



AGENCE FRANCAISE DE DEVELOPPEMENT BIODIVERSITY MAINSTREAMING

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#WorldInCommon

AFD Group activity 2023 in brief

11.4

BILLION EUROS

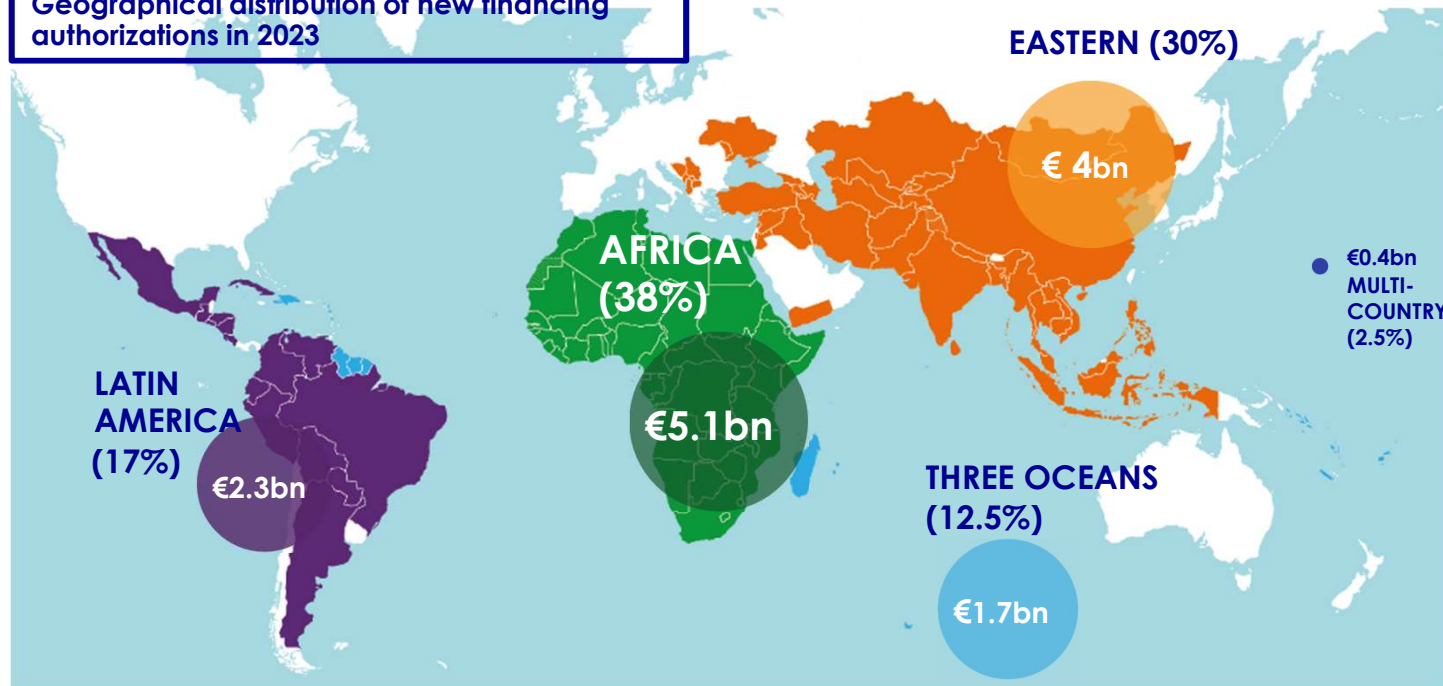
volume of new
projects signed by
the Group in 2023

