

ENVIRONMENT AID  
PROGRAMME A MAURICE

COP 15 -ATELIER NECTAR

*développeur d'avenirs durables*

**afd**  
AGENCE FRANÇAISE  
DE DÉVELOPPEMENT

# Who are we ? AfD Group

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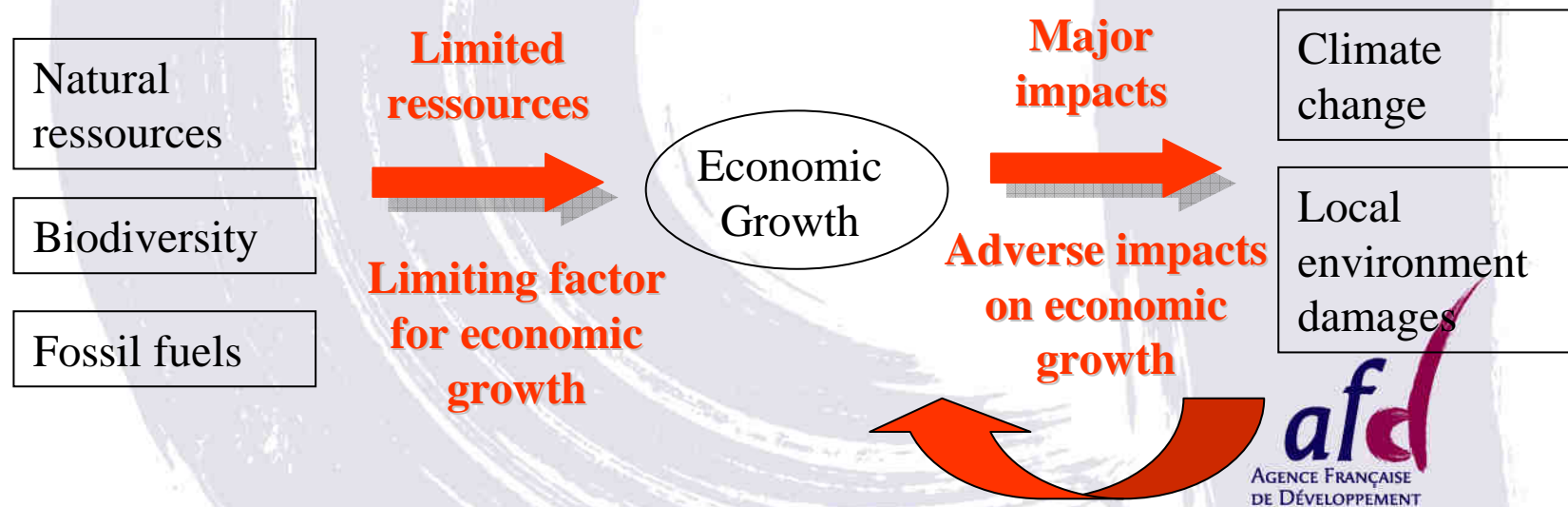
- French ODA Agency: Public Co & Bank
  - AfD, PROPARCO : financing of the private sector , French GEF secretariat
- Present in **80+ countries, but with distinct mandates**
- **USD 3 billion** committed in 2007 / 3,4 billion in 2008
  - Climate change = USD 670 million, ~ 25% in transport
- Wide range of **financing tools**
  - Equity financing ; Private sector loans ; Partial risk guarantees, loan guarantees ; Guarantees on loans in local currency ; Non sovereign loans (concessional or market conditions) ; Sovereign loans (from very concessional to market conditions) ; Grants (projects, study funds)
- **Untied aid**

# Sustainable development: An increasing interest for AFD

- **Climate change and fossil fuels depletion - more than 1 bn euros 2009 :**
  - one of AFD strategy pillar since 2005 – energy strategy focused on low carbon economy transition (projects in every sectors transport, electricirt, housing, forestry, ...)
  - carbon and energy footprint measures for every project financed by AFD
  - Ongoing work to assess how to integrate carbon and energy footprint for decision process
- **Natural ressources and biodiversity**
  - Natural Capital **in the framework of AFD's investments**
  - 'Measure what we manage' : Linking biodiversity conservation to ecosystem services; economic benefits; and human well-being;

