



— Eurasia

Regional Strategy
2020-2024

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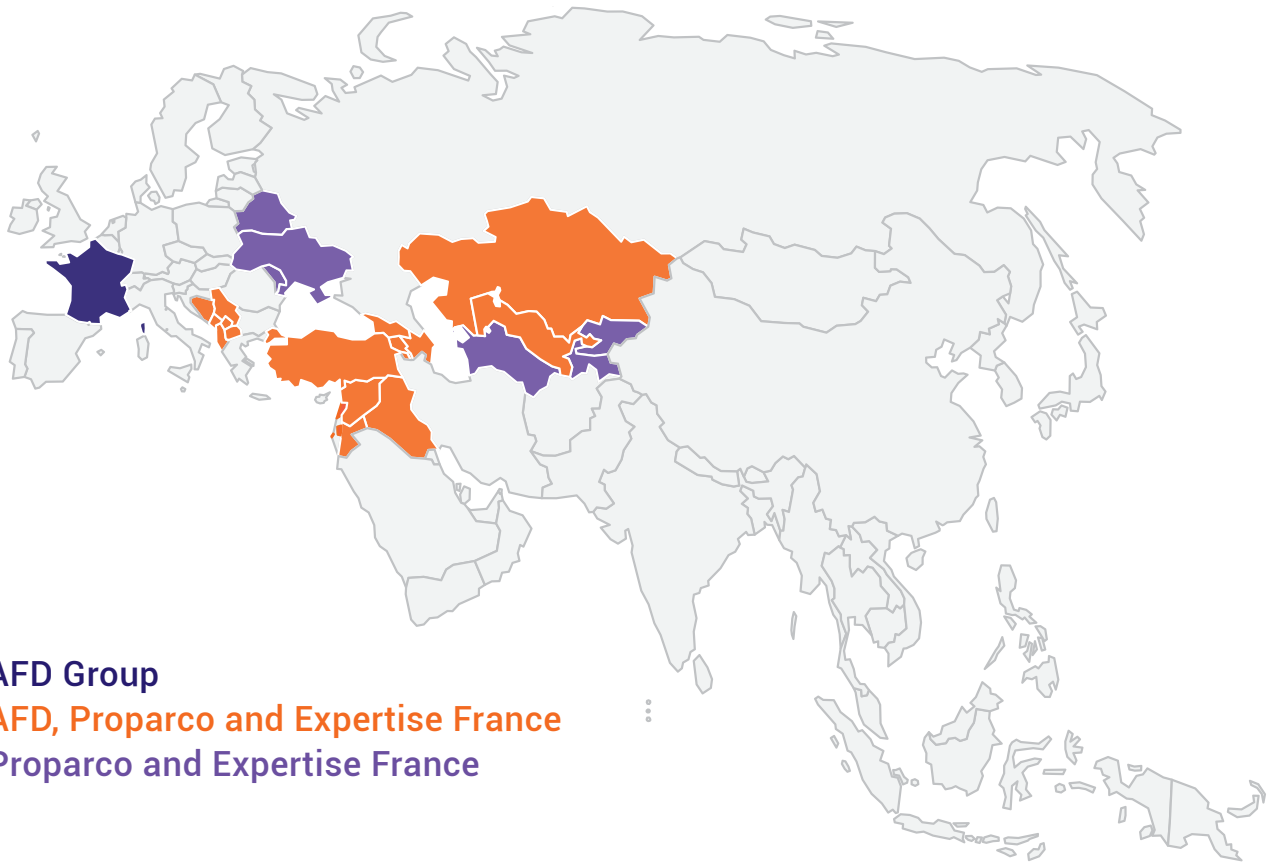




INTRODUCTION

Since 2018, AFD has restructured its network into 17 Regional Offices (ROs). The twofold rationale for this change is to promote efficiency gains (deconcentration, pooling) and to strengthen AFD's commitment to regional affairs.

The Eurasia RO is part of AFD Group's regional development platform and has been based in Istanbul since September 2019. It incorporates four AFD agencies (Belgrade, Istanbul, Tbilisi, Tashkent) covering twelve countries (indicated in orange on the map below). Together with Proparco and Expertise France, AFD Group as a whole is able to operate in 18 countries in the region (shown in orange and purple below). The activities and prospects associated with these operations vary according to country contexts.



This document outlines AFD Group's strategy in the region covered by the Eurasia RO for the 2020-2024 period. The strategy seeks to better respond to regional issues and dynamics, and to coordinate AFD Group's approach in the countries of the region. The RO's mission is to implement the Group's strategy in the region in collaboration with the teams of AFD, Proparco – a subsidiary dedicated to the private sector, and Expertise France – responsible for technical cooperation.

This strategy is based on extensive consultations and has been discussed with French ministries and representations in the countries concerned. It sets out the priorities of the French development policy – defined by the Interministerial Committee for International Cooperation and Development (CICID) and adopted by the AFD Group Strategy 2018–2022 – to support the Sustainable Development Goals and the Paris Agreement.

This strategy indicates the primary thrust of actions envisaged in each country. It will be monitored and can be reviewed before the end of term (2024) depending on the dynamics of various contexts and intervention mandates.

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1.

CONTEXT, CHALLENGES AND OVERVIEW OF THE EURASIA REGIONAL OFFICE

1.1. DYNAMICS AT WORK

Extending from the borders of the European Union to Central Asia, the territory covered by the Eurasia Regional Office is notable for its vast geographical scope. It comprises twelve countries in which AFD intervenes. These are grouped into four main subregions: the Western Balkans (Bosnia and Herzegovina, Serbia, Montenegro, Kosovo, Albania, North Macedonia), Turkey, the South Caucasus (Georgia, Armenia, Azerbaijan), and Central Asia (Uzbekistan, Kazakhstan).

Culturally and politically, the territory covered by the Eurasia RO is equally characterised by continuities and disruptions. This is a consequence of recent influences and legacies – events in the Soviet Union, Eastern Bloc, European Union, as well as more distant ones in the Austro-Hungarian Empire, Ottoman Empire, Persian and Iranian kingdoms and empires, Central Asian khanates – along with the fragmentation of more or less large ethnic groups between the different countries.¹

From a socio-economic perspective, the situation in each country is quite different. For instance, the Turkish economy was worth USD 744 billion (GNI) for 84 million inhabitants in 2018, while the cumulative GNI and population of the Western Balkans countries amounted to USD 113 billion for 18 million inhabitants. This compared with USD 77 billion for 17 million inhabitants in the South Caucasus. Central Asia, encompassing the richer Kazakhstan and the more populated Uzbekistan, had 51 million inhabitants for a GNI of USD 230 billion that same year. Variations are also significant in terms of development trajectories: four countries belong to the category of lower-middle income countries (LMICs) as defined by the DAC (Armenia, Georgia, Kosovo, Uzbekistan). The others are upper-middle income countries (UMICs). The gap between the highest per capita incomes (Turkey, at USD 9,610 in 2019) and the lowest (Uzbekistan with USD 1,800 per capita in 2019) is almost USD 8,000.² In addition, Albania, Georgia, Kazakhstan, Montenegro, Serbia and Turkey are situated between the 50th and 70th position in the UNDP HDI ranking, while Uzbekistan is trailing behind at the 108th place. Overall, this contextual diversity is visible in several socio-economic indicators, whether linked to the SDGs or not. These indicators include: share of the rural population (50% in Uzbekistan compared to 25% in Turkey); financial integration (71% of Serbs over the age of fifteen have a bank account versus 29% of Azeris); participation rate of women in the labour market (a real challenge in many countries of the region and foremost in Turkey with a mere 38% participation rate against 74% in Kazakhstan); etc. (see *Appendix 2 for more comparative data*). In spite of these considerable differences,

the countries covered by the Eurasia RO also face shared challenges, which are central to the establishment of more sustainable and more just development trajectories.

All the countries in the region are, to varying degrees, vulnerable to the same risks linked to climate change (floods, water shortages, landslides, extreme heat waves, wildfires). In addition, the most exposed sectors (agriculture and food security, water, health) are much the same across the countries of intervention.

Turkey (the world's 17th largest emitter), Kazakhstan (22nd), and Uzbekistan (37th) are major GHG emitters at a global scale. This is partly due to the size of their economy and their population, alongside their reliance on fossil fuels (90% of electricity production in Uzbekistan is fossil-based compared to 67% in Turkey). In addition, for Kazakhstan and Uzbekistan, high emissions are related to the high energy intensity of their development models.³ The most emissive sectors are industry, transport and housing, where problems of insulation and district heating are significant in dwellings built prior to the fall of the USSR. While fossil-rich countries remain largely dependent on these resources, those importing hydrocarbons have diversified their production to a greater extent thanks to renewable energies. In this mountainous region, hydropower plays an important role, accounting for 100% of electricity generation in Albania for example. However, overall, efforts to fight against climate change, promote low-carbon transition, and implement adaptation measures seem insufficient in all of these countries (see *Appendix 3 for detailed climate indicators by country*).