A PRESENCE
IN MORE THAN

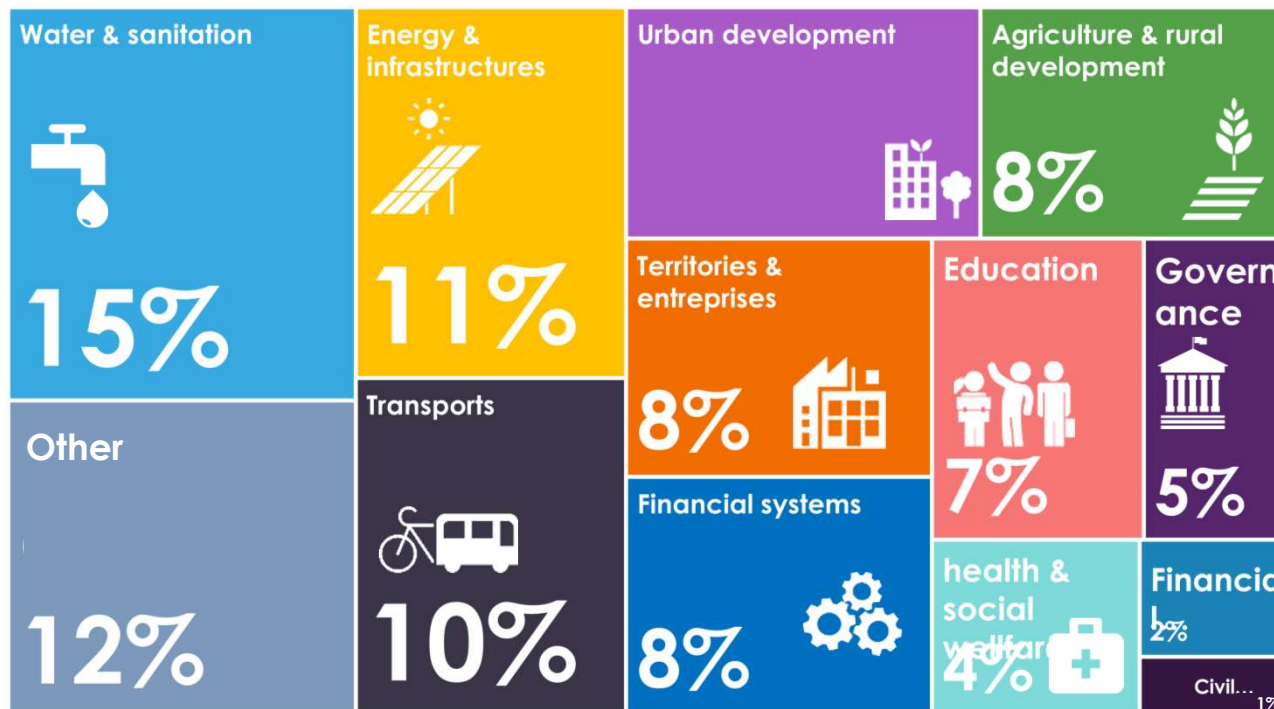
160

COUNTRIES
and 11 territories
and French overseas
departments

Geographical distribution of new financing
authorizations in 2023



Thematic breakdown of projects signed in 2023



1.3 million hectares benefited from marine and coastal biodiversity conservation/restoration programmes



33 million hectares benefited from terrestrial biodiversity conservation/restoration programmes

How biodiversity has been mainstreamed ?

Historic Evolution

- 1 **Financing conservation & Protected Areas**
- 2 **Integrating Environmental & Social risks analysis** – using WB ESS 6 since 2017
- 3 **Mainstreaming Biodiversity in all sectors**

Developing cross-cutting support teams

- 1 **E&S risk assessment** – from 1 in 1992 to 25 today
- 2 **Climate support** – from 1 in 2007 to 20 today
- 3 **Gender support** – from 1 in 2013 to 6 today
- 4 **Biodiversity support** – 3 today



