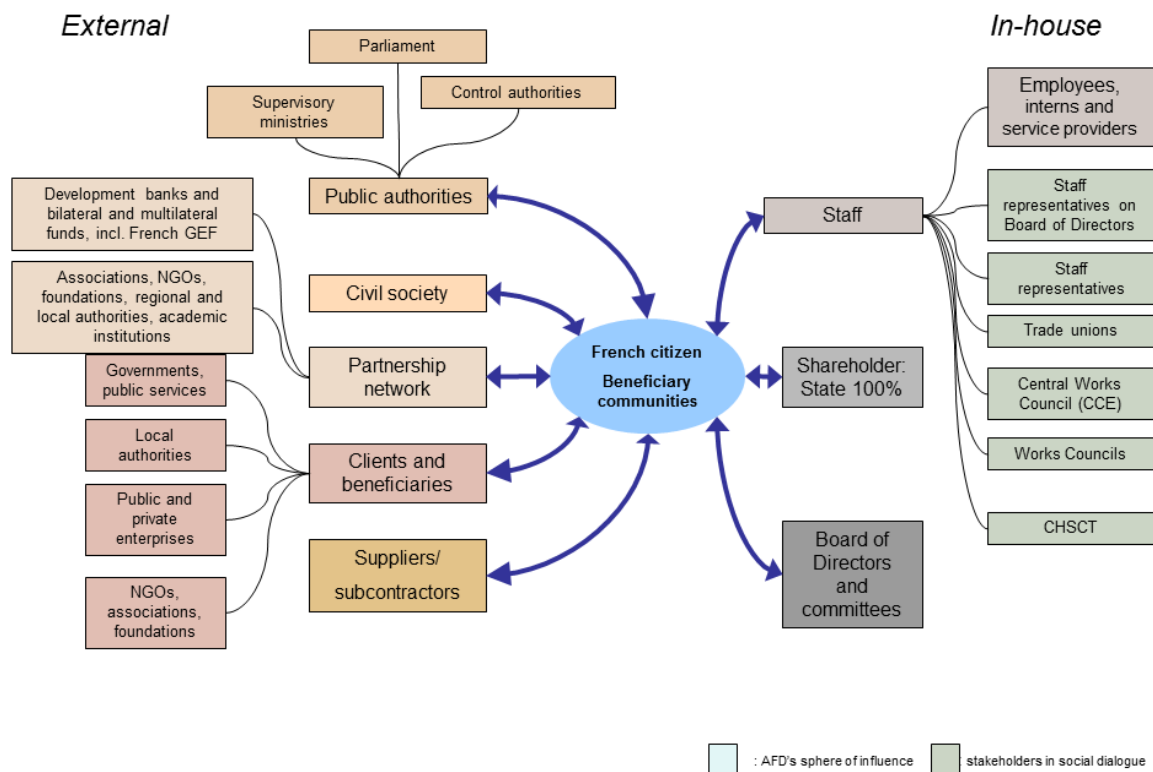
*Development stakeholders’ views: Interview with **Anne-Sophie Cerisola**, Secretary General of the Conferences on Development*

“The inclusive and transparent governance of ODA tools and French solidarity is a key issue for the Minister for Development. How else is it possible to mobilize and raise the awareness of citizens, locally elected officials, consumers, associations and enterprises in terms of the challenges of our fight against poverty and our actions to support sustainable development in Southern countries? This was, of course, one of the objectives of the Conferences on Development launched by the Minister in 2012, which was reiterated by the French President during the closing of the conferences in March 2013. Of course, this inclusive and transparent governance, in order to mobilize, first and foremost concerns Agence Française de Développement, the main operator for France’s ODA, the governance and clarity of which should actively promote this mobilization of all stakeholders for development issues. The conferences provided good opportunities for dialogue on AFD’s activity, particularly with associations, and this is a very good thing. However, I think that this has not, and by far, fully met expectations in terms of debate on AFD’s orientations and choices, which are very strong on the part of NGOs, regional and local authorities and elected officials. This strategic dialogue therefore needs to be continued, firmly established and systematized, using all the methods for governance, participation and transparency. This should especially be the case during the preparation and subsequent implementation and monitoring of AFD’s sectoral and cross-sectoral intervention frameworks.”

