

Sustainable Bond Report: AFL continues its strategy of financing regional transformation

AFL, the bank for local governments, is publishing its 2025 Sustainable Bond Report, detailing the allocation and impact of funds raised under its sustainable bond programme launched in 2020.

Thanks to the success of this programme, AFL has already raised €2.25 billion – including €1.5 billion via three benchmarks totalling, as well as private placements – to support regional transformation projects: renovation of public facilities, carbon-free mobility, water and waste management, and sustainable urban planning.

A sustainable finance programme at the heart of local public investment

True to its commitment to responsible finance, AFL launched its sustainable bond programme in 2020 to provide French local governments of all sizes with access to sustainable financing without additional operational or reporting constraints.

Through this programme, the bank has committed to issuing at least one sustainable bond every two years as part of a diversified, regular and transparent financing strategy, while offering investors complete and transparent traceability of funds in compliance with ICMA (*International Capital Market Association*) principles.

Each year, AFL issues a detailed report covering:

- *The allocation of funds by eligible categories;*
- *The type and geographical distribution of local governments financed;*
- *The contribution of projects to the United Nations Sustainable Development Goals (SDGs).*

A programme recognised by investors

Following two €500 million issues in 2020 and 2022, AFL issued a third €500 million sustainable bond in October 2024. Strong investor demand for these issues highlights the programme's success and AFL's attractiveness as an issuer.



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Furthermore, 2025 saw the tapping of certain sustainable lines and additional issuance through private placements. In total, AFL has raised €2.25 billion to support local government impact projects.

“The success of our sustainable issues confirms the recognition of the quality, robustness and clarity of our programme, as well as the markets’ interest in financing French local governments,” said Romain Netter, AFL’s Executive Director – Medium and Long-Term Funding.

Financing aligned with regional transformation

As of 31 December 2024, 100% of the funds from the third sustainable bond issue had been allocated to refinancing loans granted to local governments.

The funds were distributed across the programme’s primary categories:

- **62.7%** dedicated to access to essential social services (*education and culture, employment, health services, social inclusion*);
- **23%** devoted to sustainable infrastructure, regional development, and territorial cohesion (*water and wastewater management, affordable housing, affordable and sustainable infrastructure*);
- **14.3%** allocated to the energy and ecological transition (*low-carbon public transport, pollution prevention and control, renewable energy*).

All categories of French local governments benefited from this financing, with particular attention paid to the most vulnerable regions, which received 53% of the funds allocated.

“True to our founding principles, this programme enables us to refinance a wide range of local public investments, while ensuring that a significant proportion of funds are directed towards projects with a high social and environmental impact, particularly in disadvantaged areas,” said Jérôme Besset, AFL’s Director of Operations and Transformation.



Read the full report [here](#)



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About AFL, the bank for local governments

“Embodying responsible finance to empower local communities so that they can meet the present and future needs of their residents”.

As the only French bank 100% owned by local governments, AFL has a unique and innovative model: that of a bank created by and for all local governments. By becoming shareholders in AFL, local governments gain access to rapid, tailor-made financing for their local investments, while committing to a sustainable and responsible approach to finance. For local governments, this means the freedom to invest while maintaining control over their finances. Since the start of its activity in 2015, AFL has already granted nearly €12 billion, including €2 billion in 2025, and today has 1,271 shareholders.

For more information: www.agence-france-locale.fr/en/

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