Climate and
Nature have been
merged in a same
team

THE SUSTAINABLE DEVELOPMENT MECHANISM

Going beyond environmental and social safeguards










**AFD TOOL FOR
MAINSTREAMING
THE SDGS**

ANALYSIS SUMMARY GRID

**+ 6
detailed
analysis
grids per
dimension**

Available
online on
AFD
Website

PILLARS	DIMENSIONS	- 2	- 1	0	+ 1	+ 2	+ 3
PLANET	 BIODIVERSITY Conservation of biodiversity, management of ecosystems and natural resources	The project significantly deteriorates biodiversity and natural resources in the long term: it is likely to significantly alter critical habitats or to convert/ degrade natural habitats without compensatory measures	The project has residual impacts on biodiversity and natural resources: – it degrades modified habitats in the absence of mitigation measures; – OR it degrades natural habitats despite the definition of mitigation measures – OR it encourages practices that are harmful to biodiversity	The project has no negative impact on biodiversity and natural resources, nor does it identify opportunities to develop or improve the state of biodiversity or natural resources	A dialogue has been conducted with the project stakeholders on biodiversity conservation and/or sustainable natural resource management issues AND/OR the project has unintended and unproven positive impacts on biodiversity or natural resources	Contribution to biodiversity conservation or the sustainable management of natural resources is a secondary objective of the project	The project aims to structurally improve the state of biodiversity and/or ensure the ecological quality and sustainability of natural resources
	 LOW-CARBON Transition to a low-carbon economy	The project implies a long-term lock-in effect that jeopardises the relevance of using less carbon-intensive alternatives in its sector or implementing a low-carbon development pathway	The project is not consistent with the objectives of the country's climate policies or with the issues identified in the analysis of its low-carbon development strategy	After analysis, the project has no impact on change levers but remains consistent with a low-carbon development pathway	The project is aligned with the country's climate challenges and contributes to a low-carbon economy through its action on at least one of the following levers: (i) technical measures; (ii) mobilisation of financial and private actors; (iii) impact on public policies	The project contributes significantly to a low-carbon economy through its action on at least two of the following levers: (i) technical measures; (ii) mobilisation of financial and private actors; (iii) impact on public policies	The project structurally contributes to the country's low carbon development pathway through its action on all the levers of change: (i) technical measures (ii) mobilisation of financial and private actors; (iii) impact on public policies
	 RESILIENCE Resilience to climate change	The project is not consistent with the adaptation objectives of public policy and locks the country into a non-climate resilient development pathway	Two scenarios: 1) The project is not consistent with the objectives of adaptation of public policies AND may significantly increase the climate risks of the area; OR 2) the project is exposed to significant climate risks or the project holder is exposed to physical risks, without adaptation measures being taken to address them	The project and its impacts on the sector/ ecosystem/ territory are not exposed to significant climate risks but remain consistent with the adaptation objectives of national public policies (sectoral strategies, development plans, etc.)	The project is adapted: it takes the climate risks identified in the project intervention area into account ["project adaptation"], in its design and implementation (or in its procedures), in line with national adaptation policies or issues	The project is adapted: - it has taken climate risks into account in its design and implementation (or in its procedures), in line with the adaptation priorities of public policies; – AND it has an impact on the transition of sectors / industries and/or territories towards development methods that are more resilient to climate change ["adaptation through the project"] – OR it allows for capacity-building actions to reduce significant climate risks for the project / industry	The project has a structuring effect on the country's climate-resilient development trajectory, in line with public policy adaptation priorities, by activating the three levers below: (i) it is adapted; (ii) it reduces climate risks for sectors/ industries and territories or provides for capacity building actions that reduce climate risks; (iii) it is transformational or integrates uncertainty
HUMAN	 SOCIAL Social well-being: reducing inequalities and fostering inclusion	The project reinforces inequalities and exclusion or discrimination against one or more groups	The project presents an uncontrolled risk of deteriorating living conditions, access to essential services, opportunities, or income	The project has no significant impact on social well-being (reduction of inequalities and inclusion)	The project improves living conditions through actions on access to essential goods and services, opportunities or income, and has been the subject of a dialogue with counterparts on the integration of vulnerable populations among the beneficiaries	One of the expected effects of the project is to contribute to the reduction of multidimensional inequalities and to strengthen inclusion	The main objectives of the project are to reduce multidimensional inequalities (targeting the lowest 40% of income earners in particular) and to strengthen inclusion
	 GENDER Gender equality	The project presents a significant risk of increasing inequalities between women and men	The project presents an opportunity to reduce gender inequalities, but no dialogue or measures have been initiated that would lead to continued inequalities	After analysis and dialogue, the project does not present a significant gender equality issue	The needs and interests of women and men have been assessed and discussed with the counterpart(s), leading, where possible, to specific measures	The secondary objective of the project is contributing to empowering women and reducing gender inequality	The empowerment of women and structurally improving gender equality is one of the main objectives of the project
ECONOMY & GOVERNANCE	 ECONOMY Sustainable and resilient economy for people and the planet	The project may weaken the economy by promoting an unsustainable and non-resilient growth model	The project may weaken the company/entity in charge of the project OR encourage the continued use of unsustainable production and consumption patterns	The project has no effect on the sustainability and/or resilience of the economy	The project contributes to improving the social and/or environmental impact of the economic model (competitiveness, creation of decent jobs, efficiency in the use of resources)	The project makes a substantial contribution to the transition to a more sustainable and resilient economy, capable of meeting future challenges (demography, resource depletion, climate, etc.)	The project introduces structural changes in economic development models to ensure human development within ecological limits
	 GOVERNANCE Long-term project impact and governance framework	The project is not in line with the institutional environment (legislative and normative framework) OR is in contradiction with one of the governance sub-criteria supported by AFD OR the project set-up does not take the State's regulatory role into account	The weaknesses of the project have not been sufficiently addressed, putting the sustainability of the project at risk OR despite the measures foreseen, the context makes it impossible to ensure the sustainability of the project	After analysis, the sustainable impacts of the project cannot be determined: – no impact on the governance framework – lack of a monitoring and evaluation plan, recurrent costs, exit strategy	The sustainability of the project's impacts was taken into account in the project design (human resources, project management funding, monitoring and evaluation tools, technical assistance) including committed selected stakeholders (steering groups, monitoring committee)	The project foresees lasting impacts on the institutional framework via decision-making methods (consultation and participation), information and transparency	The project foresees significant impacts on one or more structural areas of governance (taxation, rule of law, human rights, citizen participation, governance of the commons, etc.).

