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**AGENCE FRANCE LOCALE  
GREEN, SOCIAL AND SUSTAINABILITY  
BOND FRAMEWORK**

■  
OCTOBER 31ST 2025  
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# 1. INTRODUCTION

## 1.1. AFL PRESENTATION

The creation of Agence France Locale was authorised by the law No. 2013-672 of July 26, 2013 on the separation and regulation of banking activities, following which AFL was effectively created on October 22, 2013 when its constituent act was signed.

The Agence France Locale Group (AFL Group) is organised with a two-part structure consisting of Agence France Locale - Société Territoriale ("AFL-ST," the parent company with the status of a financial company) and of Agence France Locale ("AFL", the subsidiary, a specialised credit institution). The Agence France Locale Group is formed by the combination of these two companies.

**The main tasks of AFL-ST, the Group's parent company, are as follows:**

- ✓ Representing the shareholders;
- ✓ Managing the guarantee mechanism;
- ✓ Nominating members to the credit institution's Supervisory Board;
- ✓ Setting of major strategic guidelines and the risk appetite framework; and
- ✓ Promoting the model among Local Authorities, jointly with AFL, to increase the number of shareholder members.

**The main tasks of AFL, a credit institution more than 99.99% owned by AFL-ST, are as follows:**

- ✓ Granting of credit exclusively to shareholder member regional and Local Authorities;
- ✓ Fund-raising on capital markets; and
- ✓ Managing the day-to-day operation of financial activities.

In more detail, Agence France Locale business model benefits from (i) a robust structure and (ii) a customer centric model.

### **A robust structure**

AFL is an investment financing facility for French Local Authorities, of which the latter are the exclusive shareholders through AFL-ST. The AFL aims to be a long-term player in financing local investments. This model, based on pooling the needs and credit ratings of Local Authorities, enables them to reach a sufficient size to borrow from the capital markets, through bond issuances in particular, in order to grant simple fixed- or floating-rate loans to Local Authority shareholders.

## A customer centric model

The AFL Group was designed to better serve its customers at 3 levels.

Firstly, AFL's unique status as credit institution with its shares held by its borrowers, enables the borrowers to ensure that their interests are at the heart of the AFL Group's objectives, through their position as shareholders of the ST. The ST's responsibility is to pursue the Group's strategy, promote the interests of all borrowers and pool their interests for the benefit of all Local Authorities.

Secondly, since its creation, AFL has chosen to implement online services that combine efficiency, security and speed to better meet the needs of its member borrowers.

Finally, a team dedicated to the relationship with Local Authorities sees to it that each of their specific expectations are met.

Agence France Locale's mission is to provide members with cost-efficient and stable funding to finance their investment needs. As per the budgetary "Golden Rule", French Local Authorities may only borrow to finance their investment expenditures. AFL's unique business model relies on the fact that Local Authorities are both exclusive shareholders and exclusive borrowers of the agency. In an increasingly resource-constrained environment in which investment must be preserved to ensure the continuity of a high-quality public service, this model allows AFL to play a critical role in supporting public infrastructure investments.

The AFL is one of the main lenders to Local Authorities in France, totalling nearly €11 billion in loans granted between its creation and December 31, 2024. In March 2025, the AFL was the third largest bank lender for Local Authorities.<sup>1</sup> Finally, AFL is the leading lender to its active members, covering 40% of their annual financing needs.

AFL acquired this major position at the heart of the local ecosystem thanks to the strength of the *Local Government Funding Agency* model. The oldest still operational organisation with this model, KommuneKredit Denmark which was created at the end of the 19th century, spread the model to other Scandinavian countries, Finland, and, after 1914, the Netherlands. A bank 100% dedicated to Local Authorities is the model all LGFAs still in operation use. Some are owned by the central State, others exclusively by Local Authorities, and sometimes it is a mixture of the two. But the public feature of the shareholder, and the exclusivity of the activity to the local sector, are guarantees of strategic alignment. With a balance sheet of €11 billion as of December 31, 2024, and reaching break-even in 2020, after only five years of activity, the AFL now appears to be an essential long-term player in the financing of French Local Authorities.

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<sup>1</sup> Source : Finance Active

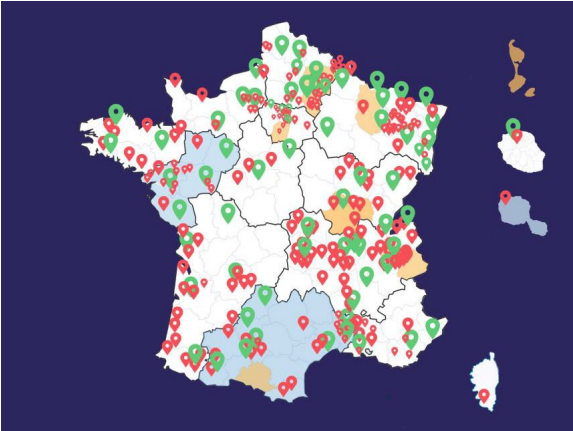
## 1.2. AFL'S SUSTAINABILITY AMBITION

Given the general interest of its mission and its long-term view, sustainability is at the very heart of AFL's business model.

In order to consider the regulatory ESG (Environmental, Social and Governance) requirements, the expectations of stakeholders and its operating regulations, the AFL launched in 2023 a CSR roadmap Climate Sustainable Finance, inspired by the TCFD (Task Force on Climate-related Finance Disclosure) approach. It is structured around three pillars:

1. Carry out financing activities for Local Authorities by offering loans on the best possible terms, throughout the year, over the long term, in compliance with regulations while also managing the risks associated with the activities.
2. Leverage AFL's position at the heart of the public local ecosystem by promoting both a governance structure that allows the Local Authorities to steer their bank, all while enabling them to exercise their powers and countervailing powers, and by sharing with all the Local Authorities the information, best practices and expertise that AFL manages to gather.
3. Strengthen AFL's commitments to developing its internal operations with the aim of putting in place sustainable practices regarding both its employees and the environment.