The countries in the region also face major demographic and migration challenges. The region covered by the Eurasia RO is one of AFD Group's only intervention areas in which the population is actually declining in certain countries as a result of low birth rates and high levels of emigration. This is especially true in the Western Balkans and the Caucasus – with the exception of Azerbaijan – where eight countries saw their total population decrease from 28.2 to 24.4 million inhabitants between 1990 and 2018. High emigration rates are also prevalent in Central Asia, but these have not resulted in decreasing populations because the phenomenon is countered by a higher birth rate. Turkey is faced with a major migration crisis given the influx of 3.6 million Syrians (amounting to 4.2% of the Turkish population) since the start of the civil war in Syria. And finally, countries in the region are all experiencing considerable levels of internal migration, with large-scale movements to rapidly developing urban centres.

¹ Proparco and EF can also intervene in six additional countries (Ukraine, Belarus, Moldova, Tajikistan, Kyrgyzstan and Turkmenistan).

² GNI/capita are those used by the World Bank, calculated as per the Atlas method.

³ In terms of energy intensity, Uzbekistan and Kazakhstan register levels five and four times higher than France respectively (see Appendix 3).

These challenges must be considered in a context of deep and continuous political and economic transitions at national scales (notably in Uzbekistan since 2016, and in the Balkans since the end of the 1990s). These ongoing shifts can be explained by the recent formation of the states in the region, with only two countries, Turkey and Albania, existing in their current form before the collapse of the Soviet Union in the early 1990s. They are also tied to the various stages of advancement towards membership or rapprochement with the European Union or with other actors proposing different normative frameworks such as Russia and China. These complex processes not only impact the domestic structures of these countries, but also influence the potential for cross-border and regional exchanges and collaboration – especially regarding the management of natural resources.

Due to its geographical position, the region is also at the centre of many structural connectivity initiatives (road, energy and digital) which are part of broader policies aimed

at projecting influence in the heart of the Eurasian space. China, with its Belt and Road Initiative (BRI), currently has the most ambitious and advanced programme, even if its implementation seems to have lost momentum in recent years. By investing in infrastructure projects in Central Asia, the Caucasus and the Western Balkans, Beijing is working towards developing several regional corridors that should ultimately facilitate trade within the region, as well as between China and the European economies. The Western Balkans, the Caucasus and Central Asia are subject to power struggles between: Russia – intent on preserving the positions acquired during the USSR era; China – as these countries form a key thoroughfare for its terrestrial silk roads; and the European Union – aiming to anchor these countries, especially in the Balkans, within the framework of their pre-accession. The EU is also pursuing a connectivity strategy between Europe and Asia, reinforced in 2018 and aimed at strengthening trade, energy, digital and human links between the two continents. The European vision adheres to a trajectory of economic, environmental and social sustainability.

1.2. POSITIONING OF AFD GROUP

AFD Group's action in the countries of the Eurasia region is informed by the Group's mandate and the development objectives outlined in this strategy and contributes to French influence. AFD Group seeks to exercise its development mission to serve the political and economic objectives of France's external action, in line with French strategies in the countries of the region, and consistent with requests expressed by the beneficiaries.

AFD Group's activity in the Eurasia region is characterised both by its recent development and by its organisation into subregions. While AFD has been operating in Turkey through its Istanbul branch since 2005, the other agencies and representative offices in the region are more recent and more regionally focused:

- The Tashkent agency, opened in 2015, covers Central Asia (Uzbekistan and Kazakhstan);
- The Tbilisi agency, opened in 2016, covers the South Caucasus (Georgia, Armenia and Azerbaijan);
- The Belgrade office, opened in September 2019, covers the Western Balkans (Serbia, Albania, Bosnia and Herzegovina, Montenegro, Kosovo and North Macedonia).

Between 2016 and 2020, the Group (AFD and Proparco) authorised financing of just over EUR 3.4 Bn in the region, with EUR 2.65 Bn coming from AFD and €0.76 Bn from Proparco. Almost 42% of these funds were channelled to

Turkey (close to 20% to Uzbekistan, and 18% to Georgia). AFD's non-sovereign activity, largely concentrated in Turkey via financing to banks and municipalities, represented 25% of approvals over this period. The territorial and ecological transition amounted to 39% of investments (mainly in rail transport, the environment, water and sanitation). The other transitions⁴ are approximately equally funded and each represented between 5% and 16% of financing. Significantly, 55% of financing presented climate co-benefits.

Given that the opening of the Belgrade office is recent, AFD Group's activities in the Western Balkan countries are still limited. However, the Group's activity will gain momentum in this region, which is engaged in a political, economic and social transition that is difficult but necessary if it is to realise its prospect of joining the European Union. This "European prospect" distinguishes the six Western Balkans countries from the other countries of the Eurasia RO region and forms an integral part of AFD's mandate in this region.

The project portfolio for all of the region's countries will be built up over the medium term. The Group's recent establishment in most of these countries presents a contrast with that of other bilateral and multinational donors, most of whom have been present in the Caucasus and the Balkans since the early 1990s, and some who have been operating in Turkey since the 1950s.

⁴ Economic and financial (16%), political and civic (14%), energy (14%), demographic and social (12%), digital and technological (5%).

From its regional office in Istanbul, opened in 2013, Proparco covers an area that includes Ukraine, Belarus, Moldova, Tajikistan, Kyrgyzstan, and Turkmenistan.⁵ Its strategic priorities are directed towards renewable energies and energy efficiency, financial inclusion as well as health and education. Proparco supports the private sector by mobilising all of its intervention instruments (loans, equity, guarantees, etc.).

Similarly, Expertise France is active throughout the region, mainly in the Balkans (with a focus on interventions that further EU objectives around gender, social inclusion, sustainable development), in Turkey (with projects linked to the refugee crisis), in the Caucasus (focused on social protection, pensions) and in Central Asia (with an emphasis on the fight against corruption). The European Union is EF's primary partner and source of funding in the region. The collaboration between Expertise France and AFD, already ongoing on projects in Albania, Uzbekistan, Georgia and Armenia, responds to a common resolve within the AFD Group.

In order to meet the expectations of the countries in the region and French strategic and diplomatic priorities, **AFD Group contributes to the fight against climate change and works towards more just and inclusive transitions**, in accordance with CICID's mandates.

Given its geographical proximity to Europe and to regions periodically torn between opposing development models (Russia, China, Europe), the region is particularly important to France's strategic and diplomatic interests in terms of its influence on economic, political, security and migratory matters. By promoting an alignment with European social, technical and environmental practices and standards, AFD's action intends to help improve the quality of the development processes.

To meet the French strategic priorities mentioned above, AFD Group is focusing on operations that offer prospects of economic influence (foreign trade, enhanced access to public and private decision-makers, factoring-in of competition with mainly Russian, Chinese or Turkish economic players). Its operations also promote political influence (governance, support for the EU accession process). They also aim to contribute to peace-building and human security, the protection of migrants and gender equality (Turkey, Azerbaijan, Albania, Georgia).

The support for ecological and socio-economic transitions that AFD wishes to provide for countries in the region is part of a de-siloed vision. By supporting a deep-seated and lasting transition, AFD is working on the social-environment nexus. AFD Group is positioned as a privileged partner to meet the high expectations of the countries in the region. It offers high-level technical expertise and seeks to involve the French ecosystem in its operations and promote a sustained public policy dialogue. AFD Group's ambitions, as well as the resources mobilised to achieve them, are detailed in the following sections.

⁵ In principle, Proparco's geographical area of intervention includes all countries eligible for ODA according to the list established by the OECD DAC.

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2.

**WHAT ARE AFD'S
PRIORITIES FOR ACTION
IN THIS REGION?**

AFD Group's priorities for action in the region are situated at the intersection between the major common issues identified in the region, the mandate given to the Group by the ministries, and our counterparts' needs. The Group is particularly committed to combating climate change, favouring a de-siloed approach linking the energy transition, the social transition, climate and biodiversity.

It will intervene along four axes:

- Resilience and urban adaptation
- Integrated and sustainable territorial management and preservation of natural resources
- Support for the energy transition
- Sustainable and inclusive economic and political models

These priority actions are not exclusive, as certain projects outside of this perimeter may be undertaken, particularly within the framework of partnerships (with Team France or other development actors).

As part of its 100% Paris Agreement commitment, AFD Group will ensure that each of its interventions is compatible with low-carbon and resilient development. It will also seek to maximise climate co-benefits so that they cover 70% of approved amounts over the period. Moreover, "climate" and "biodiversity" are closely linked. For this reason, AFD Group's action in the region will strive to maximise the biodiversity co-benefits of climate projects, and vice versa.