Negative and neutral ratings: “Do No Harm”



- 2

Significant and long-term degradation:

- potential damage to **critical habitats** or
- conversion/deterioration of **natural habitats without compensatory measures** to achieve **no net loss**

- 1

Residual impacts, degradation of:

- **habitats modified** in the absence of **compensatory measures to achieve no net loss**, or
- **natural habitats** despite the definition of mitigation measures, or
- **encouraging practices harmful** to biodiversity

0

No negative effect and **no opportunity to enhance or improve** the state of biodiversity or natural resources

Elements to be taken into account in the instruction



- E&S studies to **World Bank standards**
- **If risk to critical habitat: expert consultant** study
- **Avoid, reduce, compensate** for negative impacts (RESO approach)
- **Targets of the Global Biodiversity Framework**



Positive ratings

+ 1

Dialogue with the project owner on the preservation of biodiversity and/or sustainable management of natural resources **and/or positive unintended and unproven impacts**

+ 2

Secondary objective: contribute to the preservation of biodiversity or the sustainable management of natural resources

+ 3

Main objective: structurally improve the state of biodiversity and/or ensure the ecological quality and sustainability of natural resources



Elements to be taken into account in the instruction

- Positive impact **without objective or dedicated monitoring and evaluation**

- **Inventory & improvement targets**
- **Indicators & targets** in the logical framework (direct or indirect effect)
- **Scheduled** evaluation
- **Nature Based Solutions**

- **Inventory & structural improvement targets**
- **Mechanism promoting the sustainability of positive impacts** (inclusion of communities, institutional sustainability, financial security)

TRACKING FINANCE BIODIVERSITY



Principle 1:
SELECTIVITY AT THE
ENTRANCE OF
BIODIVERSITY
FINANCE

1. DD RATING

OECD DAC
Correspondence

2. CO-BENEFIT
RATING

Accounting
matrix 2.0.

3. FINANCIAL
WEIGHTING

BIODIVERSITY
FINANCE

Principle 2:
CO-BENEFIT
WEIGHTING BASED
ON ESTIMATED
PROJECT IMPACTS

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BIODIVERSITY CO-BENEFIT ACCOUNTING MATRIX

Action lever	Weight ratio %	Leading cause of deterioration
1 - Protection and conservation of ecosystems and species	100	Net loss of natural habitats
2 - Restoration of terrestrial and marine ecosystems	80	Ecosystem degradation
3 – Integrated development of rural and urban areas	60	Fragmentation
4 – Governance and Policy	50	Weak governance of biodiversity
5 – Sustainable Management of Natural Resources	40	Overexploitation of resources and pollution
6 – Local Ecological Efficiency	20	Cumulative chronic pressures

- 3 levers for conservation, 3 for mainstreaming
- Weighting of co-benefits according to the estimated impacts of the project
- The rate is applied to the total amount of the commitment
- A detailed grid + sectoral variations
- A pragmatic approach for a small team
- A dedicated space in our Information System