Focusing on credit activities, AFL is guided by the principle of fairness in financing Local Authorities as shareholders. By essence and through its status, AFL supports Local Authorities of every size and type.



**As of December 31st, 2024, AFL Group had 1045 shareholders.**

AFL members include :

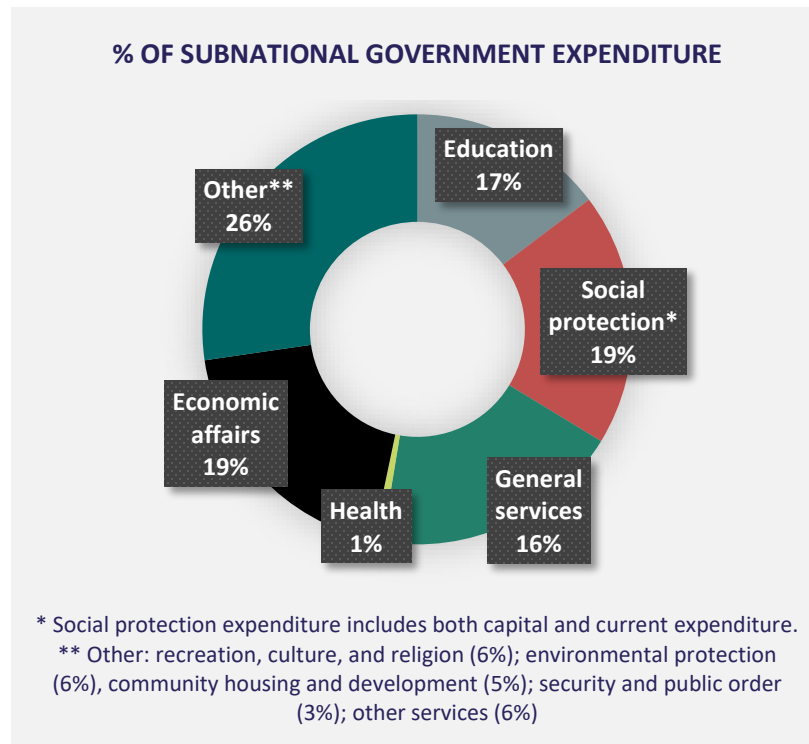
- ✓ 5 regions
- ✓ 18 departments
- ✓ 20 overseas Local Authorities
- ✓ 211 EPCI of which 15 metropolis
- ✓ 810 municipalities

2

<sup>2</sup> EPCI is a French administrative structure that can be translated as *Public institution for inter-municipal cooperation* and include the "métropole structure".

## Local Authorities, essential partners for achieving the SDGs

The local public sector plays a key role for sustainable growth and social infrastructure investments, with a wide range of responsibilities. In 2022, local public administrations, of which Local Authorities are the main component, accounted for 58%<sup>3</sup> of public administrations' investments. French Local Authorities are indeed the competent authorities for setting strategic guidelines to pursue the sustainable development objectives, in their social, economic and environmental dimensions.



Source : OECD (2024) , *Subnational governments in OECD Countries: Key Data*

The main categories of French Public Local Authorities' investment expenditures are:

- ✓ economic affairs and transport,
- ✓ social protection (mainly the municipalities and the departments),
- ✓ public services and education.

The Law no. 2015-991, or "NOTRe", on the New Territorial Organisation of the French Republic from August 7<sup>th</sup>, 2015 and the Law no. 2015-992 on the energy transition for green growth from August 17<sup>th</sup>, 2015 redistributed the competences across the various levels of French local governmental bodies compared to previous decentralisation reforms (1982-83 decentralisation laws, 2003-04 laws and 2010 territorial reform).

As set out in the Appendix, they now have specialised competences:

<sup>3</sup> [Rôle des collectivités dans l'investissement public | vie-publique.fr](https://vie-publique.fr)

- ✓ **Regions:** economic development (aid schemes for SMEs, innovation, internationalisation), territorial planning, environmental protection, regional transport, high schools and vocational training;
- ✓ **Departments:** social solidarity and territorial cohesion (social welfare for families, elderly, disabled, insertion, secondary schools, support to rural municipalities);
- ✓ **Municipalities:** municipal competences include primary education, urban planning, municipal roads, urban public transport, social support for families and youth, municipal police, housing, drinking water and sanitation, waste management, culture, sport, etc.

**The AFL embodies what the local authorities wanted: an ethical financing tool, offering a responsible and sustainable alternative to traditional bank financing. (*Olivier Landel, CEO of l'AFL-ST*)**

### France's Agenda 2030 Roadmap

France adopted its Agenda 2030 Roadmap on the 20<sup>th</sup> of September 2019. This strategic document, the result of broad consultation, sets out a vision for an entrepreneurial, united, and environmentally friendly France. France's Agenda 2030 Roadmap<sup>4</sup> is structured around 6 priorities and highlights the need for investments in education, health, awareness-raising of the sustainable development, social justice, the ecological transition but above all in financing innovative local initiatives. This strategy is the result of a dynamic collaboration and co-construction with all stakeholders (ministries, parliamentarians, NGOs, companies, Local Authorities, trade unions, etc.).

The cities and regions are ideally positioned to translate the broad 2030 Agenda for Sustainable Development into concrete and effective action to support a sustainable growth. The 17 UN Sustainable Development Goals and their 169 "targets" (sub-targets) for 2030 must be achieved at global, national and sub-national levels. All SDGs have sub-targets directly linked to the local and regional level.

Local Authorities can address these objectives and their implementation in a pragmatic way, adapt them to their own context and help their citizens understand how local action contributes to the achievement of these objectives. The achievement of the SDGs depends more than ever on the capacity of regional and Local Authorities to promote an integrated, inclusive and sustainable territorial development.