In line with its 100% Social Link commitment, the Group will strive to strengthen social ties, reduce inequalities, especially gender inequalities,⁶ and take into account the situation of vulnerable people (e.g., refugees).

These "climate" and "social" commitments are thus not exclusive – quite the contrary. AFD aims to combine these two objectives, addressing action whenever possible through concrete nexuses – such as social inequality and a good state of the environment, "One Health" approaches, or those combining emergency support with short- and long-term development.

2.1. RESILIENCE AND URBAN ADAPTATION

In response to the rapid urbanisation of the countries in the region, and in application of the Paris Agreement objectives, AFD Group will support **an integrated vision of the largest urban territories, but also of secondary cities, with the dual objective of sustainability and resilience to climate change.** By supporting land-use planning in these territories, the Group's action will help to strengthen urban infrastructure to meet an increased demand for public services. This will be carried out as soon as possible using green solutions. This could involve for example:

- an increase in the supply of public transport in cities (continued cooperation with the municipalities of Istanbul, Tbilisi, etc.),
- financing for institution building or drinking water infrastructure (Khashuri in Georgia), wastewater treatment (Uzbekistan), stormwater drainage and flood protection systems (Balkans),
- support for improving waste management and district heating (Samarkand and Tashkent in Uzbekistan),
- the fight against urban pollution, in particular air, water and soil pollution.

Designing cities with a view to their sustainability and resilience also means (re)defining regulatory frameworks and frameworks for managing the urban space. These should ensure sustainable improvements and embed reforms in a process of convergence with European standards, especially in the Western Balkans.

Transition ciblée : Transition territoriale et écologique.

PROJECT FOCUS: Waste from Samarkand (Uzbekistan)

Financed through a EUR 31.5 M project loan and incorporating delegated funds from the European Union, this is AFD's first intervention in the country. It aims to implement an integrated plan covering the entire waste cycle, with an emphasis on combating climate change, building local capacities and raising public awareness. The project is part of the national waste management strategy adopted by the country in April 2019.

⁶ In line with France's International Strategy for Gender Equality 2018-2022.

2.2. INTEGRATED AND SUSTAINABLE TERRITORIAL MANAGEMENT AND PRESERVATION OF NATURAL RESOURCES

Throughout the region covered by the Eurasia RO, AFD Group will encourage the **sustainable development and conservation of natural resources, thereby strengthening the protection of biodiversity and the fight against climate change**. The Group's action will focus on the following key areas: **forestry** (reforestation, rehabilitation, land titling, etc.), **water**⁷ (integrated management of the resource, allowing sustainable and shared usage and reuse of treated wastewater for irrigation), **soils**, watersheds, **seas and coastlines**. It will work both on adaptation efforts (irrigation, reduction of the incidence of waterborne diseases by developing access to water and sanitation) and on mitigation (forestry in Turkey, energy recovery from sewage sludge in Georgia).

The Group will also support **agricultural reforms**⁸ **in particular the management of major value chains, the proper use of agricultural water (irrigation policies) as well as agroecology** (developing sustainable agricultural and food systems to face climate change and biodiversity loss). This is required in order to allow the agricultural sector – a major employment sector – to meet the populations' food needs and create high added value chains that generate income for farmers. At the same time, these reforms will integrate the sustainable use of agricultural land and water resources to reduce pressures on the environment and preserve natural resources. In this way, the Group's action will support efforts to revitalize rural territories.

Targeted transition: Territorial and ecological transition.

PROJECT FOCUS: Support for reforestation and biodiversity conservation actions in Turkey

Since 2011, AFD has supported the ambitious programme of the Turkish General Directorate of Forestry (OGM) through policy-based loans. This support has been provided together with the ONF, which coordinates a large platform of public and private expertise in forest management. This cooperation has bolstered bilateral cooperation on various challenges: technical challenges (prevention of avalanches, rehabilitation of quarries), economic challenges (commercialisation of timber, ecotourism development) and policy challenges (integrating biodiversity protection and climate change adaptation into forestry policy). As some of Turkey's regions foreshadow medium-term climate changes in France, cooperation is of great mutual benefit for organisations working on forestry research and development (in particular to understand the adaptation of species and parasites likely to appear in France with climate change). Since the start of this programme, Turkey's forest area has increased by over one million hectares, reducing Turkey's total green-house gas emissions by 20%.

2.3. SUPPORTING THE ENERGY TRANSITION

In order to mitigate the effects of economic activities on the climate, AFD Group supports the energy transition of those countries in the region that display a very high energy intensity and whose energy sources remain dominated by fossil fuels.

This investment in the diversification of energy mixes and in renewable energies can involve the adaptation and renewal of deteriorated infrastructure inherited from the Soviet era in Uzbekistan and the Caucasus. It can include support for solar and wind potential in Turkey or hydro-power in the Balkans. Support for renewable energies, for which demand is high, will be provided more specifically by Proparco (project financing and credit lines for the private sector). This is because in many countries, renewable

⁷ As part of France's International Strategy for Water and Sanitation (2020-2030).

⁸ In line with the International Strategy for Food Security, Nutrition and Sustainable Agriculture (2019-2024).

energy is now a relatively mature sector, with the state playing a limited role. This sector also requires investments in order to integrate a growing share of intermittent and decentralised energies (electricity networks, smart grids, storage, development of regional electricity trade), which partially falls within the purview of public authorities. The improvement of sectoral regulatory frameworks can be supported through policy-based loans, particularly to bolster the process of linking up with the EU and the Energy Community (cf. energy PBL to Albania and Georgia).

The energy efficiency sector also holds significant untapped potential that can often go hand in hand with broader improvement of environmental and social impacts. The growth of this sector still requires significant public sector mobilisation, high-level technical assistance, and investment grants for the construction sector. Energy-efficiency improvement projects may involve power grids (reduction of losses), residential buildings (inefficient heating due to the poor insulation of dwellings built during the Soviet era), and public buildings (ministries with a significant housing stock – such as education, health). Here again, this support for the energy transition will involve improving the legislative frameworks and reforming the energy sector, taking into account the social impacts on populations (energy prices).

Targeted transition: Energy transition

PROJECT FOCUS: Supporting the reforms in Georgia's energy sector

AFD is supporting Georgia in its efforts to structure the energy efficiency sector and implement the European Union's Third Energy Package (electricity market). This programme, amounting to EUR 205.5 M over the 2018-2020 period, is carried out in collaboration with KfW and structured around a public policy matrix comprising nearly 40 reform indicators over four years (from 2018 to 2021). The programme bears witness to a rich and long-term public policy dialogue between French and Georgian partners, notably via technical assistance support for the drafting of regulatory texts, and forms part of the core priorities underlying the French and European relationship with Georgia.

PROJECT FOCUS: Support the development of the hydropower sector in Uzbekistan

AFD is supporting Uzbekistan and the company JSC UzbekGidroEnergo with a loan of EUR 55.8 M. This funding was approved in 2019 for the development of the hydroelectric sector in the regions of Tashkent and Andijan. Combined with a EUR 2.6 M grant from the EU's IFCA, it contributes to the renovation of the country's largest dam, Charvak, and to the development of renewable energy production. These projects enhance the different uses of water resources.

2.4. SUSTAINABLE AND INCLUSIVE ECONOMIC AND POLICY MODELS

The Group aims to support countries in working towards more inclusive development and the achievement of the SDGs, by encouraging the alignment with European Union standards and practices. In terms of social cohesion, priority is given to reducing accumulated or persistent social imbalances, whether these concern the areas of social protection (support for pension reform in Georgia), health (construction of a public hospital through the FRiT facility), gender equality (support for companies committed to professional equality in Turkey), or integration of the most vulnerable populations (Syrian refugees in Turkey, people with disabilities and internally displaced people in Georgia). AFD Group will particularly seek to work with the financial

sector (public and private banks via Proparco) to promote the transformation of this sector and a more sustainable and inclusive development model.

Public policy reforms will be prioritised to support economic, political and social transitions and will be fully integrated into a broader process of convergence with European Union norms and practices. Examples of this include the support for economic governance reforms in Uzbekistan and Armenia, as well as developments related to the strengthening of the rule of law, good governance and digital technology in the Western Balkans. In fact, several states in the region are either official candidates for EU membership

or benefit from close partnerships with the EU, which reflect their aspirations to modernise their institutional frameworks and should be encouraged. These actions by AFD Group

will pragmatically aim to ensure more sustainable and equitable development in the all the major cross-cutting areas of intervention.

Targeted transitions: Demographic and social transition, economic and financial transition, political and civic transition.