BIODIVERSITÉ

Biodiversité

Océans

Finalité Biodiversité

% biodiversité

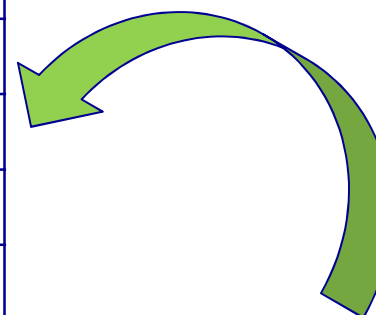
Qualification biodiversité

- mise en place d'un système de collecte et de traitement à l'échelle de la zone (collectif + individuel) = moindres impacts sur les milieux récepteurs (golfe + foyers lake) attendus

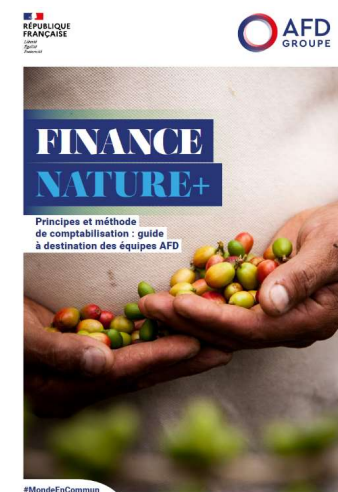
- projet adossé SD + faisabilité

Validation par l'expert biodiversité ☒ Validé le 22/09/2022 par CHABROL - Romain

Action lever	Discount rate %	Leading cause of deterioration
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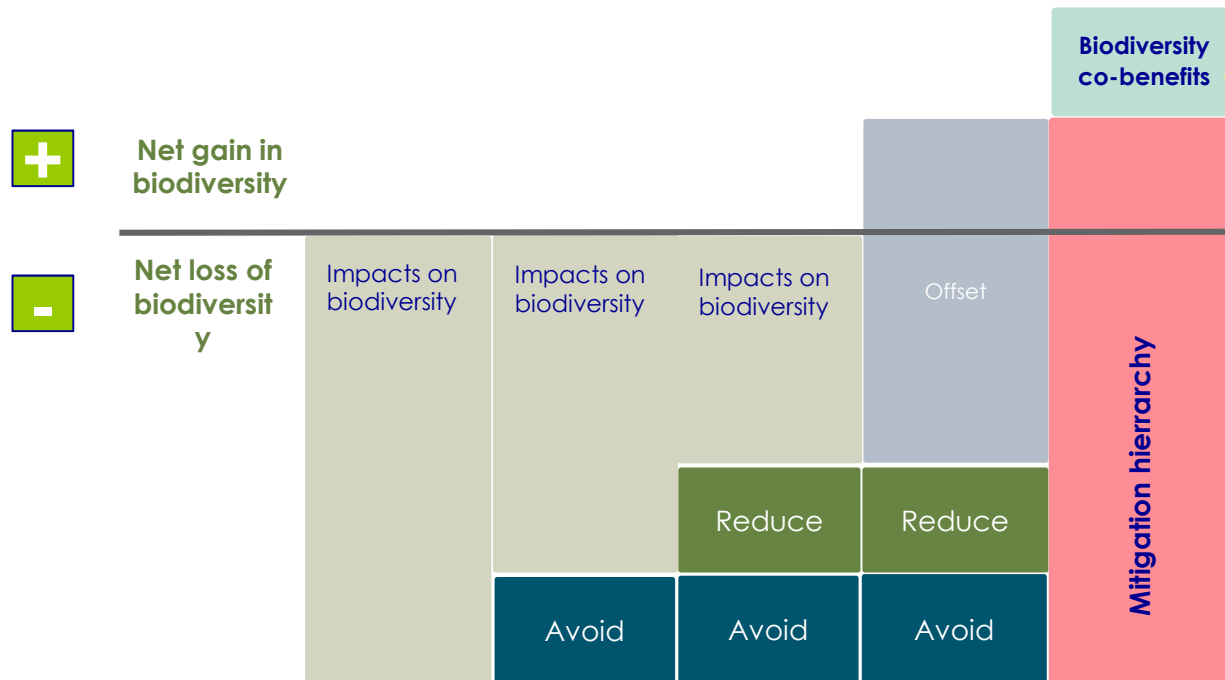


An accounting method based on the grid of selectivity, applied to projects rated +2 or +3 according to the DD analysis on the Biodiversity axis