To this end, Local Authorities, alongside the AFL, have a key role to play in contributing to the SDGs. The AFL therefore intends to work actively to achieve this.

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<sup>4</sup> [feuille-de-route-odd-france.pdf \(agenda-2030.fr\)](https://www.afl-st.fr/feuille-de-route-odd-france.pdf)

### **1.3. RATIONALE FOR SUSTAINABILITY BONDS ISSUANCE**

Because of its fundamental mission, to provide financing to the French local public sector's investments, AFL has an environmental and social responsibility and contributes to the achievement of several UN SDGs.

AFL Group is further developing its funding strategy to align it with its ambition and its contribution to the financing of French local territories' sustainable development. To capture the whole spectrum of Local Authorities' competencies, AFL has decided to issue Green, Social, and Sustainability Bonds as a substantial part of its toolbox for funding sustainable investments. AFL is convinced that Green, Social, and Sustainability Bonds are effective tools to channel investments towards assets that have both environmental and social benefits and to provide transparency to investors.

In addition, it is essential to encourage the Local Authorities to adopt the national strategies. AFL is uniquely well situated to reinforce the Local Authorities' role in France's sustainable growth, improve at the national level the Local Authorities' recognition for their work in supporting the SDGs as well as promote Local Authorities' sustainable investments.

Guided by the principle of fairness in financing shareholder Local Authorities whatever their size (and consequently AFL does not impose any differential pricing based on the Local Authorities' size), AFL is particularly well positioned to tackle the challenges of the widening territorial inequalities. In that sense, the issuance of Green, Social, and Sustainability bonds is a unique opportunity to showcase Local Authorities' contribution to the reduction of the widening territorial inequalities and Sustainable Development more broadly, whatever their size or type. As such, AFL has among its ranks several entities with less than 1 000 habitants, from all parts of the French territory, including from the most disadvantaged areas (former industrial areas, remote mountain areas).

AFL's Green, Social, and Sustainability Bonds also seek to meet investors' demand with a particular focus on responsible investments.

## 2. AFL' S GREEN, SOCIAL & SUSTAINABILITY BOND FRAMEWORK

In line with best market practices, AFL has prepared this Green, Social & Sustainability Bond Framework in accordance with the ICMA (*International Capital Markets Association*) Green Bond Principles<sup>5</sup> (2025), Social Bond Principles<sup>6</sup> (2025) and Sustainability Bond Guidelines<sup>7</sup> (2021).

The Sustainability Bond Guidelines are a set of voluntary guidelines which recommend transparency and disclosure and promote integrity in the development of the Sustainability Bond market by clarifying the approach for issuing Sustainability Bonds. In line with the ICMA Sustainability Bond Guidelines, AFL's Green, Social & Sustainability Bond Framework is presented through the following key pillars:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting
5. External review

Under this Framework, AFL has elected to issue Green, Social & Sustainability Bonds with a focus on the following areas:

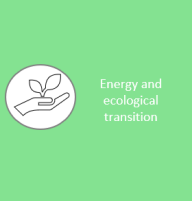





1. Energy and ecological transition
2. Sustainable infrastructure, development of cities and territorial cohesion
3. Access to essential and basic social services

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<sup>5</sup> [Green-Bond-Principles-GBP-June-2025.pdf](#)

<sup>6</sup> [Social-Bond-Principles-SBP-June-2025.pdf](#)

<sup>7</sup> [Sustainability-Bond-Guidelines-June-2021-140621.pdf](#)

MAINS OBJECTIVES	CONTRIBUTION TO UN SDGs	FRAMEWORK CATEGORIES	
		Green categories	Social categories
 <p>Energy and ecological transition</p>	<ul style="list-style-type: none"> <li>Contributing to energy transition and environmental sustainability by promoting a low-carbon and more climate resilient economy (low-carbon public transportation, renewable energies, etc.) and pollution prevention &amp; control</li> </ul>		<ul style="list-style-type: none"> <li>Low-carbon public transportation</li> <li>Pollution prevention and control</li> <li>Renewable energy</li> </ul>
 <p>Sustainable infrastructure, development of cities and territorial cohesion</p>	<ul style="list-style-type: none"> <li>Promoting the development of the territories, urban transformations, reduction of the territorial divide, infrastructure development and public essential services</li> <li>Priority given to underserved areas</li> </ul>		<ul style="list-style-type: none"> <li>Sustainable water and wastewater management</li> <li>Affordable housing</li> <li>Affordable and sustainable infrastructure</li> </ul>
 <p>Access to essential and basic social services</p>	<ul style="list-style-type: none"> <li>Encouraging access to education and culture by providing access to educational, sport, cultural facilities</li> <li>Supporting development of economic activity to promote and/or retain employment in underserved areas</li> <li>Supporting the access to essential health services</li> <li>Fostering social inclusion by providing equal access to essential services for vulnerable populations</li> </ul>		<ul style="list-style-type: none"> <li>Education and culture</li> <li>Employment</li> <li>Access to essential health services</li> <li>Social inclusion</li> </ul>

## 2.1. USE OF PROCEEDS

### 2.1.1. Introduction

The Green, Social and Sustainability Bond Framework document allows AFL to issue Green, Social and Sustainability bonds in different formats.

An amount equivalent to the funds coming from the issuance of Green, Social or Sustainability Bonds will be used exclusively to finance or refinance, in whole or in part, eligible expenditure falling within the eligible categories indicated below. In particular:

- Green Bonds issued by AFL finance the eligible green categories described below;
- Social Bonds issued by AFL finance the eligible social categories described below;
- Sustainability Bonds issued by AFL finance the green and/or social categories described below.

#### 2.1.1. a. Exclusions applicable to the Framework

Eligible expenditure shall exclude:

- Expenditure that has already been (or could be) refinanced through the specific Green and/or Social and/or Sustainability Bonds of Local Authorities;
- Expenditure financed by the European Union;
- Additional sectoral exclusions, as detailed below.

