
Annual Performance Report

Project/Programme title: FP095 Transforming Financial Systems for Climate (TFSC)
Accredited Entity: Agence Française de Développement (AFD)
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EXECUTIVE SUMMARY

As of 31 December 2025, the TFSC Programme is fully in its implementation phase, following the completion of commitments in 2024. A total of 97% of the EUR 653 million envelope has been approved (EUR 633.7 million), with all project agreements signed in 2025. Disbursements have reached 69%, reflecting an acceleration of implementation.

The Programme supports ten projects across seven countries in Africa and Latin America—Côte d'Ivoire, Ecuador, Egypt, Morocco, Mauritius, Nigeria, and South Africa—through local financial partners. It aims to scale up climate finance, redirect financial flows, and strengthen financial systems. To date, EUR 302.8 million in climate investments have been mobilised, generating estimated emission reductions of 302,521 tCO₂eq and benefiting approximately 57 000 people.

A key outcome is the deployment of credit lines through local financial partners, enabling the scaling up of mitigation investments, particularly in energy efficiency and renewable energy, where demand is strong and pipelines are well established. Adaptation investments—mainly in agriculture and water—are progressing more gradually, reflecting higher complexity and persistent market barriers.

In parallel, technical assistance delivered concrete results in 2025, reaching over 1,083 stakeholders through capacity-building activities. Beyond training, TA interventions supported project structuring, climate risk integration, environmental and social management, and gender inclusion, contributing to the development of climate strategies, dedicated financial products, and strengthened internal tools within partner institutions.

Challenges remain in data collection and impact reporting, as well as in scaling up adaptation finance, which continues to face structural, financial, and operational constraints. Overall, the Programme is delivering measurable results while laying the foundations for sustained transformation of climate finance markets and strengthened institutional capacity.