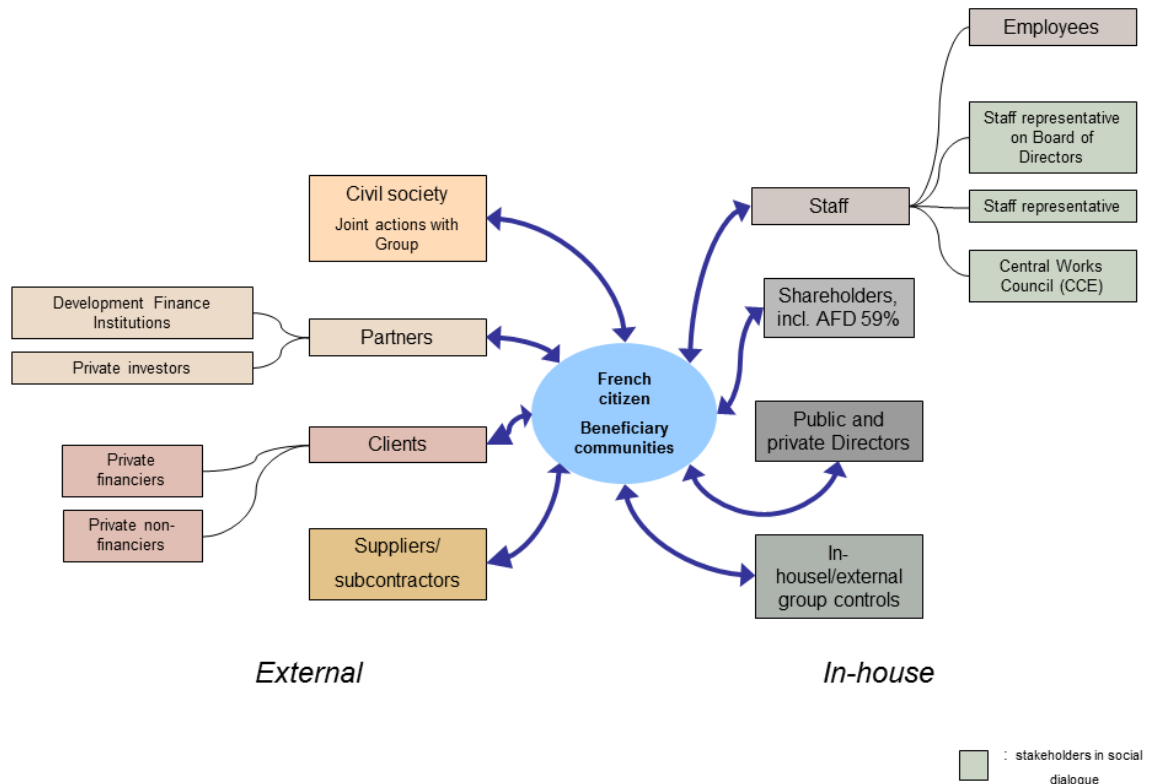
⁴ Civil Society Organizations refer to NGOs, community groups, trade unions, indigenous peoples’ organizations, charitable organizations, religious organizations, professional associations and private foundations.

Who are AFD Group's stakeholders ?

Mapping of AFD Group stakeholders



Mapping of Proparco stakeholders



Information and transparency

The aim of the transparency approach is to enhance AFD's credibility and accountability towards its stakeholders, the first being its partners and all French citizens. This communication helps to build a relationship of trust and a quality dialogue between AFD and all its stakeholders. By doing so, it gives greater legitimacy to France's Official Development Assistance policy, for which AFD is the main operator.

Development stakeholders' views:

Conferences on Development

Véronique MOREIRA (CRI Rhône Alpes)

"Transparency enhances the complementarity of the development assistance of all cooperation stakeholders, governments, NGOs and local authorities, and therefore increases effectiveness."

Grégoire NIAUDET, Secours Catholique and coordinator of "Publiez Ce Que Vous Payez":

"I recognize the virtues of voluntary initiatives like EITI [Extractive Industries Transparency Initiative], which are also tools to fight against corruption. The Zambian and Liberian governments used EITI to reform their anti-corruption legal frameworks [...] it is desirable to leave the door open to the extension of these transparency frameworks to sectors other than the mining industry, such as the banking, telecommunications and construction sectors [...] Finally, the possibility for civil society organizations, parliamentarians and media to use the financial information that is made available must be strengthened in order to provide the means to exercise control over public authorities".

4.1.1. Your requests for information

Send your request for information [here](#)
Consult information project-by-project [here](#)

AFD, a French public institution subject to the French Monetary and Financial Code and which regularly borrows on financial markets, makes a large amount of information concerning its activity available to third parties, within the limits authorized by the obligations of banking secrecy. This approach was operationalized in 2007 with the definition and application of a transparency policy, set out in the 2007-2011 SER policy and implemented in the institution's procedures, and the creation of a position in 2009 responsible for communication and dialogue with stakeholders.

➤ Our transparency policy

Agence Française de Développement's aim in adopting this text is to give the public more access to information concerning the funded operations (at the various [stages of the operational cycle](#): appraisal, commitment, implementation, evaluation) in accordance with legal obligations in terms of confidentiality, and the obligations concerning its functioning and its strategy. The various documents are published on AFD's website. There is also a dedicated e-mail address (transparence@afd.fr) to deal with specific requests for information.

[Download the transparency policy](#)

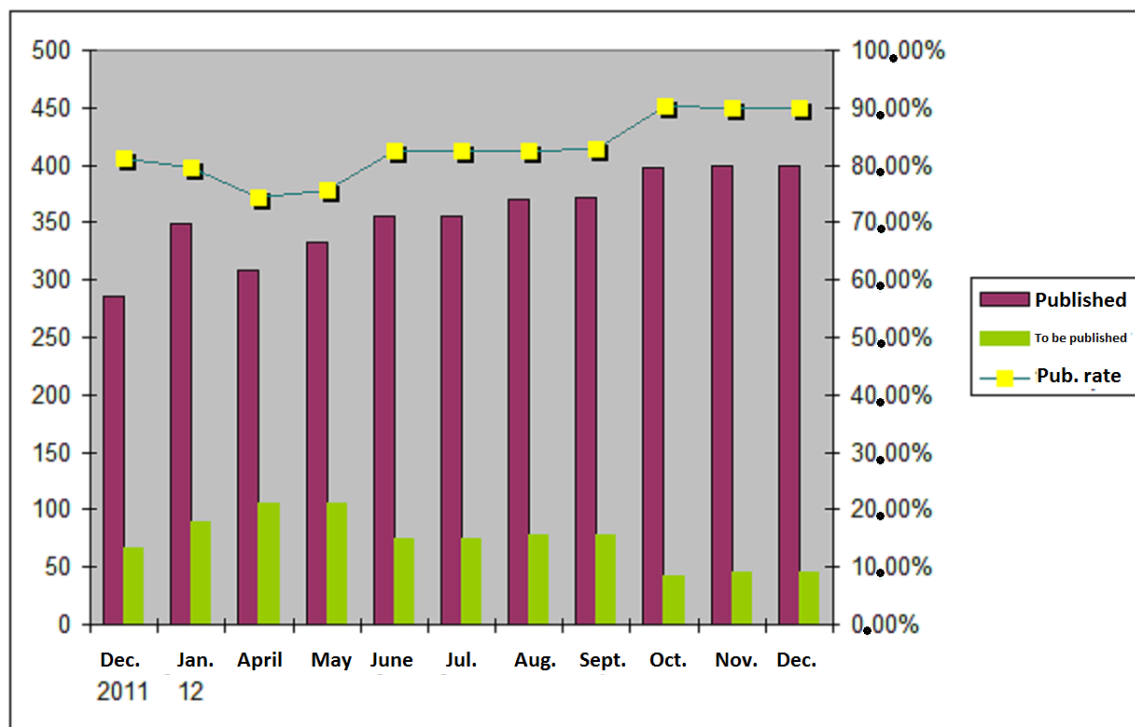
The requirements of AFD's transparency action plan are, moreover, linked to the issue of aid effectiveness as defined by donors in the Paris Declaration signed in 2005 (accountability and impact).