The AFL has implemented an approach to comply with the exclusions applicable to Paris-Aligned Benchmark (PAB) indices. These sectors do not fall directly within the remit of Local Authorities. However, interventions to support the economic development of Local Authorities could theoretically be targeted at companies in the sectors concerned. In addition to the exclusions applicable to PAB indices, the AFL also excludes the following sectors from eligible expenditure: nuclear energy and gambling. In order to exclude these different sectors, the following approach has been adopted:

- Exclusion by the application of a 10% discount rate to the amount of the budget headings “Cross-cutting economic interventions” (in French: *Interventions économiques transversales*) and “Economic animation and development structure” (in French: *Structure d'animation et de développement économique*) of the Local Authority, in order to exclude any activity that may be linked to the exclusions applicable to PAB indices as well as to nuclear energy and gambling. In order to define this threshold, an estimate of the respective weight of each of the sectors was made within the national economy on the basis of various factors (in particular: turnover of companies in the sectors concerned and number of jobs). A very conservative approach has been adopted and a significant safety margin is applied.

Finally, an approach has been put in place to exclude by equivalence expenditure related to certain budget lines that the AFL does not wish to include in its Framework. These budget lines are related to waste management. The approach is based on two parts which are described below:

- Average expenditure on waste storage is excluded: Exclusion by the application of a discount rate to the amount of the Local Authority’s budget line “Waste sorting, recovery and treatment” (in French: *Tri, valorisation et traitement des déchets*), corresponding to the share of household and similar waste directed towards storage in relation to the total volume of household and similar waste treated in France.
- Average expenditure on non-sorted waste collection is excluded: Exclusion by applying a discount rate to the amount of the Local Authority’s “Waste collection” (in French: *Collecte des déchets*) budget line, corresponding to the share of household waste (mixed) in relation to the total volume of household and similar waste collected by the public waste management service in France, in order to target separate collection and recycling centres.

### *2.1.1. b. Specific treatment of certain Local Authorities*

Special attention will be paid to disadvantaged Local Authorities\* as well as to Local Authorities with an imbalance in rental housing supply and demand\*\*.

\*: **Disadvantaged Local Authorities** means any Local Authority that meets certain criteria described below. This analysis is carried out on the basis of public data and statistics. In the scoreboard, a cross indicates that the criterion is met if the observed value exceeds the national average. This rule applies to all indicators, with the exception of the one concerning "municipalities in rural generation areas (*zone de revitalisation rurale*)" (ZRR). For the latter, the criterion is validated if the municipality is actually located in such a territory.

Type of Local Authority	Unemployment rate	Long-term unemployment rate <sup>8</sup>	Poverty rate	% of the population living in Priority neighbourhood for urban policy (in French: <i>Quartier Prioritaire de la Politique de la Ville (QPV)</i> ) <sup>9</sup>	Municipalities in rural generation areas (in French: <i>zones de revitalisation rurale (ZRR)</i> ) <sup>10</sup>	Number of conditions to be considered as disadvantaged
Regions	X	X	X	X		3
Departments	X	X	X	X		3
EPCI	Metropolis	X		X		3
	Urban Community (in French: <i>communauté urbaine</i> )	X		X		3
	Conurbation authority (in French: <i>communauté d'agglomération</i> )	X		X		3
	Grouping of municipalities (in French: <i>communauté de communes</i> )	X		X		2
Cities (in French: <i>communes</i> )	X			X	X	1

**\*\*:** Local Authorities with an imbalance in rental housing supply and demand means a Local Authority in which access to affordable housing is compromised due to a lack of rental housing. This identification is based on the ABC zoning defined in Article D304-1 of the French Building and Housing Code, which classifies municipalities in the national territory into geographical areas according to the imbalance between housing supply and demand. The criteria selected according to the type of Local Authority are detailed below.

More information about ABC zoning here: [Zonage A, B, C](#)

<sup>8</sup> <https://www.insee.fr/en/metadonnees/definition/c1616>

<sup>9</sup> <https://www.insee.fr/en/metadonnees/definition/c2114>

<sup>10</sup> [ZRR - Zone de revitalisation rurale | L'Observatoire des Territoires](#)

Type of Local Authority		Criterion
Regions		<i>Non-eligible</i>
Departments		[Share of the population living in zone Abis, A or B1] > [national average]
EPCI	Metropolis	
	Urban Community (in French: <i>communauté urbaine</i> )	
	Conurbation authority (in French: <i>communauté d'agglomération</i> )	
	Grouping of municipalities (in French: <i>communauté de communes</i> )	
Cities (in French: <i>communes</i> )		Classification Abis, A or B1

**2.1.2. Consideration of the EU taxonomy for sustainable activities in the definition of eligible assets**

To date, French Local Authorities are not subject to a reporting obligation on their alignment with the EU taxonomy for sustainable activities.

This specificity of the public financial data therefore does not allow financial players such as AFL to directly identify budget interventions aligned with the EU taxonomy for sustainable activities.

For this reason, the AFL does not establish a direct correspondence with the criteria of the Taxonomy in its Framework.

However, in order to begin to take into account the European Taxonomy, AFL has introduced the possibility, in this Framework, of including any activity (in addition to the activities listed in section 2.1.3.) aligned with the Substantial Contribution Criteria (SCC) defined in the delegated acts of the EU taxonomy for sustainable activities (including its latest developments), provided that AFL is able to identify and demonstrate alignment with these criteria. To this end, AFL will be able to use data published by Local Authorities as part of the publication of their “green budgets”. As it stands, the draft environmental annex for Local Authorities (introducing these “green budgets”) does not make it possible to identify activities that would be aligned with the SCC of the European Taxonomy. On the other hand, Local Authorities might publish a set of data as part of the implementation of this annex, which the AFL may use to identify assets aligned with the SCC of the Taxonomy.