PROJECT FOCUS: Public policy loan supporting the inclusion of women in Albania

As part of one its first operations in the Western Balkans and with parallel financing from the World Bank, AFD and Expertise France are supporting as from 2020 the Republic of Albania towards more inclusive and equitable growth. By addressing the legislative and institutional factors that partition off women's economic opportunities, the project will contribute to the achievement of the social criteria required for integration into the European Union.

PROJECT FOCUS: Public hospitals in Turkey financed by Proparco via public-private partnership (PPP) programmes

Inaugurated between 2017 and 2019, the three public hospitals in the cities of Adana, Bursa and Elazig received financing from Proparco in Turkey. These projects are part of a vast public-private partnership programme for 22 hospitals deployed by the Turkish Ministry of Health. It illustrates AFD Group's commitment to support Turkey in its policy of improving public health services and access to healthcare for the population.

The Covid-19 crisis in the region and AFD Group's responses

Apart from the health implications, the economic and social impacts of the Covid-19 pandemic are significant. Several countries and sectors are particularly affected, in particular those dependent on:

- commodity exports (Azerbaijan, Uzbekistan, Kazakhstan),
- migrant remittances (Kosovo, Uzbekistan, Armenia, Georgia, Montenegro, Bosnia, Albania, Serbia),
- income from tourism (Montenegro, Albania, Georgia, Armenia, Turkey).

Moreover, some countries were already in a fragile economic situation prior to the pandemic. These notably include Turkey since the 2018 crisis, and Albania affected by an earthquake in November 2019.

The states in the region have put in place a number of social safety nets alongside major programmes to support economic activity. Some of them call on international financial institutions to cover additional budgetary financing needs. All AFD agencies in the region participated in meetings and working groups with local authorities, donors and development actors in order to coordinate possible lines of action to respond to the Covid-19 crisis from a health and economic perspective.

With respect to the three lines of response to the crisis (health, economic and financial, and sustainable economic recovery), AFD has received few requests relating to question of health in the region, but more in connection with economic and social

issues. Although only recently established in the region, AFD has succeeded in building a relationship of trust with the region's countries and with other financial development partners (particularly, the European Union, the World Bank, the Asian Development Bank and KfW). Given the economic and social consequences of this crisis and the risk that this may delay the low-carbon transition, it is important that AFD continue to support these countries with a view to an economic recovery that is socially and ecologically sustainable.

Operationally, the response to the Covid-19 crisis is as follows:

- Policy-based loans (PBLs). This involves either additional contributions to the PBLs already under appraisal, presenting strong climate co-benefits and pursued in partnership with other donors; or new PBLs focused on social or environmental spending in response to the Covid-19 crisis.
- Financing to public and private financial institutions (via Proparco), which may, in part, include a component to respond to the Covid-19 crisis in the form of budget support to municipalities or financing for business investments in sectors particularly affected by the crisis.
- Reallocations of funds from ongoing projects to finance a response to the crisis.

These responses are proposed by AFD in consultation with the diplomatic posts and ministries, and in line with the previously developed strategic axes.

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3.

**ACT AT A REGIONAL
AND PARTNERSHIP LEVEL**

AFD Group favours partnerships for its operations in the region, in line with its broader objectives set out in the AFD Group Strategy 2018-2022. However, few lasting transnational initiatives bring together all of the territories covered by the RO, and several states in the region maintain

conflictual political relations. In this context, the partnership dynamic represents not only a challenge in itself for AFD Group, but also a means of supporting the region's strategic development objectives.

3.1. STRENGTHEN SYNERGIES WITH "TEAM FRANCE" ACTORS

Together with the diplomatic posts, AFD Group contributes to the implementation of France's development and international solidarity policy in the region. The Group is working to facilitate networking between French public and private actors (particularly with Business France and MEDEF) and to inform them of projects funded both within the region and further afield through the neighbouring regional offices. In application of partnership agreements that may exist at central level and given our counterparts' high expectations in terms of expertise, the Group proposes integrated solutions that promote French partnerships and know-how. This is the case, for instance, with Expertise France and EDF in Georgia, with ANACT on gender equality and with the ONF on forestry in Turkey, and further partnerships could be set up in the future. These activities could lead to targeted conferences. This approach requires active measures and a medium-term investment to build up a (sometimes limited) offer based on French experts who already know the region. The FEXTE instrument could usefully help to develop this approach. For example, in the region covered by the Eurasia RO, the participation rate⁹ of French companies in international calls for tender related to AFD-funded contracts was only 21% in 2019 (compared to an average 55% in foreign states). The economic spin-offs linked to AFD's operations are also broader than direct contracts alone. Twinning projects financed by the European Union and synergies between AFD and Expertise France or FFEM could also be explored as ways of developing expertise in sectors of common interest. To date, FFEM has no region-specific projects in progress.¹⁰ However, given the many shared strategic objectives, synergies will be sought, and FFEM can operate in the region to support environmental innovations and the development of AFD projects.

The Eurasia Regional Office is the appropriate level to promote these synergies within AFD Group (knowledge production, capitalisation and pooling of experiences). More broadly, it may involve recruiting sectoral experts or consultants within the framework of regional technical assistance or research programmes, possibly through European funds or the FEXTE and FAPS instruments. AFD Group's intervention in a region comprising countries with a relatively advanced level of development could be a source of innovation and learning for AFD Group and the other countries.

FAPS and FEXTE

Funding for project studies, seeding and monitoring (particularly under **FAPS, Project Start-up, Preparation and Monitoring Facility**) allow for the financing of feasibility and project preparation studies, assistance to contracting authorities, and capacity building at institutional, organisational and functional levels. This is aimed both at states and public enterprises.

Similarly, grants are provided through **FEXTE (Fund for Technical Expertise and Experience Transfers)**, which finances technical cooperation programmes and project preparation studies. This fund is intended to meet the demands and needs for French expertise and experience from countries that receive official development assistance. The recipients can be central authorities, local authorities or public enterprises.

⁹ Participation rate: the value of international contracts on which a French offer is positioned / value of international contracts (international calls for tenders only).

¹⁰ A project launched in 2018 on integrated and sustainable management of coastal, island and marine territories in the Mediterranean, of which Albania and Turkey are part.

3.2. BOLSTER COOPERATION WITH THE EU AND SEEK COMPLEMENTARITIES WITH DONORS WHO HAVE A LONGSTANDING PRESENCE

The particular feature of the Eurasia RO is that it operates in several states that are engaged in a process of European rapprochement and which are eligible for funds from the Instrument for Pre-Accession Assistance (IPA). All of the countries are also associated with various European enhanced cooperation programmes (Eastern Partnership and the Neighbourhood Policy in the Caucasus, IFCA in Central Asia, WBIF in the Western Balkans, etc.). The European Union is a major development actor throughout the region, particularly for funding through grants,¹¹ but relationships differ depending on the country. For example, they are strong and privileged in Georgia (one of the main recipient countries of European funds per capita), while more distant with Azerbaijan. For AFD Group, as a French and European institution that shares common strategic orientations with the European Commission (in particular the "Green Deals"), cooperation with the EU in the region is essential. The Group will seek to strengthen this partnership by building on the Group's successful experience in managing EU-delegated funds (Turkey, Uzbekistan, Georgia) and by promoting a coordinated response at the level of Team France. This partnership will be strengthened not only locally, between agencies and delegations, but also at central levels through shared thematic and sectorial initiatives, preferably on the regional scale. This coordinated approach is mainly reflected in the review of the strategy for the allocation of European funds (2021-2027 budget). AFD Group and Team France are coordinating their proposals for this strategy (positioning within DEVCO's "Team Europe Initiatives") and seeking to develop their capacity to respond to calls for tenders issued by the various Directorates-General of the European Commission.

AFD's presence in the region is recent and the amount of its commitments lower than many other donors. The partnership reflex and the search for complementarity are thus opportunities to increase the leverage effect of AFD Group's intervention and activity.

AFD's strategic positioning in the region is in fact shaped by the ecosystem of historically present donors. The main financial institutions – focused almost exclusively on loans – include the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), the World Bank (WB), the Asian Development Bank (ADB), the Council of Europe Bank (CEB) and, to a lesser degree, a newcomer, the Asian Infrastructure Investment Bank (AIIB).¹² Other bilateral institutions (KfW, JICA) also play an important role. Most donors invest in public infrastructure and economic development with an emphasis on projects requiring financing for major infrastructure or seeking a strong environmental, social and institutional reform impact.

Institutions such as the EIB and the EBRD are predominant in the Balkans (with about EUR 5 Bn in respective commitments in Serbia since the 2000s) and in Turkey (with over EUR 1 Bn in annual commitments from the BERD).¹³ ADB is a major player in the Caucasus and Central Asia, mainly focused on infrastructure, particularly transport (roads and more recently rail), water and energy and, to a lesser extent, on the financial sector or governance.