AFD's transparency policy comprises several levels:

- It gives access to all useful information concerning its mission: strategic, institutional, operational ;
- It establishes a dialogue with stakeholders ;
- It provides for answers to be given to requests for information or requests for explanations. Any observations on the subject may be sent at any time to AFD's specific e-mail address: transparence@afd.fr.

The transparency commitments for projects and operations allow structured information to be published on the website by project (with the exception of information covered by banking regulation and its provisions concerning the confidentiality of transactions, or information for which the client has refused dissemination). It presents: the context of the operation, the purposes, objectives, approaches and resources implemented and the scope of sovereign loans (loans that are subject to a guarantee from the beneficiary State). A Communication Brief on Operations – or a Communication Note for financing for civil society organizations –, which are documents from AFD's operational information systems, are published when the financing is allocated.

At 31 December 2012, over 400 AFD projects had a Communication Brief on Operations or Communication Note; the publication rate (ratio between projects subject to transparency and projects presented in a brief or note that have been through this communication procedure) stood at 90%.



In 2013, the target level for publication is the same as in 2012 and the documents subject to transparency and dissemination tools will be redefined. One of the drivers for progress for 2013 will be to facilitate access to information by revamping AFD's website in 2014.

4.2. Accountability

AFD Group is required to be accountable towards a wide range of stakeholders defined by French regulations, such as its employees and their representatives (social law), internal control and the financial market authorities (banking law) and external control institutions, the supervisory authorities and parliamentarians (public law).

These governmental stakeholders are in a key position within an agency's "accountability system" for two reasons:

- They are the first to "call for accountability" for agencies' action and are mainly in charge of supervising them;
- They share the responsibility to achieve development policy results with agencies and are, in this regard, "jointly accountable" for these results towards external stakeholders.

In this respect, AFD aims to enhance its accountability towards these stakeholders, particularly towards French parliamentarians.

Development stakeholders' views:

Conferences on Development - M. CAMBON – Senator for Val de Marne

"The aim of the accountability exercises is to give budgetary information on Official Development Assistance to the Parliament. Among the positive points, I note the level of comprehensive information received by the Parliament. Similarly, the level of involvement of elected officials in the various accountability exercises (definition of the development cooperation framework document, assessments of the Court of Auditors...) has been considered satisfactory."

In-house, AFD complies with its regulatory obligations for dialogue with its Board of Directors, supervisory authorities and its regulatory and control authorities. It meets the requirements of social dialogue, and participatory approaches involving employees are encouraged in this dialogue.

The nature of the stakeholders and the dialogue with them are mainly defined by French regulations for social law (trade union representatives, staff representative bodies), public law (supervisory authorities, external control institutions) and banking law (internal control, prudential control authority...).

➤ Regulatory dialogue

Stakeholders	Purpose of the dialogue	Type of dialogue
Board of Directors and specialized committees	Approve AFD's commitments and their financial arrangements	Regular meetings and committees Definition of framework documents Delegations to specialized committees

Supervisory authorities	Define strategic orientations Report on the effective use of public funds Make financing sustainable	Joint definition of framework documents Contract specifying objectives and resources Management control/Audit
Regulatory and control authorities	Report on the sound financial management of the institution Financial market authority (Art. 225 Grenelle II)	Publication of a registration document Possible hearing

➤ Dialogue with staff and their representatives

Purpose of the dialogue	Type of dialogue
Comply with social law Allow skills development Secure staff commitment Implement participatory approaches	Social dialogues with staff representative bodies In-house communication Individualized HR policy Working groups

➤ Dialogue with parliamentarians

Purpose of the dialogue	Type of dialogue
Inform parliamentarians about AFD's activities and analyses	Hearings before parliamentarians: questions/answers Parliamentary reports

The function of relations with parliamentarians now constitutes a pillar in AFD's external mechanism under its public "accountability" mandate.

The creation of a team specialized in relations with national elected officials at AFD meets the need to first and foremost address MPs and Senators, as well as Euro MPs. In addition, this team maintains close relations with other national political actors, particularly the Economic, Social and Environmental Council. AFD consequently aims to implement an information strategy on the conditions in which it conducts the mission entrusted to it by the Government.

The relations with the French Senate and National Assembly are set out in legislation. The main texts are subject to hearings and are validated by parliamentarians (Contract specifying objectives and resources, etc.). Furthermore, their direct involvement in the Board of Directors strengthens this monitoring and control role.

The definition of finance bills is one of the key moments for these exchanges on strategic orientations.

These relations have led to 22 official meetings at both the French Senate and National Assembly.

The parliamentarians who are members of AFD's Board of Directors see the funded projects *via* the files that are submitted at Board meetings, but they rarely see their implementation in the field. The fact that parliamentarians wanted to have a practical understanding of our activities prompted us to propose them a field trip to allow them to see the direct effects of their decisions and to answer questions about the actual implementation of our investments, their financial and technical arrangements and, of course, their impact. Two trips were organized: one to Madagascar and one to China.