Certain eligible categories presented below are likely to contain, for the most part, expenditure aligned with the SCC of the Taxonomy. However, AFL cannot give a definitive opinion on this alignment and is therefore using internal criteria for the definition of green eligible assets in this version of the Framework.

In particular, the criteria for financing public transport infrastructure and low-carbon transport solutions related to soft mobility and the expenses related to the support of the development of photovoltaic and wind energy are likely to include assets aligned with the SCC of the Taxonomy.

As the fiscal and accounting framework of Local Authorities evolves and incorporates environmental considerations, AFL may be able to collect additional information and update its Framework in order to adapt to these changes.

**2.1.3. Categories of eligible assets**

Funds raised through Green, Social or Sustainability Bond issuances will be used to finance Local Authorities’ budgets associated with the eligible categories set out below.

As described in the following sections, for each of the categories included in this Framework, AFL has defined the target and eligible Local Authorities in this Framework.

**Green Categories**

<i>Eligible category</i>	<i>Targeted Local Authorities</i>
<i>Low-carbon public transportation</i>	All Local Authorities – For specific expenditure: <b>Disadvantaged Local Authority</b>
<i>Pollution prevention and control</i>	All Local Authorities
<i>Renewable energy</i>	All Local Authorities
<i>Sustainable water and wastewater management</i>	All Local Authorities

## Social Categories

<i>Eligible category</i>	<i>Targeted Local Authorities</i>
<b>Education and culture</b>	All Local Authorities
<b>Employment</b>	Disadvantaged Local Authorities
<b>Access to essential health services</b>	All Local Authorities
<b>Social inclusion</b>	All Local Authorities
<b>Affordable housing</b>	All Local Authorities – For specific expenditure: Local Authorities with an imbalance in rental housing supply and demand
<b>Affordable and sustainable infrastructure</b>	Disadvantaged Local Authorities



### 2.1.3. a. Eligible green categories



Green categories eligible under this framework document may either:

1. **Rely on internal criteria defined by Agence France Locale**, in line with market practices - presented below;
2. **Include any other activity (in addition to the activities listed in this Framework) aligned with the Substantial Contribution Criteria (SCC) defined in the delegated acts of the EU taxonomy for sustainable activities (including its latest developments)**, provided that AFL is able to identify and demonstrate alignment with these criteria. To this end, AFL will be able to use data published by Local Authorities as part of the publication of their “green budgets” (defined in Article 191 of the « *Loi de finances pour 2024*”<sup>11</sup>).





<sup>11</sup>[Article 191 - LOI n° 2023-1322 du 29 décembre 2023 de finances pour 2024 \(1\) - Légifrance](#)

<h3 style="text-align: center;">Low-carbon public transportation</h3> <p style="text-align: center;"><i>Objective: Energy and ecological transition</i></p>	
<p><b>Environmental benefits:</b> Climate change mitigation</p> <p><b>Eligibility criteria:</b></p> <ul style="list-style-type: none"> <li>• Financing of public transport infrastructure and low-carbon transportation solutions: <ul style="list-style-type: none"> <li>○ Soft mobility</li> <li>○ Rail transport</li> </ul> </li> </ul> <p style="color: #e67e22;"><b>Only in disadvantaged Local Authorities:</b></p> <ul style="list-style-type: none"> <li>• Development, construction, and/or maintenance of low-carbon public transport infrastructure: <ul style="list-style-type: none"> <li>○ Development, construction, and/or maintenance of multimodal transport infrastructure</li> </ul> </li> </ul> <p><b>Exclusion criteria:</b></p> <ul style="list-style-type: none"> <li>• Expenses linked to air transport are excluded</li> <li>• Road, river, and maritime transports are excluded in the absence of information confirming the environmental benefits of the Local Authority's budget line</li> </ul> <p><b>Examples of eligible expenses/investments:</b></p> <ul style="list-style-type: none"> <li>• Financing the construction, equipment or maintenance of low-carbon public transport facilities, such as new public rail lines, multimodal links or bicycle paths</li> </ul>	<div style="background-color: #e67e22; color: white; padding: 5px; margin-bottom: 10px;"> <b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE   </div> <div style="background-color: #e67e22; color: white; padding: 5px;"> <b>11</b> SUSTAINABLE CITIES AND COMMUNITIES   </div>

<h3 style="text-align: center;">Pollution prevention and control</h3> <p style="text-align: center;"><i>Objective: Energy and ecological transition</i></p>	
<p><b>Environmental benefits:</b> Pollution prevention and control, Protection of biodiversity and ecosystems</p> <p><b>Eligibility criteria:</b></p> <ul style="list-style-type: none"> <li>• Waste collection, treatment and prevention: <ul style="list-style-type: none"> <li>○ Prevention and awareness-raising actions</li> <li>○ Selective collection of (already sorted) waste</li> <li>○ Waste sorting, reclamation, and treatment apart from waste storage</li> </ul> </li> </ul> <p><b>Exclusion criteria:</b></p> <ul style="list-style-type: none"> <li>• Average expenses linked to waste storage are excluded (see 2.1.1. a.)</li> <li>• Average expenses linked to non-selective waste collection are excluded (see 2.1.1. a.)</li> </ul> <p><b>Examples of eligible expenses/investments:</b></p>	<div style="background-color: #e67e22; color: white; padding: 5px; margin-bottom: 10px;"> <b>11</b> SUSTAINABLE CITIES AND COMMUNITIES   </div> <div style="background-color: #e67e22; color: white; padding: 5px;"> <b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION   </div>