The World Bank has been operating in Turkey since the 1950s, and in the rest of the region since the 1990s. It remains a reference donor in terms of the amounts committed, the diversity of sectors covered and the support for economic, social and sectoral reforms. The World Bank has been particularly open to cooperating with AFD in its operations in the region (in the Caucasus and the Balkans in particular).

Cooperation on issues of sectoral public policies (environment, energy, social protection, etc.) between AFD, a donor and the ministries of finance of the beneficiary countries is important in order to support our common objectives and meet the needs of partner states. Additionally, this modality ensures France's visibility and AFD's added value. We are seeking co-financing opportunities (in particular with

¹¹ For example, with EUR 300 M per year in funds from the Pre-Accession Instrument, the EU is the largest donor of grants in Turkey.

¹² AIIB is particularly active in Turkey and Central Asia via energy and transport infrastructure and, to a lesser degree, in the Caucasus, and potentially in the Balkans in the future.

¹³ The EIB has frozen its new sovereign commitments in Turkey since 2019, but had committed more than EUR 27 Bn since 2000.

our current key partners such as the Asian Development Bank, KfW or the World Bank), to catalyse a leverage effect or an entry into new sectors and countries of intervention. AFD Group will play a leading role in some flagship projects: policy-based loans in favour of the climate, projects promoting gender equality.

Finally, AFD will work in partnership with financial institutions in the region:

- the two active IDFC members: TSKB in Turkey and BSTDB (Black Sea Trade and Development Bank), which covers five member states for which AFD holds an intervention mandate,
- public development banks with which cooperation will be continued (in Turkey and Armenia) or developed (in Montenegro and Uzbekistan). These institutions have a key role to play in reorienting and facilitating financing in favour of sustainable development.

3.3. CONTRIBUTE TO THE STRENGTHENING OF REGIONAL STRUCTURES AND INITIATIVES

In the area covered by the Eurasia RO, the number of regionwide structures and initiatives is limited and these are often organised into one or more regional sub-groups: Western Balkans, South Caucasus, Central Asia, Turkey. However, China's Belt and Road Initiative constitutes an exception here, as the different financing activities involved complement one another as part of a strategy on a regionwide scale, at times associating different countries within cross-border projects. Where appropriate, AFD will endeavour to influence this initiative or its components in order to encourage alignment with the sustainability objectives, particularly environmental and social, promoted by France and the European Union. More generally, cross-border management of resources and infrastructures would bring real added value. Drawing on its experience in European integration and in the integrated management of infrastructure and contracts, AFD Group will help to strengthen existing and future regional structures and initiatives. In

line with sectoral and strategic priorities, this will mean consolidating priority and structuring partnerships, particularly with regional banks (e.g., BSTDB), regional initiatives (CAREC platform in Central Asia, and with the Asian Development Bank in the Caucasus), sectoral issues (management of water, rivers and watersheds, seas and coastlines, transport and connectivity), as well as future regional integration projects.

Particular attention will be paid to projects and initiatives focused on connectivity issues, when these help to reduce GHG emissions, promote adaptation to climate change, or strengthen the partnership dynamic. The successful projects for modernisation of the Azerbaijani section of the Azerbaijan-Georgia-Turkey railway line, backed by AFD and the Asian Development Bank, well illustrate the type of cooperation aimed at promoting connectivity.

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4.

**FINANCIAL PERSPECTIVES
AND INTERVENTION MODALITIES**

4.1. ADOPT INTERVENTION MODALITIES ADAPTED TO CLIMATE OBJECTIVES AND LOCAL CONTEXTS

AFD Group's intervention in the region will focus on combining portfolio growth (to support the ODA target of 0.55% of GNI by 2022) and geographic diversification, compliance with the Group's commitments (particularly the drive for climate and gender co-benefits)¹⁴ and adaptation to local contexts.

To achieve this, AFD Group is building a network of relationships and various partners in targeted sectors (banks, municipalities, ministries, companies). Given the characteristics of the countries in the region (no LDCs, majority of UMICs), the main intervention instrument is credit since accessible grant resources (from the state budget under Programme 209) are limited, and intended to finance consultancies, project management assistance, capacity building, or technical assistance, either for preparing projects or supporting their implementation.

AFD Group will endeavour to find a balance between direct financing of investment projects, policy-based loans and intermediated financing (bank credit lines).

Among the instruments used, the policy-based loan (PBL) is of particular importance. It allows intervention in identified priority areas, as well as linking sectoral reforms with support for the convergence of standards, through long-term public policy dialogues. Thanks to ambitious public policy matrices, which show that a PBL can exert an influence on public policy choices, AFD is committed to producing PBLs that highlight the additionality of aid and French expertise in support of financed reforms. In order to have more weight in public policy dialogues, PBLs co-financed with other donors can also prove more effective. In this case, AFD's contribution to the co-financing needs to be significant or allow AFD to participate in the public policy

dialogue and add value to the definition of the matrix by introducing measures that are coherent with AFD's desired reforms. The PBL is also a well-suited instrument for counter-cyclical interventions in times of crisis, as proven in 2020 when it was used to respond to the budgetary needs induced by the Covid-19 pandemic.

As an indication, and given the objective of diversifying and balancing the portfolio in favour of investment projects, the share of PBLs could represent around 35% of annual approvals in the region as from 2020 (compared to an average of 50% in 2018-2019). The rest of the activity comprises investment projects, bank credit lines, and EU delegated funds. AFD Group is also committed to providing expert solutions (technical assistance), with high added-value, to meet the high expectations of the counterparts, who already have well-established analytical and technical capabilities. The Fund for Technical Expertise and Experience Transfers (FEXTE) and the Project Start-up, Preparation and Monitoring Facility (FAPS) play a key role. They enable the financing of technical cooperation programmes and project preparation studies by promoting French expertise as soon as practicable, and in compliance with procurement rules. In a recently created RO, bringing together agencies that are themselves very new, these two funds are vital for sowing the seeds of future business.

Furthermore, AFD will be able to develop knowledge production as a lever on climate challenges via studies (analysis of climate change mitigation and adaptation), conferences and public policy dialogue. These knowledge production activities will be financed primarily out of AFD Group's own budget. This approach will allow the Group to position itself at the operational level and support partners.

¹⁴ Objective 1: 50% of AFD operations (in volume of annual commitments) falling within the scope of gender accountability shall, by 2022, include objectives (secondary DAC 1 or principal DAC 2) aimed at reducing gender inequality.

Objective 2: by 2022, EUR 700 M of operations financed by AFD (in volume of annual commitments) shall include principal objectives (DAC 2) aimed at reducing gender inequalities.

PROJECT FOCUS: Use of FEXTE in supporting social protection in Georgia

In November 2018, AFD granted a policy-based loan of EUR 35 M – the first tranche of a three-year programme – to support the on-going reforms in the areas of social protection, health and assistance to internally displaced people. For all of these components, AFD finances a EUR 1 M technical assistance programme through FEXTE, implemented by Expertise France.

The use of European grants (which may include operations combining loans/grants) is a central issue for the Eurasia Regional Office. This is a partnership approach. The AFD Group generally tries to find and integrate European aid through delegated management into the reforms and projects supported in the region.

PROJECT FOCUS: Management of European delegated funds under the financial support programme for Syrian refugees in Turkey (FRiT)

In response to the Syrian refugee crisis, AFD manages two delegated funds under the European facility for refugees in Turkey (FRiT). These funds are intended for the construction of a 250-bed public hospital in the city of Dörtyol (EUR 40 M), and for drinking water supply and sanitation projects in 8 municipalities situated close to the Syrian border and hosting high proportions of refugees (EUR 150 M €). A total of 700,000 people will see their access to water improved while 1.5 million will benefit from improved access to sanitation.

4.2. FINANCIAL OUTLOOK

Over five years, between 2015 and 2019, AFD Group's commitments in the region amounted to EUR 3.4 Bn, including EUR 2.65 Bn from AFD and EUR 0.76 Bn from Proparco. The growth of AFD Group's activity in the region has been strong since the acquisition of new mandates and the opening of local agencies. In 2019, AFD commitments alone added up to EUR 680 M. Financing approvals amounted to just over EUR 900 million in 2020, reflecting new growth in activity despite a historically challenging intervention context due to the health crisis linked to Covid-19. In line with the consolidation of AFD's activity in the region, the outlook for activity over the next four years could amount to some EUR 900 M of commitments per year (similar to the level of commitments in 2020), or around EUR 4.5 Bn in commitments from 2020 to 2024.

However, several factors could complicate the achievement of these objectives. These include the reduction of sovereign and non-sovereign loan commitments in one or more countries in the region due to the deterioration of the macro-economic or (geo)political situation. Further factors are limitations with regard to certain counterparts or sectors, as well as limitations on access to new major delegated European funds. In addition, uncertainties persist as to the pace of development of AFD's interventions in countries where, despite its mandate, the Agency is not yet operating (sovereign in Kazakhstan, some of the countries in the Western Balkans).