4.3. Dialogue

Each decision taken must be analyzed with regard to the impacts it can have on society as a whole. Development thus requires a greater involvement of the different stakeholders in the process, both in the North and South, national and local, public and private or associations, by creating spaces for debate. AFD Group is aware of the need to provide differentiated and concerted responses and has made dialogue with its “stakeholders” one of its primary objectives.

➤ Dialogue with beneficiaries of financing

Purpose of the dialogue	Type of dialogue
Integrate AFD’s operations into the national strategies of beneficiary countries Define and propose resources and financial instruments tailored to beneficiaries' requests, in accordance with the principles of aid effectiveness Informer direct beneficiaries about the implications of projects	Consultation during the definition of Country Intervention Frameworks in certain cases Dialogue and negotiation at each stage of the project cycle, particularly thanks to the network of agencies Publication of operational notes validated by the counterpart and evaluations at project completion

➤ Dialogue with the population and civil society organizations

Purpose of the dialogue	Type of dialogue
Guarantee the effectiveness and sustainability of projects Explain AFD’s strategic choices Communicate on the use of Official Development Assistance	Partnerships and/or consultation during the definition, implementation and evaluation of projects Dialogue on Strategic Intervention Frameworks Civil dialogue “Transparency” e-mail address provided Publication of communication notes on operations validated by the counterpart Working groups, joint communication on specific topics

Civil society organizations, in addition to the grants they can benefit from to finance their own initiatives under a specific mechanism (NGO Partnerships Division – DPO window), are often involved in AFD projects due to their technical expertise, operating method and their knowledge of local contexts and partners.

Example of a multi-stakeholder partnership for a project in Ghana

One example of a win-win-win partnership is AFD’s financing of rubber outgrowers plantations in Ghana. This set-up involves a bank, a technical operator and an outgrowers’ association and is based on a tripartite agreement between these three stakeholders. Following three financial allocations *via* the Ghanaian Government (the first in 1995), the 4th phase (2010) and 5th phase (2012) are financed by direct AFD loans to ADB (Agricultural Development Bank). The Rubber Outgrowers Association (ROA), the creation of which was supported by AFD, has become a key stakeholder in the discussions. The constant dialogue between these three stakeholders (and the Ministry of Agriculture for the first three phases) is **an example that AFD aims to duplicate in other sectors** (particularly the cacao sector) with other banks and other technical operators.

Development stakeholders' views:

Convergences 2015 – Bénédicte HERMELIN – GRET

“Development projects must include community participation, whatever the context: emergency, post-emergency or development, and this dialogue must take place at all the stages: design, implementation, monitoring and evaluation.”

➤ Dialogue on intervention frameworks

AFD systematically proposes information and dialogue meetings on its sectoral, regional and cross-sectoral strategies with the different sections of French civil society (leaders of the Official Development Assistance policy, parliamentarians, non-governmental stakeholders, enterprises, foundations, researchers, trade union representatives and regional and local authorities) before they are submitted to its Board of Directors. This process is not intended to lead to a consensus. However, there is an underlying aim that goes beyond simply informing stakeholders.

A specific dialogue methodology has been established for the Sectoral Strategic Intervention Frameworks (SIF), Regional Strategic Intervention Frameworks (RIF) and Cross-sectoral Strategic Intervention Frameworks (CIF). Once the final strategy document has been validated, it is subject to a dialogue with stakeholders prior to being submitted to the Board of Directors.

Results and progress to be achieved:

In 2012, a dialogue was organized for the Health Sector and Social Protection Intervention Framework, the Energy Sector Intervention Framework and the Regional Intervention Framework for Latin America.

Progress to be achieved in 2013: Same level as 2012; redefinition of the type of consultation and take better account of the beneficiaries' expectations in terms of dialogue (dialogue with stakeholders from the South).

➤ Dialogue with international and European organizations

Purpose of the dialogue	Type of dialogue
Report on the commitment to international initiatives (Millennium Development Goals, Global Compact...)	Global Compact: Participation in the Steering Committee and annual report Financing for international initiatives

➤ Dialogue with peers: Development banks and international financial institutions

Purpose of the dialogue	Type of dialogue
Have common tools Integrate best practices	Sectoral cooperation, cofinancing and joint exchange programs

Particular mention should be made of the cooperation between AFD Group and its bilateral and multilateral European counterparts (EIB and European Commission). AFD, KfW and EIB have signed an agreement for the mutual recognition of procedures (Mutual Reliance Initiative – MRI), which aims to simplify cofinancing procedures between these three institutions.

Proparco works with the EDFI (European Development Financial Institutions) on harmonizing E&S and results measurement processes and with UNEP-FI on promoting good E&S practices for banks. A close partnership has been developed with FMO and DEG.

➤ Dialogue with local authorities

Purpose of the dialogue	Type of dialogue
Find local intermediaries for the technical implementation and evaluation of projects	Cooperation in the implementation of operations
Report on the local impact of projects	Joint impact evaluations

➤ Dialogue with the private sector

Purpose of the dialogue	Type of dialogue
Influence private sector practices	Press publications to exchange good practices
	Symposiums on Sustainable Development innovation

➤ Dialogue with the academic community and think tanks

Purpose of the dialogue	Type of dialogue
Improve the skills of local prime contractors	CSR training (CERDI/FERDI, CEFEB), seminars, symposiums
Disseminate reflection	Publication of studies; working groups, forums
Integrate good practices	

4.4. **Participation in reflection on development**

Reflection on development assistance methods and the participation in international strategic debates are two full-fledged activities at AFD. Knowledge production is an essential complement to the technical and financial operations. This activity makes it possible to adjust operations to changes in practices, needs and operational contexts.