<ul style="list-style-type: none"> <li>• Financing of public waste management sites with the aim of reducing and recycling waste</li> <li>• Financing of waste prevention and awareness-raising projects on waste reduction and recycling</li> </ul>	
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<h3 style="text-align: center;">Renewable energy</h3> <p style="text-align: center;"><i>Objective: Energy and ecological transition</i></p>	
<p><b>Environmental benefits:</b> Climate change mitigation</p> <p><b>Eligibility criteria:</b></p> <ul style="list-style-type: none"> <li>• Expenses linked to the support of renewable energy development: <ul style="list-style-type: none"> <li>○ Photovoltaic (PV) energy</li> <li>○ Wind energy</li> </ul> </li> </ul> <p><b>Exclusion criteria:</b> Expenses linked to:</p> <ul style="list-style-type: none"> <li>• Hydropower, biomass fuels, geothermal energy</li> <li>• District heating and cooling networks</li> <li>• Non-renewable energy sources</li> </ul> <p><b>Examples of eligible expenses/investments:</b></p> <ul style="list-style-type: none"> <li>• Financing the construction, equipment or maintenance of infrastructure dedicated to renewable energy</li> </ul>	

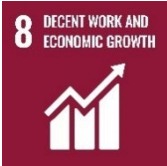


<h3 style="text-align: center;">Sustainable water and wastewater management</h3> <p style="text-align: center;"><i>Objective: Sustainable infrastructure, development of cities and territorial cohesion</i></p>	
<p><b>Environmental benefits:</b> Pollution prevention and control, Protection of water and marine resources, Climate change adaptation</p> <p><b>Eligibility criteria:</b></p> <p><u>Internal criteria:</u></p> <ul style="list-style-type: none"> <li>• Water management measures (water policy, drinking water, sanitation, rainwater, flood control) to ensure the supply of drinking water, as well as measures for the disposal and treatment of wastewater. This may include: <ul style="list-style-type: none"> <li>○ Sanitation networks and sewers,</li> <li>○ Industrial supply networks,</li> <li>○ Water supply networks,</li> <li>○ Pumping stations,</li> <li>○ Wastewater and drinking water treatment,</li> <li>○ Rainwater treatment,</li> <li>○ River management,</li> <li>○ Development of ponds and lakes, including retention/detention basins,</li> </ul> </li> </ul>	


<ul style="list-style-type: none"><li>○ Dams and dykes,</li><li>○ Conservation works of watersheds</li></ul> <p><b>Examples of eligible expenses/investments:</b></p> <ul style="list-style-type: none"><li>● Financing of the construction, equipment, maintenance and modernisation of water supply networks</li><li>● Financing of wastewater infrastructure: sewage networks, wastewater treatment plants, on-site sanitation facilities</li></ul>	
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### 2.1.3. b. Eligible social categories



<b>Education and culture</b>	
<i>Objective: Access to essential and basic social services</i>	
<p><b>Social benefits:</b> Access to essential and basic social services</p> <p><b>Eligibility criteria:</b></p> <p>(Re)financing of expenses which helps finance education, vocational training and apprenticeships, in particular expenses related to the following themes:</p> <ul style="list-style-type: none"><li>• Kindergartens, primary, secondary and high schools</li><li>• Higher education</li><li>• School transport</li><li>• Vocational training, including:<ul style="list-style-type: none"><li>○ Social and professional integration of job seekers</li><li>○ Vocational training for job seekers</li><li>○ Vocational training of employees</li></ul></li><li>• Operation of the “Centre National de la Fonction Publique Territoriale” (CNFPT)</li><li>• Health and social training</li><li>• Extracurricular services, including:<ul style="list-style-type: none"><li>○ School accommodation and catering</li><li>○ School sport</li><li>○ School medicine</li></ul></li></ul> <p>(Re)financing of expenses relating to culture, social life, youth and leisure, including:</p> <ul style="list-style-type: none"><li>○ Artistic and cultural activities</li><li>○ Cultural heritage</li><li>○ Libraries and media libraries</li><li>○ Museums</li><li>○ Archival Services</li><li>○ Theatres and live performances</li><li>○ Cinema and concert halls</li><li>○ Rescue archaeology</li><li>○ Sports infrastructure, sporting events, sports equipment and sports training centres</li><li>○ Socio-educational and leisure activities, including:<ul style="list-style-type: none"><li>○ Leisure centres</li><li>○ Summer camps</li></ul></li><li>○ Social and civic life, including:<ul style="list-style-type: none"><li>○ Expenditure related to gender equality</li></ul></li></ul> <p><b>Target populations:</b> The entire population of the target Local Authority</p> <p><b>Examples of eligible expenses/investments:</b></p> <ul style="list-style-type: none"><li>• Construction of schools, campuses, student housing, including sports facilities in educational institutions</li></ul>	

<ul style="list-style-type: none"> <li>• Financing of renovation, modernisation in line with safety and seismic standards, and energy efficiency renovations of public school and university buildings</li> <li>• Funding of public libraries, archives and museums</li> </ul>	
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<b>Employment</b>	
<i>Objective: Access to essential and basic social services</i>	
<p><b>Social benefits:</b> Access to essential and basic social services</p> <p><b>Eligibility criteria:</b></p> <p style="color: #e67e22;">Only in disadvantaged Local Authorities:</p> <p>(Re)financing of expenses supporting the development of economic activity with the aim of promoting and preserving employment in disadvantaged Local Authorities, including:</p> <ul style="list-style-type: none"> <li>• Interventions to support the economic development of Local Authorities (in line with the exclusion list of the Framework - see 2.1.1. a.)</li> <li>• Support for economic integration</li> <li>• Support for businesses in the Social and Solidarity Economy</li> <li>• Support for the region’s attractiveness as well as tourism sector</li> </ul> <p><b>Target populations:</b> The entire population of disadvantaged Local Authorities</p> <p><b>Examples of eligible expenses/investments:</b></p> <ul style="list-style-type: none"> <li>• Financing of projects to promote the attractiveness of the regions</li> </ul>	  