Finally, AFD Group will endeavour to diversify its operations, given the risk of concentration and of reaching operational limits in certain countries and sectors (in particular, the banking sector and municipal counterparts in Turkey). It will also pay increased attention to monitoring outstanding signatures and disbursements.

“

The growth of AFD Group's activity in the region has been strong since the acquisition of new mandates and the opening of local agencies. The outlook for activity over the next four years could amount to some €900 M.

4.3. ACCOUNTABILITY FRAMEWORK AND MONITORING–EVALUATION MECHANISM

The action of the Eurasia Regional Office responds both to the challenges of the countries in the region, to the mandate conferred on it in line with the AFD Group Strategy 2018-2022, as well as to the specific objectives of the Orient Department. To assess the efforts and progress made throughout and at the end of the period covered in light of the set objectives, the Regional Office will use se-

veral financial and non-financial indicators within a broader accountability framework. These indicators – some taken from the UN SDG monitoring–evaluation framework – are broken down into three main themes: (i) financial management; (ii) monitoring of mandate-related objectives (strategy indicators); (iii) monitoring of priority actions (aggregate indicators).

(i) Financial management (in €M)
Commitments
Signatures
Disbursements

(ii) Monitoring of mandate-related objectives
Share of commitments with climate co-benefits (% of total commitment volume)
Share of signatures with climate co-benefits (% of total signature volume)
Share of commitments with gender co-benefits (% of total commitment volume)
Share of signatures with gender co-benefits (% of total signature volume)
Share of co-financing commitments (% of total commitment volume)
Share of delegated funds (% of total commitment volume)

(iii) Monitoring of priority actions
a) Resilience and urban adaptation
Number of people benefiting from an improvement in basic services (water, sanitation, energy, waste management)
Number of structures operating in the urban sector having benefited from capacity building
Number of people with an improved access to sustainable urban transport
b) Sustainable territorial management and preservation of natural resources
Areas benefiting from biodiversity conservation/restoration programmes (hectares)
Areas benefiting from sustainable resource and/or land management programmes (hectares)
Drinking water saved (m ³ /year)
c) Support for the energy transition
New renewable energy capacities installed (Megawatt)
Renewable or recovered energy capacity financed (Megawatt)
Energy consumption saved (GWh/year)
d) Sustainable and inclusive economic and policy models
Number of institutions benefiting from a capacity building action (number of institutions)
Number of people benefiting from better social protection (number of people)
e) Monitoring of the development partnership with French economic players
Participation rate, i.e. the share (in volume) of contracts linked to AFD financing and subject to an international call for tenders and which have resulted in the submission of at least one French bid (%)

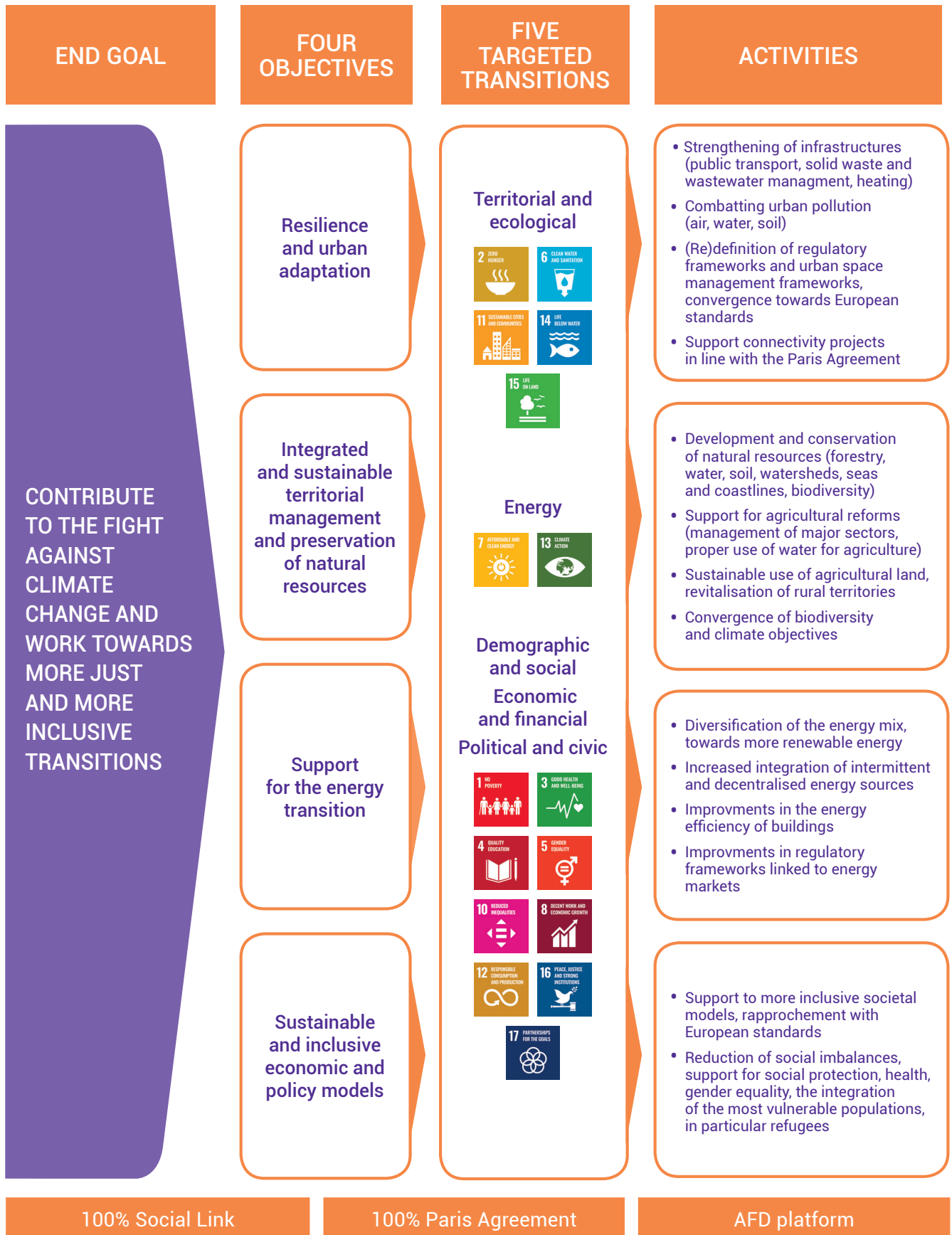
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5.

APPENDICES

APPENDIX 1. LOGICAL FRAMEWORK

AFD Group's logical intervention frameworks for the countries covered by the Eurasia RO



APPENDIX 2. SOCIO-ECONOMIC INDICATORS IN THE EURASIA REGION INTERVENTION COUNTRIES

Country/ Indicators	Surface area ('000 Km ²)	Population (M) – 2018/1990	Rural population (% of total population) – 2018/1990	Population aged under 25 years (% of total population) – 2015/1990	Women's labour force participation rate (% of the female population aged 15 and above) – 2019/1990	GNI in Volume (Bn Usd) – 2019	GNI per capita – Atlas method (USD) – 2019	DAC classification	Human Development Index (Rank, out of 189 Countries) – 2018	GNI growth (%) – 2019 / Average 2010-2018	Public debt (% of GNI) – 2019/2010	Commodity dependency (>60 % of total exports) – 2013-2017	Account holders in a formal financial institution (% of population aged 15 and above)
ALBANIA	27	2.9 / 3.3	40 / 64	35 / 52	56 / 58	15.4	5240	UMIC	69	3.0 / 2.7	64.9 / 57.7	No	39
ARMENIA	28	3.0 / 3.5	37 / 33	34 / 46	56 / 52	13.4	4680	LMIC	81	6.0 / 4.1	50.1 / 33.8	Minerals, metals	45
AZERBAIJAN	83	9.9 / 7.2	44 / 46	40 / 52	69 / 56	47.2	4480	UMIC	87	2.7 / 1.5	18.6 / 5.0	Oil	29
BOSNIA-HERZEGOVINA	51	3.3 / 4.5	52 / 61	28 / 41	45 / 46	20.1	6150	UMIC	75	2.8 / 1.9	32.5 / 40.8	No	59
GEORGIA	69	3.7 / 4.8	41 / 45	32 / 40	64 / 61	15.9	4740	LMIC	70	4.6 / 4.8	52.0 / 42.4	Non	61
KAZAKHSTAN	2700	18.3 / 16.3	43 / 44	42 / 48	74 / 72	170.3	8810	UMIC	50	3.8 / 4.5	21.1 / 10.7	Oil	59
KOSOVO	11	1.8 / 1.9	N/A	N/A	N/A	8.0	4640	LMIC	N/A	4.2 / 3.5	20.5 / 5.9	N/A	52
MONTENEGRO	13	0.6 / 0.6	33 / 52	32 / 42	54 / 51	5.4	9010	UMIC	52	3.0 / 2.7	74.8 / 45.0	Minerals, metals	68
NORTH MACEDONIA	25	2.1 / 2.0	42 / 42	31 / 43	52 / 48	12.7	5910	UMIC	82	3.2 / 2.4	40.9 / 24.1	N/A	77
SERBIA	87	7.0 / 7.6	44 / 50	29 / 39	60 / 54	51.5	7020	UMIC	63	3.5 / 1.7	49.5 / 41.2	No	71
TURKEY	770	82.3 / 53.9	25 / 41	42 / 55	38 / 36	743.7	9610	UMIC	59	0.2 / 6.4	30.8 / 40.1	No	68
UZBEKISTAN	425	33.0 / 20.5	50 / 59	48 / 60	57 / 51	60.5	1800	LMIC	108	5.5 / 7.0	24.8 / 7.0	Minerals, metals	37