4.4.1. **Knowledge production**

Reflection on development assistance methods and the participation in international strategic debates are two full-fledged activities at AFD.

Knowledge production is one of the tools of development assistance. It meets a twofold objective: to improve the content of the programs financed by donors and make proposals for the fight against poverty and for sustainable development.

For AFD, this knowledge production activity involves:

- a) Learning lessons from its experience *via* its evaluation and capitalization work;
- b) Informing France's positions and contributing to debates on development policies and aid;
- c) Anticipating developments in the world and proposing innovative responses. In addition to its range of financing, knowledge production allows AFD to put forward solutions and proposals for public policies by drawing on its experience of sustainable development.

The scope of this knowledge production covers the numerous issues raised by globalization – both in terms of reducing poverty and inequalities and sustainable development – , which are regularly discussed on the international agenda.

In addition to AFD's in-house expertise, it mobilizes a French and international network of research institutes in the context of long-term partnerships. For example, AFD has established scientific partnerships with IRD, the Paris School of Economics, CIRED, the London School of Oriental and African Studies, Maastricht University...

The workshops and conferences regularly organized in Paris or in the countries of operation contribute to disseminating the results of the research and to the debate. This is also the case for the numerous publications freely accessible on Internet.

[Find out more](#)

4.4.2. **Participation in debates**

In 2012, AFD was part of the French delegation at a series of international conferences and events related to its mandate, including:

- The **World Water Forum** in March in Marseille, where discussions were held on solutions for universal access to water and sanitation, in line with the right recognized by the United Nations in 2010. One of the highlights of the week was the preview screening of the film by Yann Arthus-Bertrand "Our Thirsty World", which proposes a new water culture based on an equal sharing between users. This film, to which AFD largely contributed, was broadcast on prime time TV on France 2 on 20 March;
- The **Rio+20 Conference** in Rio de Janeiro on sustainable development as a dynamic balance between the economic, social and environmental aspects of development. It notably recommended the definition of sustainable development goals and a sustainable development financing strategy by 2015;

[Find out more about AFD's participation in Rio+20.](#)

- The **6th World Urban Forum** on the topic “The Urban Future” in Naples in September 2012. The WUF is organized every two years by UN-Habitat and is the main international conference on cities and urban issues. AFD organized a workshop on the regeneration of poor neighborhoods, which gathered a hundred or so experts and, as the Secretariat of the French Alliance for Cities and Territorial Development (PFVT), set up the French Pavilion;
- The “**Cities and Climate Change**” **Summit** organized in Bogota in November 2012 with, in particular, the City of Bogota and the Andean Development Corporation (CAF). The aim was to scale up reflection and decision-making by Latin American political leaders on sustainable and solidarity-based cities. The Summit gave 15 new cities the opportunity to sign the Mexico City Pact and thus commit to implementing concrete mitigation and adaptation actions in urban areas;
- The **Conference of the Parties of the Convention on Climate Change in Doha**, during which France formalized its proposal to host the Conference of the Parties in 2015, which is expected to conclude the cycle of negotiations and decide on a distribution of international efforts in order to limit the increase in temperature and reduce carbon emissions;
- AFD participated in the process related to France’s assistance policy, particularly the **Conferences on Development** and International Solidarity. It involved a dialogue process with the main stakeholder groups from French society (national and European parliamentarians, locally elected officials, international solidarity and environmental organizations, migrants’ associations, trade unions) on the priorities, methods and accountability for France’s policy in this area. The Conferences were closed by the French President on 1 March 2013. Five workshops were set up and they all clearly either directly or implicitly focused on (i) the “sustainability” and durability of development and (ii) governance:
 - *What is our vision of development beyond 2015, the target date set by the UN for achieving the Millennium Development Goals?*
 - *How can we improve the effectiveness and transparency of aid?*
 - *How can we increase the coherence of public policies to promote development?*
 - *How can we strengthen the partnerships with non-governmental development and international solidarity actors?*
 - *How are innovation and research included in development policies?*

[Find out more about AFD’s participation in the Conferences on Development Conferences on Development and International Solidarity portal](#)
- In September 2012, AFD participated in a conference organized by **Convergences 2015**, a major European platform for reflection that aims to decompartmentalize public, private and solidarity spheres in order to more effectively reduce poverty in the world. The purpose of the association is to promote an economy oriented towards a greater social impact. It benefits from AFD’s technical and financial support.
- The **9th EUDN Conference** (26 March 2012), organized by AFD and the EUDN network was on the topic “Evaluation and its Discontents: Do We Learn from Experience in Development?” The European Research Development Network (EUDN) came into being through a joint initiative of the European Commission and World Bank in 2000 to launch a European network of renowned economists, similar to the Global Development Network (GDN) created by the World Bank in 1999. This network currently has 63 full members and 21 associate members. For about ten years now, AFD and EUDN have been co-organizing an annual high-level conference gathering renowned experts from academic circles, the political sphere in the field of finance, and civil society to discuss a core topic related to sustainable development;

[Find out more about the EUDN conferences](#)

- **Feedback and debates in Cotonou on the mid-term evaluation of Benin's Ten-year Education Sector Development Plan** (PDDSE 2006-2015), defined by the Government of Benin, the Ministry of Foreign Affairs of Denmark (DANIDA) and AFD;
- **Conference on the links between climate change and migration** (Paris, 13/14 June 2012), organized by IDDRI. The conference presented the results of research conducted by the World Bank and AFD on the impact that climate change has on population displacements in five countries in the Middle East/North Africa region: Algeria, Egypt, Morocco, Syria and Yemen;
- **Symposium on the topic "The International Labor Market and Exclusion of Farm Workers"** (16 October 2012), organized by GRET, the Agricultural Research Centre for International Development (CIRAD), the Economic, Social and Environmental Council (CESE) and AFD;
- **Workshop "Community Mental Health"**, organized by AFD and Handicap International (22 November 2012);
- **Seminar on Institutions, Governance and Long-term Growth** (November 2012);
- **Symposium on "Food Safety and the Organization of Industries in Developing Countries"**, organized by AFD, INRA – Food and Social Sciences Unit (Aliss) and their partners, particularly the University of Bologna (Italy) (Paris, 14 December 2012).