<b>Access to essential health services</b>	
<i>Objective: Access to essential and basic social services</i>	
<p><b>Social benefits:</b> Access to essential and basic social services</p> <p><b>Eligibility criteria:</b></p> <p>(Re)financing of expenses that strengthen the capacity of Local Authorities to provide universally accessible health services, including:</p> <ul style="list-style-type: none"> <li>• Maternal and child protection (PMI) and family planning</li> <li>• Prevention and health education, including: <ul style="list-style-type: none"> <li>○ Medical measures and information campaigns aimed at the population to prevent the development of certain diseases (information, awareness-raising and screening for AIDS, cancer, respiratory diseases, etc.)</li> <li>○ Prophylactic measures by tuberculosis clinics and BCG vaccination services, venereal disease clinic</li> </ul> </li> </ul>	

<ul style="list-style-type: none"> <li>○ Measures to combat alcoholism, smoking, drugs, etc.</li> <li>● Food security</li> <li>● Clinics and other health facilities, including: <ul style="list-style-type: none"> <li>○ Management of medical consultation centres and nursing centres</li> <li>○ Management of specialised clinics for the population attending school (e.g. medical and psychological centres)</li> <li>○ One-off measures with public or private establishments competent in questions such as: <ul style="list-style-type: none"> <li>▪ Treatment centres</li> <li>▪ Aerials, preventoriums, sanatoriums</li> <li>▪ Re-education and rehabilitation centres</li> <li>▪ Recuperation centres</li> <li>▪ Maternity wards</li> <li>▪ Abortion centres</li> <li>▪ Thermal and thalassotherapy centres</li> <li>▪ Emergency relief (S.A.M.U.) and health protection services</li> <li>▪ Blood transfusion centres</li> <li>▪ Organ banks</li> </ul> </li> </ul> </li> </ul> <p><b>Target populations:</b> The entire population of the target Local Authority and especially populations having reduced access to healthcare</p> <p><b>Examples of eligible expenses/investments:</b></p> <ul style="list-style-type: none"> <li>● Financing of the construction, development, maintenance or renovation of health facilities, medical equipment and associated technologies for the improvement and protection of public health</li> <li>● Financing of preventive health and social support facilities and services</li> </ul>	
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<h3>Social inclusion</h3> <p><i>Objective: Access to essential and basic social services</i></p>	
<p><b>Social benefits:</b> Access to essential and basic social services</p> <p><b>Eligibility criteria:</b></p> <p>(Re)financing of expenses:</p> <ul style="list-style-type: none"> <li>● Relating to social or medico-social measures <ul style="list-style-type: none"> <li>○ Family and childhood (e.g. home help, housing for minors and single mothers, etc.)</li> <li>○ Measures supporting maternity</li> <li>○ Family support (e.g. family welfare benefits)</li> <li>○ Child welfare and social support</li> <li>○ Adolescence (e.g. social care homes for children and adolescents, orphanages, etc.)</li> <li>○ Early childhood (e.g. nurseries and day cares)</li> <li>○ Seniors (e.g. nursing home accommodation and retirement homes for seniors)</li> </ul> </li> </ul>	 

<ul style="list-style-type: none"> <li>○ People in difficulty (e.g. support for social help organisations assisting people struggling financially)</li> <li>○ People with disabilities (e.g. institutions for adults with disabilities)</li> <li>● Relating to the Personalised Autonomy Allowance - "Allocation Personnalisée d'Autonomie (APA)"</li> <li>● Relating to the Active Solidarity Income - "Revenu de Solidarité Active (RSA)", including expenses relating to social measures in favour of RSA beneficiaries</li> </ul> <p><b>Target populations:</b> Vulnerable populations (young people, seniors, lower income families, disabled people, people in risk of social exclusion, etc.)</p> <p><b>Examples of eligible expenses/investments:</b></p> <ul style="list-style-type: none"> <li>● Construction of specialised support facilities for the elderly</li> <li>● Specialised support services and facilities for people with disabilities</li> <li>● Financing of nurseries and childcare centres</li> </ul>	
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<h2 style="margin: 0;">Affordable housing</h2> <p style="margin: 0;"><i>Objective: Sustainable infrastructure, development of cities and territorial cohesion</i></p>	
<p><b>Social benefits:</b> Sustainable infrastructure, development of municipalities and territorial cohesion</p> <p><b>Eligibility criteria:</b></p> <p>(Re)financing of expenses:</p> <ul style="list-style-type: none"> <li>● Relating to social housing and measures that improve the access to housing</li> <li>● Relating to reception areas for “gens du voyage”</li> </ul> <p style="color: #f4b084;"><b>In Local Authorities with an imbalance in rental housing supply and demand:</b></p> <p>(Re)financing of expenses:</p> <ul style="list-style-type: none"> <li>● Relating to the support for the rental housing sector</li> </ul> <p><b>Target populations:</b> Low-cost housing organisations, tenants receiving housing aid</p> <p><b>Examples of eligible expenses/investments:</b></p> <ul style="list-style-type: none"> <li>● Financing of social housing</li> <li>● Financing of grants to low-cost housing organisations</li> <li>● Financing of financial assistance schemes for tenants</li> </ul>	

## Affordable and sustainable infrastructure

*Objective: Sustainable infrastructure, development of cities and territorial cohesion*

**Social benefits:** Sustainable infrastructure, development of municipalities and territorial cohesion

**Eligibility criteria:**

Only in disadvantaged Local Authorities:

(Re)financing of expenses that supports the development of sustainable quality infrastructure for all disadvantaged Local Authorities, including:

- Development of public infrastructure contributing to the improvement of living conditions in urban and/or rural agglomerations in disadvantaged areas
- Construction, rehabilitation and maintenance of public buildings, street lighting and public infrastructure

**Target populations:** The entire population of disadvantaged Local Authorities

**Examples of eligible expenses/investments:**

- Financing of renovation, upgrades to meet safety standards and modernisation of public infrastructure and buildings
- Financing of facilities contributing to rural development
- Financing of street lighting



## 2.2. PROCESS FOR PROJECT EVALUATION AND SELECTION

The Process for evaluation and selection will ensure that the proceeds of AFL Green, Social and Sustainability Bonds are allocated to finance or refinance eligible expenditures that meet the criteria and objectives set out above in section 2.1 Use of Proceeds.