Sources: UN, IMF, WB, UNCTAD

APPENDIX 3. CLIMATE INDICATORS FOR THE INTERVENTION COUNTRIES COVERED BY THE EURASIA RO

Country/ Indicators	GHG emissions per capita (tCO ₂ e)	CO ₂ emissions ranking (205 countries)	Vulnerability index country ranking (ND-GAIN)	Energy intensity 2018 (toe/USD 1000 2015) – France = 0.1	Energy independence rate	Primary energy production	Energy mix (primary energy consumption) – 2016	Electricity generation by source – 2016	Final energy consumption (by sector) – 2016	Main climate-related risks	Resilience risk
ALBANIA	2.7	122 nd	74 th	0.2	85%	Oil (56%), renewables (28%), biomass (10%)	Oil (57%)	100% hydro	Transport (43%), residential and tertiary (33%), industry (23%)	River floods, flooding, landslides, wildfires (high), water shortages, extreme heat (medium)	Agriculture and food security (high), ecosystems, housing and infrastructure (average)
ARMENIA	2.6	124 th	60 th	0.3	37%	Renewables (60%), biomass (20%), hydro (20%)	Gas (55%), renewables (26%), oil (11%), other (8%)	Gas (35%), nuclear (33%), hydro (32%)	Residential (37%), transport (26%), tertiary (21%), industry (16%)	River floods, urban floods, landslides, wildfires (high), extreme heat (medium)	Agriculture and food security, water, health, ecosystems, housing, infrastructure (average)
AZERBAIJAN	5.5	67 th	72 nd	0.3	100%	Oil (72%), gas (28%)	Gas (66%), oil (32%), other (2%)	Gas (85%), hydro (8%), oil (6%), biomass (1%)	Residential (40%), transport (25%), industry (25%), other (10%)	River floods, urban floods, landslides, extreme heat, wildfires (high)	Agriculture and food security, water, health, ecosystems, housing, infrastructure (average)
GEORGIA	3.1	104 th	44 th	0.3	29%	Hydro (63%), biomass (31%), coal (6%)	Gas (39%), oil (31%), renewable energy and other (16%), biomass (8%), other (6%)	Hydro (81%), gas (19%)	Transport (33%), residential (30%), industry (23%), tertiary (14%)	River floods, urban floods, landslides, extreme heat, forest fires (high)	Agriculture and food security, health, ecosystems, housing, infrastructure (average)

Sources: AFD climate factsheets, Enerdata, International Energy Agency

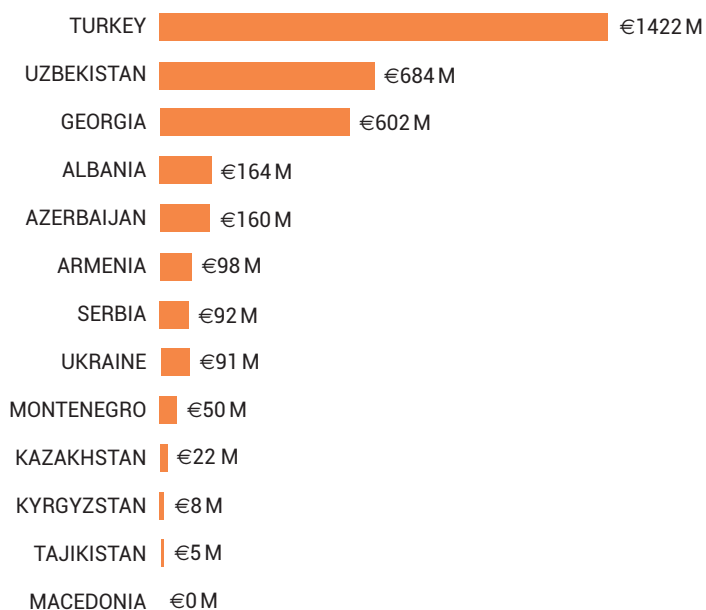
Country/ Indicators	GHG emissions per capita (tCO ₂ e)	CO ₂ emissions ranking (205 countries)	Vulnerability index country ranking (ND-GAIN)	Energy intensity 2018 (toe/USD 1000 2015) – France = 0.1	Energy independence rate	Primary energy production	Energy mix (primary energy consumption) – 2016	Electricity generation by source – 2016	Final energy consumption (by sector) – 2016	Main climate-related risks	Resilience risk
KAZAKHSTAN	21.3	22 nd	40 th	0.4	100%	Oil (50%), coal (27%), gas (36%)	Coal (41%), gas (35%), oil (20%), other (4%)	Coal (71%), gas (18%), hydro (11%), oil (1%)	Industry (53%), residential (19%), transport (14%), tertiary (11%), other (3%)	River floods, urban floods, landslides, water shortages, wildfires (high), extreme heat (average)	Agriculture and food security, ecosystems, housing (average)
MONTENEGRO	6	146 th	57 th	0.2	68%	Coal (46%), biomass (30%), hydro (24%)	Oil (32%), coal (31%), biomass (18%), electricity (16%)	Hydro (58%), coal (42%)	Residential (37%), transport (31%), industry (21%), services (11%)	River floods, urban floods, wildfires (high), water shortages, coastal flooding, earthquakes, extreme heat, landslides (medium)	Agriculture and food security, health, ecosystems, housing (average)
NORTH MACEDONIA	5.9	110 th	53 rd	0.2	45%	Coal (65%), hydro (16%), biomass (16%)	Oil (40%), coal (31%)	Coal (52%), hydro (34%), gas (10%)	Transport (34%), industry (29%), residential (25%), services (10%)	River floods, urban floods, wildfires (high), water shortages and extreme heat (medium)	Agriculture and food security, health, ecosystems, housing, infrastructure (average)
SERBIA	N/A	66 th	70 th	0.4	71%	Coal (68%), oil (10%), biomass (10%), hydro (9%)	Coal (52%), oil (24%), gas (12%)	Coal (70%), hydro (29%)	Industry (36%), residential (31%), transport (22%)	River floods, urban floods, wildfires (high), earthquakes, water shortages, extreme heat (medium)	Agriculture and food security, health, ecosystems, housing, infrastructure (average)
TURKEY	4.1	17 th	47 th	0.2	N/A	N/A	N/A	Coal (34%), renewables (33%), gas (32%), oil (1%)	Industry (36%), transport (24%), residential (22%), other (18%)	River floods, urban floods, coastal flooding, water stress, landslides, heat waves, wildfires (high)	Agriculture and food security (high), water, health, ecosystems, infrastructure (average)
UZBEKISTAN	6.1	37 th	97 th	0.5	100%	Gas (93%), oil (4%), other (3%)	Gas (88%)	Gas (76%), hydro (20%), coal (4%)	Residential (40%), industry (29%), tertiary (9%), other (22%)	River floods, urban floods, landslides, water shortages, extreme heat, wildfires (high)	Agriculture and food security, water, ecosystems, housing (average)

Sources: AFD climate factsheets, Enerdata, International Energy Agency

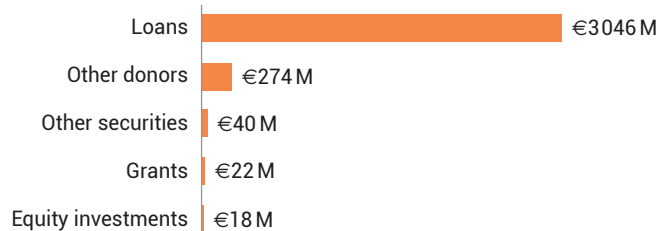
APPENDIX 4. AFD GROUP'S 2015-2019 ACTIVITY REPORT IN THE REGION COVERED BY THE EURASIA RO