[Find out more](#)

4.4.3. Raising awareness of development

AFD has a role to play in informing citizens about development assistance. The IFOP/AFD poll has been highlighting the expectations of the French on this topic of development assistance for several years now. Awareness-raising and education also require setting up interactive communication to allow citizens to express their expectations, their vision and their fears in this field. AFD has launched a debate forum initiative for this purpose.

Development stakeholders' views:

Conferences on Development

Laurence RIGOLLET – representative of EDUCASOL:

"[Development education] must be included in the fundamental mission of schools (teacher and student training) and relations between education staff and NGOs must be promoted. Other countries (Spain, Portugal, Poland), which are however not among the best pupils for ODA, have launched a development education strategy and raised their budgets in order to move closer to the UN recommendations (which call for a percentage of 3% of ODA to be earmarked for development education)."

Mathilde DUPRE – CCFD Terre solidaire:

"Accountability is not just towards parliamentarians or citizens, it must also be towards our partner countries. [Official Development Assistance actions] should plan communication activities in beneficiary countries with the beneficiary countries."

AFD organized three debates as part of the **civil dialogue** on the topic: "What lessons can be learned from good development assistance practices?": "Territorial development?", "What lessons for education?", "What lessons for access to healthcare?". The aim of these debates is to discuss AFD's achievements and the achievements of all the stakeholders involved in development assistance (from individual actions by citizens to the larger programs of NGOs, regional and local authorities, etc.), thus playing a unifying role in development assistance.

AFD successfully organized its **regional forums** as part of its "**Objectif Développement**" photo exhibition tour, which aims to explain how AFD works with its main partners in territories. The exhibition also provided the opportunity to set up events led by AFD and provided a structure for our partners from local authorities and NGOs to organize their own civil dialogue events,

with the aim of highlighting their international solidarity activities. These events were in the form of:

- (i) “Conferences-debates” and “screenings-debates” on topics selected with partner cities and involving AFD experts;
- (ii) “Development cafés”, which involve meetings between AFD officers, NGOs and the general public. This process facilitates constructive dialogue and the sharing of knowledge and ideas, with the aim of developing a common vision. Participants sit around tables in small groups and debate a question or topic, combining reflection and conviviality, as well as differences of opinion and controversy;
- (iii) “Forum theaters”, which involve realistic theater where actors and spectators intermingle. Participants face real and complex situations, which are acted and reinterpreted, allowing everyone to appropriate the issues and empathize with the actors and what they represent. Everyone has the opportunity to propose their own elements to resolve situations.

This tour followed in the footsteps of the photo exhibition and the debate organized on a wide range of issues and went to the South for the very first time.

In 2012, 16 “**Ideas for Development**” conferences were held at AFD and addressed issues that are strategic for AFD (agriculture, biodiversity, environment, health, education, private sector...). The speakers were from both AFD (CEO, members of the Executive Committee and Management Committee, experts from departments working on strategy, macroeconomic analysis and country risks, agriculture, rural development and biodiversity, transport and sustainable energy, education, Latin America and Caribbean, as well as experts from Proparco) and external (notably the Minister for Development, the Director of the Directorate General of Global Affairs of the Ministry of Foreign Affairs, Senator Yvon Collin, the Minister of Education of Burkina Faso...). They thus put the spotlight on AFD’s experts and supervisory authorities, as well as our partners from the North and South.

In 2012, AFD accompanied six journalists on a **press trip** to the Nairobi Heart and Cancer Center, a referral health center for cancer and cardiology, the first of its kind in Sub-Saharan Africa. It was built as an extension to the Aga Khan University in Nairobi. The Heart and Cancer Center was largely financed by a loan from Agence française de développement: EUR 27m, with a 20-year maturity.

In November and December 2012, Agence Française de Développement broadcast 17 **short programs** called “Les Outre-mer en mouvement” (the French Overseas Provinces in Motion) on the channels of France Télévisions. These one-minute programs are based on testimonies from overseas France. The aim of this public communication operation was to give a voice to actors from overseas France and show the difficulties they face and the solutions they provide. The overall objective was to change perceptions and give a different image of the overseas provinces by showing innovative projects.

Finally, in 2012, two **Partnership** Framework Agreements were signed and the partnership was continued with the association Eco-Maires for the participation on the jury of the “Les Outre-mer durables” (Sustainable Overseas France) competition. The first partnership was signed in July 2012 with **France Nature Environnement**. It concerns biodiversity in overseas France and aims to (i) foster dialogue between regional and local authorities and local nature conservation and environmental associations on the topic of biodiversity, in order to raise the awareness of public authorities; (ii) coordinate the climate change adaptation actions of regional and local authorities with the initiatives of local associations; (iii) get associations to extend their expertise towards neighboring developing countries. The second partnership was signed in October 2012 with the **National Union of Community Centers for Social Action (UNCCAS)**. It concerns support for social cohesion in overseas France and provides for three types of action: identify social needs *via* regional diagnostics, exchange methodological tools and experience sharing.