	- 2	- 1	0	+ 1	+ 2	+ 3
 BIODIVERSITÉ Préservation de la biodiversité, gestion des milieux et des ressources naturelles	Le projet dégrade la biodiversité et les ressources naturelles de façon significative et à long-terme : il est susceptible de porter atteinte à des habitats critiques ou il convertit/détériore des habitats naturels sans mesures compensatoires	Le projet a des impacts résiduels sur la biodiversité et les ressources naturelles : – il dégrade des habitats modifiés en l'absence de mesures d'atténuation ; – OU il dégrade des habitats naturels malgré la définition de mesures d'atténuation – OU il incite à des pratiques dommageables pour la biodiversité	Le projet n'a pas d'effet négatif sur la biodiversité et les ressources naturelles et n'identifie pas d'opportunité de valorisation ou d'amélioration de l'état de la biodiversité ou des ressources naturelles	Un dialogue a été mené avec la maîtrise d'ouvrage sur les enjeux de préservation de la biodiversité et/ou de gestion durable des ressources naturelles ET/OU le projet a des impacts positifs non intentionnels et non démontrés sur la biodiversité ou des ressources naturelles	Le projet a pour objectif secondaire de contribuer à la préservation de la biodiversité ou à la gestion durable des ressources naturelles	Le projet a pour finalité d'améliorer structurellement l'état de la biodiversité et/ou d'assurer la qualité écologique et la pérennité des ressources naturelles

The ERC sequence vs biodiversity co-benefits



The co-benefits are separate from the ERC sequence

Compensatory measures ARE NEVER Biodiversity co-benefits

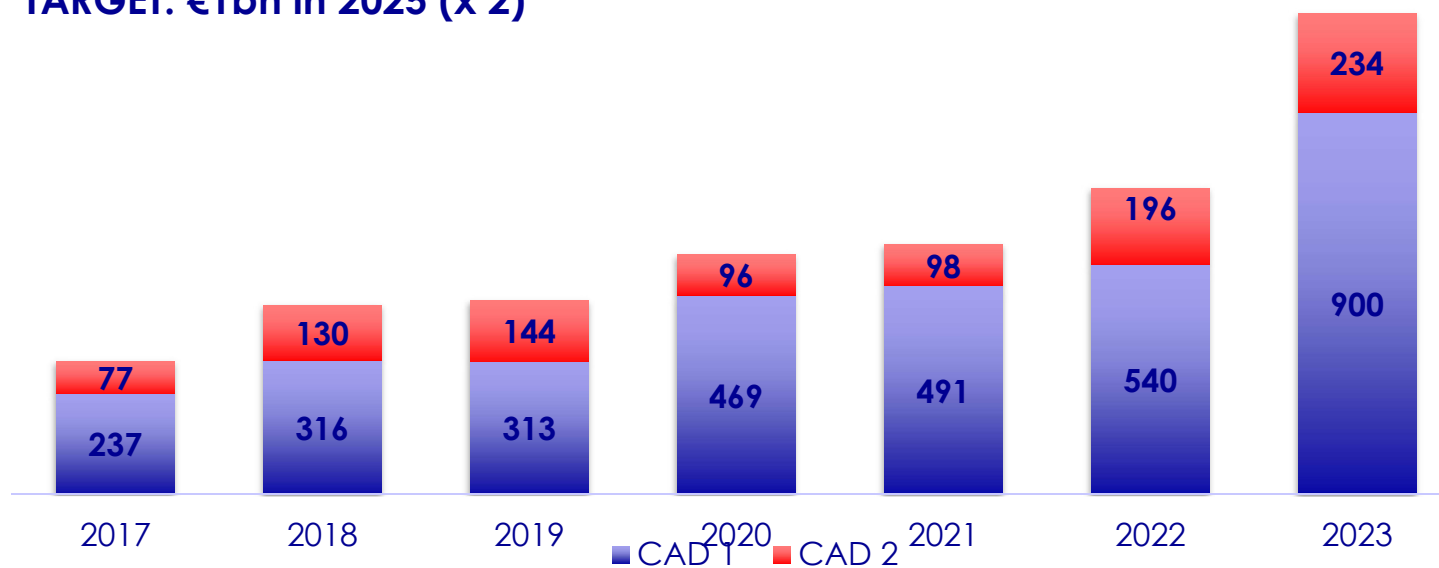
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BIODIVERSITY FINANCE/ NATURE + 2023



€1134 MILLION, cad 9.4% of AFD's total activity

TARGET: €1bn in 2025 (x 2)



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THANK YOU FOR YOUR ATTENTION
AND READY FOR QUESTION



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