Total approvals	€3 400 M
Of which PROPARCO	€756 M
Total approvals with climate co-benefits	€1 858 M
Total approvals with gender co-benefits (2018-2020)	€521 M
Total state cost mobilised	€140 M
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Total disbursements	€2 451 M
Of which PROPARCO	€524 M

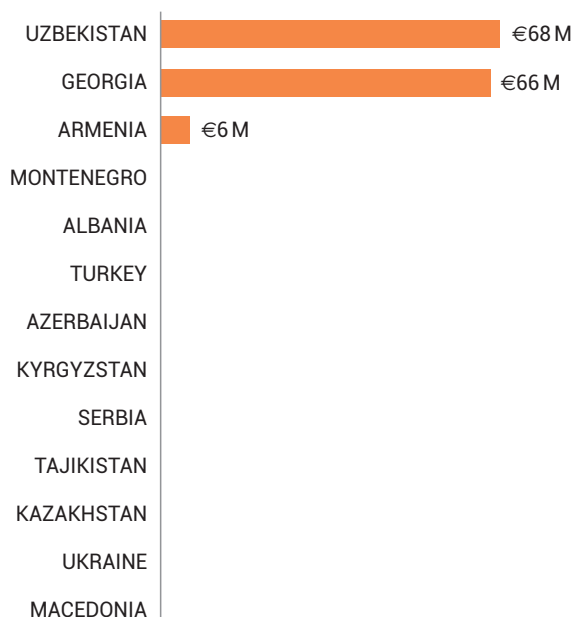
Group approvals by country, 2016-2020



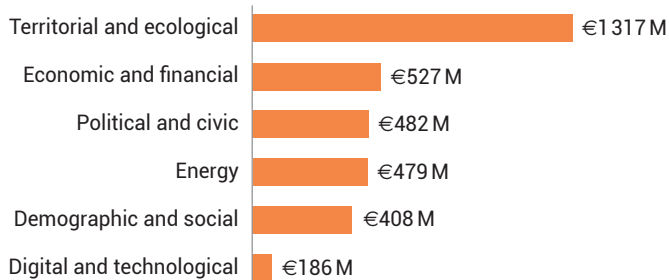
Group approvals by instrument, 2016-2020



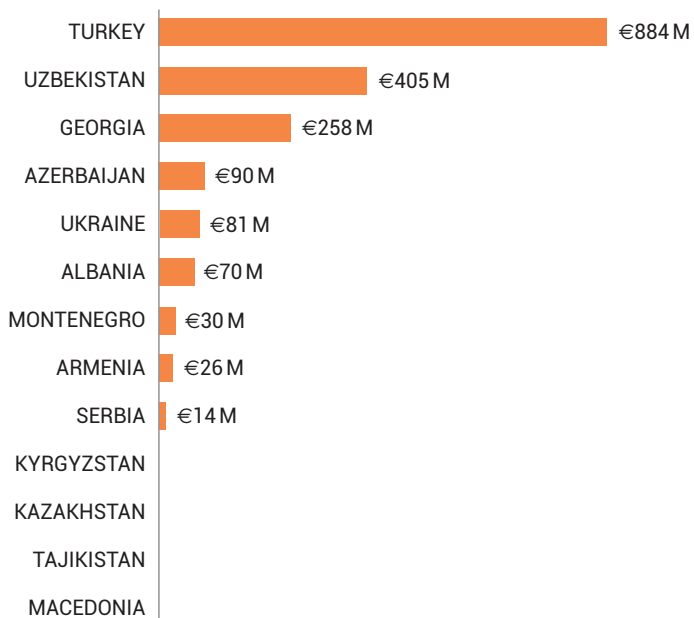
State cost mobilised, 2016-2020



Group approvals by "Transition", 2016-2020



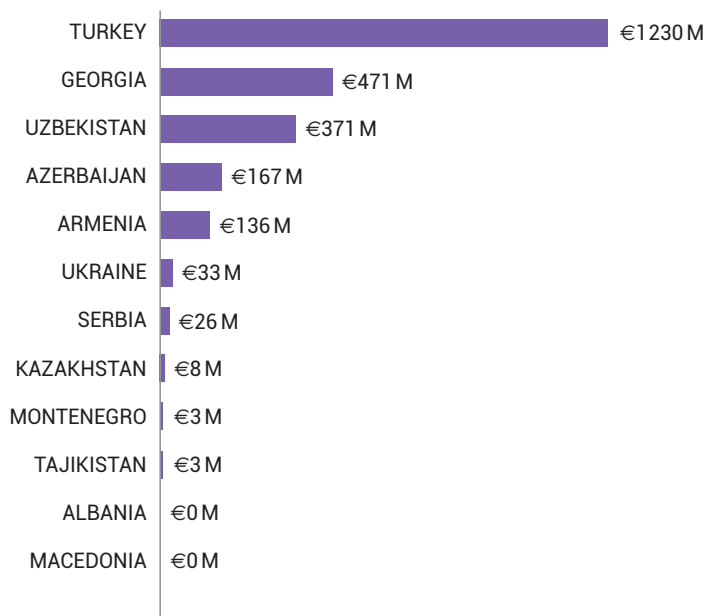
Approvals with climate co-benefits, 2016-2020



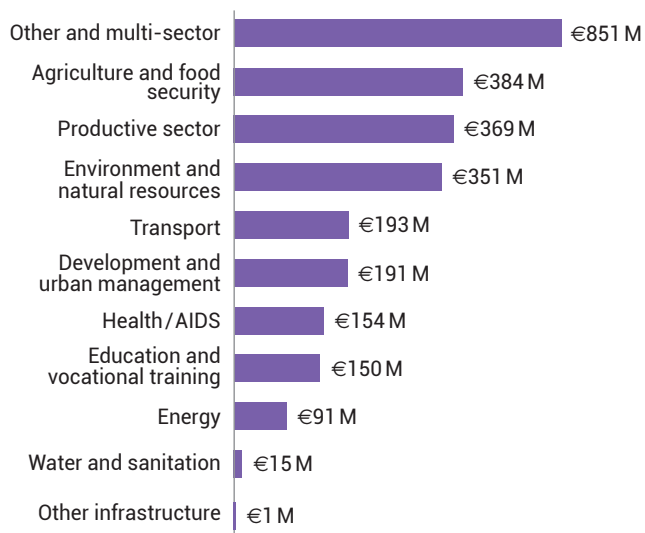
Approvals with gender co-benefits, 2016-2020



Group disbursements by country, 2016-2020



Group disbursements by sector, 2016-2020



Multi-country projects are not taken into account in this Appendix.

ACRONYMS AND ABBREVIATIONS

AFD: French Development Agency

ANACT: National Agency for the Improvement of Working Conditions

ADB: Asian Development Bank

EIB: European Investment Bank

BRI: Belt and Road Initiative

BSTDB: Black Sea Trade and Development Bank

CAREC: Central Asia Regional Economic Cooperation Programme

CICID: Interministerial Committee for International Cooperation and Development

DAC: Development Assistance Committee

DG DEVCO: Directorate-General for International Cooperation and Development (European Commission)

EU: European Union

FAPS: Project Start-up, Preparation and Monitoring Facility

FEXTE: Fund for Technical Expertise and Experience Transfers

FFEM: French Facility for Global Environment

FRIT: Facility for Refugees in Turkey (EU)

GHG: Greenhouse gas

GNI: Gross national income

HDI: Human Development Index

IDFC: International Development Finance Club

IFCA: Investment Facility for Central Asia

IPA: Instrument for pre-accession assistance

LMIC: Lower middle-income country

MEAE: Ministry for Europe and Foreign Affairs

MEDEF: French Business Confederation

ODA: Official development assistance

OECD: Organisation for Economic Co-operation and Development

ONF: French National Forests Office

PBL: Policy-based loan

RO: Regional Office (Eurasia)

SDG: Sustainable Development Goal

UMIC: Upper middle-income country

UNDP: United Nations Development Programme

WBIF: Western Balkans Investment Framework

AFD Group

AFD Group implements France's policy in the areas of development and international solidarity. The Group includes Agence Française de Développement (AFD), which finances the public sector and NGOs, as well as research and education in sustainable development; its subsidiary Proparco, which is dedicated to private sector financing; and soon, Expertise France, a technical cooperation agency. The Group finances, supports and accelerates transitions towards a fairer, more resilient world.

With our partners, we are building shared solutions with and for the people of the Global South. Our teams are at work on more than 4,000 projects in the field, in the French Overseas Departments and Territories, in 115 countries and in regions in crisis. We strive to protect global public goods – promoting a stable climate, biodiversity and peace, as well as gender equality, education and healthcare. In this way, we contribute to the commitment of France and the French people to achieve the Sustainable Development Goals (SDGs). Towards a world in common.

<http://www.afd.fr>

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