As part of National Youth Day, AFD organized the **“The Major Forum on Citizenship and Development”**, an event gathering secondary and high school students and AFD experts on the topic of the eight Millennium Development Goals. The main objective was to establish a dialogue between AFD experts and the invited students, discover projects that have already been set up in certain schools, give a voice to the young generation and raise their awareness of the MDGs. AFD’s participants were actively involved by giving students a few clues for the work they were given to do, then answering their questions during the morning.

Building on the widely successful **photo competition** launched in 2011, AFD renewed this operation in 2012 on the topic “Cities and People”. This competition for amateur photographers has its own special website www.objectif-developpement.fr and is combined with an online communication campaign. The success of the competition is largely due to the high-quality partnerships (media and well-known brands), which give credibility and legitimacy to the operation.

2012 results and progress to be achieved:

2012 results: An “Objectif Développement” photo exhibition, 10 regional forums, a press trip on a development project (Heart and Cancer Center in Kenya), 16 Ideas for Development conferences, 17 short programs on overseas France broadcast on France Télévisions, two partnerships to promote dialogue in overseas France, a “Major Forum on Citizenship and Development”, targeting a young public, and a photo competition on the topic “Cities and People”.

Progress to be achieved in 2013: The target of French citizens, particularly young people, will be maintained, but communication and dialogue with the beneficiaries of our actions will be scaled up.

5. Reporting method

✓ *Determination of reporting content*

AFD's social responsibility report aims to give clarity to the institution's in-house operating method and operational activities, to make the continuous improvement process for the institution's social responsibility (CSR) transparent and to provide a basis for responses and dialogue for those interested in its activity.

In this respect, a dialogue on the 2011 CSR report was organized with stakeholders, such as Coordination Sud and the Ministry of Foreign Affairs. 250 officers also answered an opinion survey based on the document. More generally, this 2012 CSR report has taken account of the questions and expectations towards AFD expressed by development stakeholders, especially during the Conferences on Development and the Convergence Forum.

AFD's report has been prepared in line with the technical frameworks of the Global Reporting Initiative (GRI 3.1), ISO 26000 and the Global Compact, in order to meet the CSR transparency and responsibility requirements set out by its stakeholders.

✓ *Scope and period of reporting*

The scope of the reporting comprises the parent company, AFD, and its majority-owned subsidiary Proparco. These entities account for 99% of the total balance sheet and consolidated net banking income. In cases where an indicator does not cover the entire scope of the reporting, the scope presented is specified and the reason why the publication is incomplete is explained.

Reporting is conducted once a year. AFD Group's first social responsibility report was published last year and concerned 2011. The 2012 report covers the period from 1 January to 31 December 2012. In cases where data has not yet been calculated for 2012 (*e.g.*: the carbon footprint for agencies), the quantitative data for 2011 are given. This report also includes some noteworthy achievements (qualitative data) from the beginning of 2013.

There has been no significant change in the reporting scope, period and methodology compared to the previous period.

✓ *Methodology for conducting reporting*

The qualitative and quantitative data contained in this report have been collected and consolidated in accordance with the Group's current administrative procedures. The data provided have been established on the basis of exchanges with the CSR reference persons from the different departments and using various documents (notes, reports, evaluations, etc.). Follow-up dashboards are used to trace and consolidate the data submitted.

✓ *Scope, periods, methodologies for quantitative reporting concerning:*

- [Assessment of the environmental and social risks of projects;](#)
- [Climate activity;](#)
- [In-house environmental responsibility;](#)
- [In-house social responsibility.](#)

✓ *Reporting media*

For greater readability, the 2012 CSR report is based on three formats:

- 1) A 100-page PDF file;
- 2) The "AFD" column on AFD's website.

The social responsibility report can be read in conjunction with the annual report, which is mainly intended for the general public, and the "Registration Document", which is intended for financial markets. The Registration Document contains all the extra-financial data required by

French law (“New Economic Regulations Act”, amended in 2010 and “Grenelle 2 Act”) on social issues. Reflection will be conducted on the integration of these various documents in 2013.

✓ **GRI grid**

[Download the GRI grid](#)

✓ **Verification of reporting**

According to the evaluation methodology recommended in the GRI application guide, the self-evaluation of the Group’s 2012 reporting gives the level of application an A+ rating. The verification of the process conducted by an independent third party in October 2013 confirms that rating.

✓ **Contact details for further information**

Louise de La Forest; delaforestl@afd.fr; tel.: +33.(0)1.53.44.47.36, 5 Rue Roland Barthes, 75598 PARIS CEDEX 12.



ATTESTATION DE VERIFICATION DE L'APPLICATION DU CADRE GRI POUR LE REPORTING RSO 2012 DE L'AGENCE FRANCAISE POUR LE DEVELOPPEMENT

À l'attention de la Direction générale

À la suite de la demande qui nous a été faite et en notre qualité d'Organisme Tiers Indépendant (OTI) de l'Agence Française pour le Développement (AFD), nous vous présentons notre conclusion sur la prise en compte par l'AFD des lignes directrices de la Global Reporting Initiative (GRI) pour l'élaboration de son Reporting RSO 2012. Le contenu de la reddition faite par l'AFD s'articule sur plusieurs supports complémentaires : un document PDF d'une centaine de pages, la rubrique « l'AFD » du site Internet de l'AFD, les rapports annuels et documents de référence 2012 de l'AFD et de Proparco.

Responsabilité de l'AFD

Il appartient à la Direction générale de l'AFD de rendre compte de son engagement RSO en présentant tous les éléments d'information requis par le cadre GRI 3.1 relatifs au profil de son organisation, à son approche managériale ainsi qu'à ses indicateurs de performance génériques et sectoriels. Une grille d'indexation du contenu (G3.1 Content Index – Financial Services Sector Supplement) disponible sur le site Internet de l'AFD identifie l'ensemble des éléments d'information présentés sur les différents supports.

