

ENVIRONMENT AID
PROGRAMME A MAURICE

COP 15 -ATELIER NECTAR

développeur d'avenirs durables

afd
AGENCE FRANÇAISE
DE DÉVELOPPEMENT

Who are we ? AfD Group

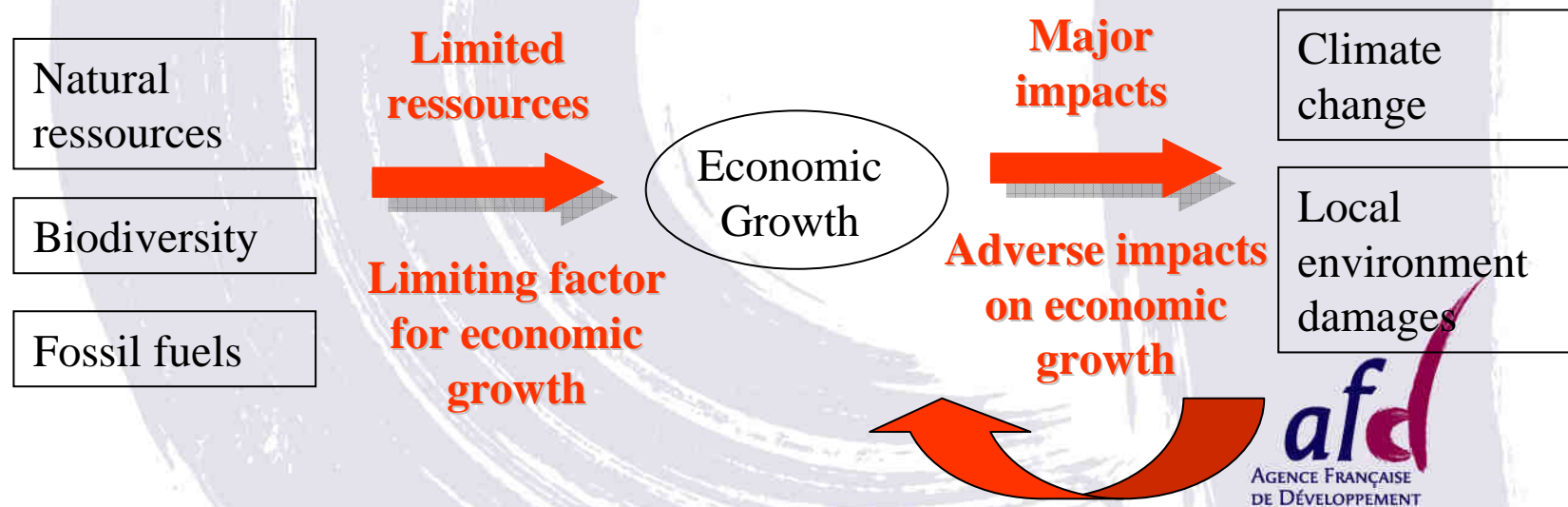
- French ODA Agency: Public Co & Bank
 - AfD, PROPARCO : financing of the private sector , French GEF secretariat
- Present in **80+ countries, but with distinct mandates**
- **USD 3 billion** committed in 2007 / 3,4 billion in 2008
 - Climate change = USD 670 million, ~ 25% in transport
- Wide range 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;

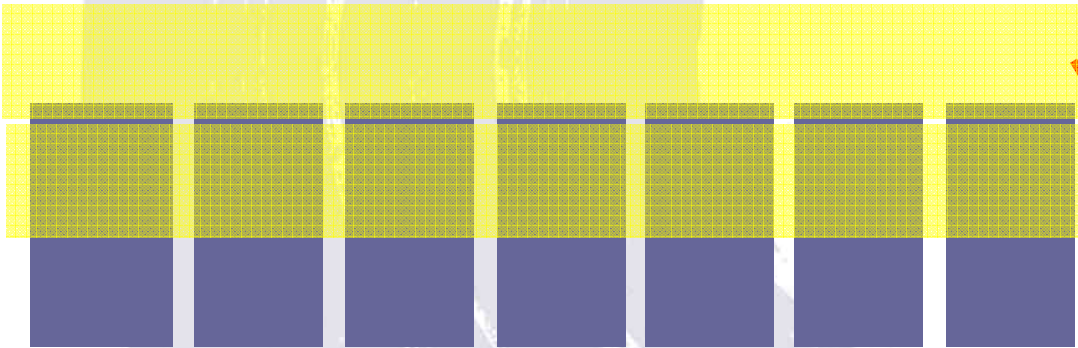
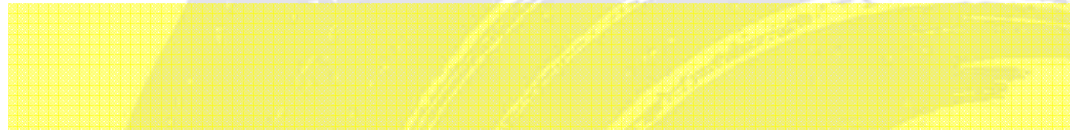
Sustainable development: An increasing interest for AFD

- **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** !