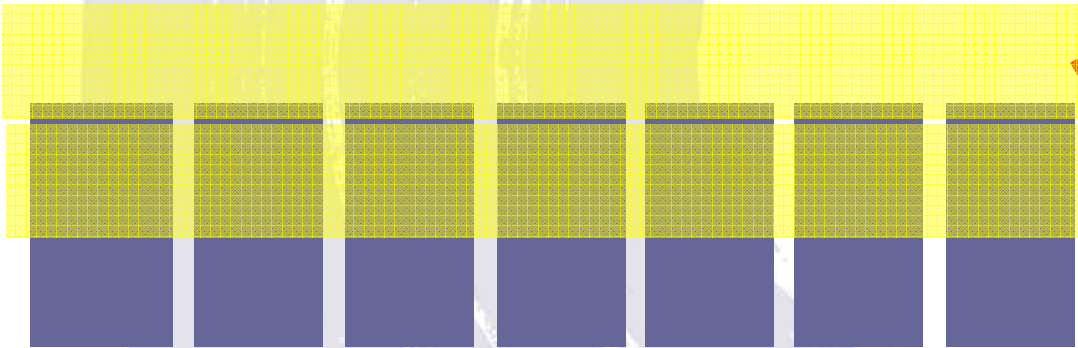
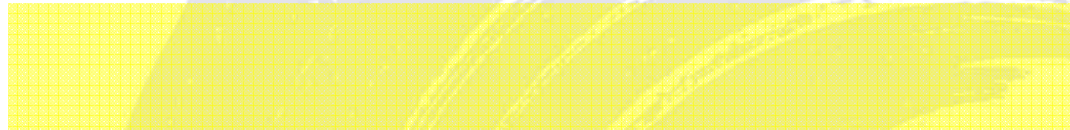
# Sustainable development: An increasing interest for AFD

- **A starting point** : traditional development “model” based on unlimited resources (fossil fuels, natural resources, biodiversity) and with “manageable” externalities (local environment impacts, global climate change) is no longer sustainable



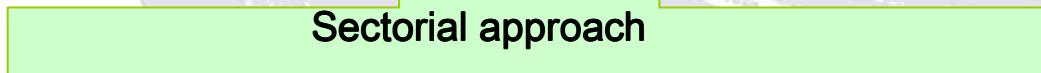
# APE to leverage impacts and go beyond « optimisation of business as usual practices »

Global approach



Energy Transport Industry Waste Construction Agriculture Land use ENVIRONMENT  
not a new sector

Sectorial approach



② overall planification  
Monitoring of global impact  
Global Environmental assesment,  
Plan climat, genuine savings

③ new economic and social  
development

① « business as usual »  
optimisation  
Energy efficiency,  
Renewables, mitigate  
environmental impacts

# Sustainable development: An increasing interest for AFD

A need for new paradigme on ECONOMIC DEVELOPMENT and ENVIRONMENT

- **cross sectoral issues** that have to be taken into account at highest level of economic decision
- New projects or diligences will not be enough : **a new economic model** to invent
- **a new society** (cultural specificities and appropriation) implying behaviour changes
- « no free ride » : renewables/energy efficiency only half of the solution → **necessary demand side management**

# Why a new approach such as Environment Program Aid ?

To go beyond a need for new **approaches** that allow to finance **“green” investments** (but not only) and also

- Support **public policies evolution** with a comprehensive approach of environmental issues
- Facilitate political and institutional **changes in decision process** to address cross-sectoral issues
- Complementarity among **various approaches and financial tools** investissements / public policy / capacity building / private sector

# Why a new approach such as Environment Program Aid ?

## *Mauritius a perfect candidate*

- Mauritius : will to engage in a sustainable development path :
  - National Environment Policy 2007
  - SCP national programme
  - ...
  - **Projet Maurice Ile Durable !**

# The Environment Aid Program

## Main objectives :

- Support political dynamic launched by government with MID
  - Internalize and monitor environmental issues in economic decisions
  - Support green investments within government economic stimulus program (some of them being financed by AFD such as in transportation, credit line to private sector for energy efficiency, wastewater treatment)
- Help build and promote a new economic model

# The Environment Aid Program

## Three pillars :

1. An **untied** loan : **budgetary** aid with **no conditionalities** (difficulties to identify environment conditions +incentive approach : complementary budgetary aid if satisfying process)
2. A dynamic **cross- sectoral dialogue** and **process** (*road map*) that aim at enhancing environmental considerations in political, budgetary and technical decisions
3. Focus **technical support** on specific publics policies bottleneck or emblematic projects