Indépendance et système de management de la qualité

Notre indépendance en tant qu'organisme tiers vérificateur de reporting RSO est définie par les textes réglementaires français, par notre charte éthique, et par les dispositions prévues dans la norme internationale ISO 17020. En conséquence, nous avons mis en place un système de management de la qualité qui comprend des politiques et des procédures documentées visant à assurer la conformité avec nos règles déontologiques, les textes légaux et réglementaires français applicables en matière de vérification du reporting RSE et la norme ISO 17020.

Responsabilité de l'Organisme Tiers Indépendant

Il nous appartient, sur la base de nos travaux :

- d'attester que les éléments d'informations requis par la GRI sont présents dans le Reporting RSO 2012 ou font l'objet, en cas de présentation partielle ou d'omission d'un élément d'information, d'une explication et, le cas échéant, d'un engagement à présenter cet élément d'information dans un délai raisonnable ;
- d'exprimer un avis sur le fait que les éléments d'information présentés et la sélection globale du contenu du Reporting RSO 2012 rendent compte, de manière fiable et équilibrée, de la performance de l'AFD en matière de responsabilité sociétale.

Il est toutefois précisé que notre mission ne porte pas sur la sincérité des informations qualitatives et quantitatives présentées.



Diligences mises en œuvre

Nous avons apprécié le caractère approprié du Reporting RSO 2012 au regard de sa pertinence, son exhaustivité, sa neutralité et sa clarté en tenant compte des avis exprimés dans les rapports des cabinets et agences externes Ernst&Young, Vigeo et Oekom, ainsi que dans l'enquête interne menée par l'AFD auprès de ses collaborateurs.

Nous avons vérifié l'existence d'un processus de collecte, de compilation, et de traitement, visant à l'exhaustivité et à la cohérence des Informations au regard du cadre de la GRI. Au niveau de l'entité consolidante, nous avons mené des entretiens auprès des personnes responsables du reporting RSO afin de vérifier, sur la base de sondages et d'analyse de documents, l'application des règles méthodologiques précisant le contenu attendu du reporting, les périmètres, périodes et méthodologies des indicateurs quantitatifs, et les supports de reporting utilisés.

Nous avons comparé les Informations présentées dans le Reporting RSO 2012 avec la liste de celles qui sont requises pour la conformité au cadre de la GRI. Nous avons vérifié que les Informations couvrent le périmètre consolidé du groupe AFD. En cas d'omission de certaines informations consolidées, nous avons vérifié que des explications sont fournies. Sur la base de ces travaux, nous attestons de la présence dans le Reporting RSO 2012 des Informations requises.

Nous tenons à souligner que, du fait des limites inhérentes à la vérification, ainsi que de celles inhérentes au fonctionnement de tout système de reporting et de contrôle interne associé, le risque de non-détection d'une anomalie significative ne peut être totalement éliminé. Pour les mêmes raisons, nous ne pouvons pas donner l'assurance que toutes les déficiences majeures dans le système de reporting auront pu être identifiées.

Conclusion

Sur la base de nos travaux, nous n'avons pas relevé d'anomalie significative de nature à remettre en cause l'obtention du niveau d'auto-évaluation A+ défini dans les lignes directrices de la GRI v3.1.

Commentaire sur le processus de reporting

Sans remettre en cause les conclusions de nos travaux exprimées ci-dessus, nous attirons votre attention sur la nécessité de poursuivre les travaux engagés en 2012 de formalisation du processus de reporting des informations sociales, environnementales et sociétales.

Paris, le 8 octobre 2013


Gérard SCHOUN



191 rue de Vaugirard - 75738 PARIS Cedex 15
Tél. 01 45 66 99 44 - Fax 01 45 67 90 47
APE 7022Z - RCS Paris 750 965 006
FR 93 750 965 006
SAS au capital de 26 000 €



Déclaration GRI Vérification du Niveau d'Application

GRI certifie par la présente que **Agence Française de Développement** a présenté son rapport "Reporting RSO 2012" au Service Rapports du GRI qui en a conclu que le rapport remplit les critères correspondants au Niveau d'Application A+.

Les Niveaux d'Application GRI indiquent dans quelle mesure le contenu des Lignes directrices G3.1 a été appliqué dans le rapport de développement durable soumis.

La Vérification confirme que le type et le nombre d'informations qui correspondent à ce Niveau d'Application ont été traités dans ce rapport et que l'Index du contenu GRI a démontré une représentation valable des informations requises, comme décrites dans les Lignes directrices G3.1 du GRI. Pour la méthodologie, voir www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Les Niveaux d'Application n'informent pas sur la performance développement durable du rédacteur, ni sur la qualité des informations contenues dans le rapport.

Amsterdam, 4 Novembre 2013

Nelmara Arbex
Directrice générale adjointe
Global Reporting Initiative



Le "+" a été ajouté à ce Niveau d'Application car Agence Française de Développement a soumis (une partie de) ce rapport pour vérification externe. GRI respecte le jugement du rédacteur concernant le choix des auditeurs externes et la portée de la vérification.

Le Global Reporting Initiative (GRI) est une organisation basée sur un réseau, il était pionnier dans le développement du cadre de reporting développement durable le plus appliqué dans le monde, et il s'est engagé à l'améliorer en continu et à inciter son application dans le monde entier. Les Lignes directrices GRI détaillent les principes et les indicateurs que les organisations peuvent utiliser pour mesurer et rendre compte de leur performance économique, environnementale et sociale. www.globalreporting.org

Clause d'exclusion: Lorsque le rapport développement durable contient des liens externes, y compris du matériel audiovisuel, cette déclaration couvre uniquement le matériel soumis à GRI à la date de la vérification, le 24 Octobre 2013. GRI exclut explicitement tout changement qui a été apporté à ce type de matériel ultérieurement.