# The Environment Aid Program

- **Short term focus on energy management** (Energy efficiency, Renewable energies) : easy green investments with short term economic return, local employment and environment impacts (low carbon) → input for Copenhagen negotiations
- **To progressively integrate :**
  - Biodiversity and natural resources
  - Management of marine and coastal areas
  - Adaptation to climate change;

# The Environment Aid Program

## *A support to project implementation and financing*

- **environment roadmap** listing of all the environment projects, programmes, initiatives undertaken ...
  - A dynamic process to enhance **investments**
    - Through budgetary discussions and project preparation for public investments (transport, urban planning)
    - Enhance framework for private investment (renewables, energy efficiency)
  - A tool for dialogue, cooperation, coordination among donors that will **facilitate financing**

# The Environment Aid Program: Organisation

→ **No new structure but rather enhance existing process**

- The **Steering Committee's** - under the PMO
  - Decision on the roadmap content based on ministries proposals
  - Follow up on progress and shortcomings
  - determine the sustainable development policies to be adopted by the government
  - Place for dialogue and coordination between ministries open to other stakeholders (private, university, ...)
- Presence of **focal points** in each ministry

# The Environment Aid Program: Monitoring

- Major **commitment from government to reinforce capacities** (national capacity building program,)
- A **continuous monitoring and support process** with regular reporting
  - Annual seminar to present and discuss major results and evolution of the roadmap with all stakeholders (donors( civil society))
  - Trimestrial AFD mission to follow up on results and discuss on ways to progress

# The Road Map

## 1. Climate change

### 1.1 Renewable Energies Production

	Percentage of Total Electricity Generation			
	2010	2015	2020	2025
Renewable	20%	24%	28%	35%
Non-Renewable	80%	76%	72%	65%

- Two 275 kW wind turbines installed in Rodrigues (2009)
- Erection of new Hydro Power Plant of 375 KW Capacity at La Nicoliere (2010)
- Erection of a new Hydro Power Plant of 375 kW capacity at Midlands Dam (2010)

# The Road Map

## ***1. Climate change***

### ***1.1 Renewable Energies Production***

- Clear regulatory and legal structure for private sector participation in RE development
  - National Energy Strategy formally adopted
  - Master plan for RE development is prepared and adopted
  - Regulatory authority is operational
  - New electricity act is enacted
  - Transparent methodology for feed-in tariffs and contractual agreements developed
  - Feasibility of a major wind farm project established and construction started

# The Road Map

## **1. Climate change**

### **1.2 Energy Efficiency**

***Limit the growth of electricity consumption to 2.5% per annum over 2005-2025.***

- Energy Efficiency Bill enacted
- Energy Efficiency Unit created and operational
- Proper regulatory framework established for the Construction Industry

# The Road Map

## **1. Climate change**

### **1.2 Energy Efficiency**

- Land transport strategy: Bus Modernisation Program
  - Number of commuters using public transport reaches 60% by 2010 (compared to 45% in 2006)
  - Operationnal Bus lane between Pailles and Caudan round-about
  - Specifications approved for new buses
  - BRT system approved and ready to be implemented (bus way between Curepipe and Port-Louis)
  - Traffic lights consume less energy (save around 4.5 million Rs)

# The Road Map

## **1. Climate change**

### **1.2 Energy Efficiency**

- Characterize energy efficiency potential and plan pilot EE operations:
  - In industry (Enterprise Mauritius)
  - In hotels (AHRIM)
  - In public administration (MPU)
  - Long term plan for energy efficiency in public lighting (MLG)
- Invest in energy efficient or energy saving devices (street lightings and solar water heaters)
- Energy Efficiency in Highlands New Town - Pilot project

# The Road Map

## ***1. Climate change***

### ***1.3. Cross Sectoral Issues***

- New Climate Change Division is created and operational
- Integrated and Sustainable Development of Flic en Flac Eco-Park-Pilot project

# The Road Map

## ***2. Biodiversity conservation***

## ***3. Sustainable Development of Rodrigues***

- Setting up of one Desalination Plant

## ***4. Adaptation***

A **learning by doing** approach that has to be  
in the **long run** (not a one shot, not a single  
donor) and remain **flexible** to better  
answer to local needs

Thanks for your attention and **comments** !