### Governance and process for the evaluation and selection of the Eligible Expenditures

The assessment and selection process for Eligible Assets will be carried out internally by the AFL Sustainability Bond Committee (the “**Sustainability Bond Committee**” - SBC) composed of the following members:

- Chairman of the Executive Board of Agence France Locale - Chairman of the Committee
- Chief Financial Officer
- Head of Long-Term Funding - or one of his representatives - also in charge of Investor Relations
- Head of Credit - or one of her representatives
- Director – Sustainable Bond structuring and management - Secretary of the Committee

The eligibility of the assets in the AFL loan portfolio will be regularly identified and reviewed by the Sustainability Bond Committee. To do this, the Sustainability Bond Committee will:

#### **1- Estimate the share of eligible expenditures within each Local Authority’s preliminary budget**

- ✓ screen all the loans granted in a given year to Local Authorities<sup>12</sup>, the corresponding year’s annual Preliminary Budget<sup>13</sup> for the considered Local Authority and identify Eligible expenditures against the Eligibility Criteria set out in AFL’s Green, Social and Sustainability Bond Framework (see 2.1. Use of Proceeds). Only investment expenditures<sup>14</sup> are considered; all the current/operational expenditures of the Local Authority are excluded from the scope of analysis (as AFL’s loan can only be used to finance investments according to the Budgetary Golden Rule<sup>15</sup>)
- ✓ calculate the share of eligible expenditures within the overall investment budget of the Local Authority and apply it to AFL’s loan disbursed
- ✓ sum all the eligible loans and add the amount to the overall portfolio of eligible loans to be allocated to AFL’s Green, Social and/or Sustainability Bonds.

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<sup>12</sup> Local Authorities (“Local Authorities” or “Targeted local Authorities”) are any Local Authority member and client of AFL, located in France metropolitan area or oversee.

<sup>13</sup> Available either through (i) OpenGouv Data, (ii) AFL credit process department, or (iii) Local Authorities’ institutional websites. Note that actual administrative accounts of Local Authorities could also be used in the event where sufficient granularity is provided to proceed to the aforementioned methodology.

<sup>14</sup> For the avoidance of doubt, investment expenditures can include “hard” expenses (e.g. construction/ renovation/purchases, etc...) and “soft” expenses (e.g. equipment/infrastructure subsidies, social programmes etc...).

<sup>15</sup> It is to be noted that Local Authorities are legally bound to audit their accounts, which ensures the robustness of the expenditure classification used in the above-mentioned methodology.

In the specific case of ex ante financing based on the estimated budget of the Local Authority, the SBC compares the estimated budget implementation rate with the actual administrative account to ensure that the percentage of eligible expenditure accurately reflects the contribution of Local Authorities to sustainable development.

## ***2- Select loans dedicated to specific infrastructure investments or specific expenditures***

AFL's overall portfolio of eligible loans could also include loans dedicated to specific infrastructure investments or specific expenditures based on the analysis of Local Authorities' Annex Budgets, provided that such loans align with the Eligibility Criteria set out in AFL's Green, Social and Sustainability Bond Framework.

The SBC will examine the allocation of funds to eligible expenditures, and determine whether changes are necessary (for example, whether a loan is repaid or ceases to be eligible). The Committee will also be responsible for managing updates to the Green, Social and Sustainability Bond Framework. Any changes to the Green, Social and Sustainability Bond Framework will be published on the AFL website: [www.agence-france-locale.fr](http://www.agence-france-locale.fr)

The traceability of decisions will be ensured throughout the process through the minutes of meetings, which will be prepared for each SBC meeting.

## **ESG Risks monitoring system**

All Public Local Authorities financed by AFL are located in France. By law, French Public Local Authorities are committed to the highest standards in environmental, social and ethical matters. As such, all of AFL's loans are used to finance investments which meet the most stringent ESG standards.

Nevertheless, an ongoing risk monitoring process is implemented within AFL:

- ✓ **Governance risks are monitored through a controversies analysis process.** This process involves both Compliance department, Credit department and Credit Committee. It is carried out and reviewed regularly in order to mitigate the risk of non-conformity. This process has two limbs:
  - Direct collection of information by credit teams, in charge of maintaining a high level of knowledge about AFL's client and about the perimeter financed
  - Automatic collection of information through two dedicated tools (one about regular information about anything that may happen in the local government perimeter – the other about information focused on lawsuits). Credit and compliance teams receive on a regular basis (at least monthly) this extensive press-based information about AFL clients. This information is analysed by both teams to assess the materiality of any identified governance matters

In case of any material<sup>16</sup> Governance related controversy occurring and impacting a financed Local Authority, AFL commits to exclude the expenditures related to this Local Authority and to replace them by other eligible expenditures.

- ✓ **Environmental and social risks monitoring:** the collection and analysis process is the same as Governance risk monitoring process described here before, performed with the same tools and by the same teams on a day to day basis. There, a dedicated focus will be made on E&S risks during information analysis phases. Information will be synthesized and presented to the Sustainability Bond Committee, on a regular basis or with a specific alert if required by the situation. In case of any material (materiality being assessed on an expert-based approach and documented by the Sustainability Bond Committee) environmental or social controversy occurring and impacting a specific Eligible Category of expenditures of a financed Local Authority, AFL commits to replace the specific disputable expenditures by another eligible expenditures.

## 2.3. MANAGEMENT OF PROCEEDS

Net proceeds will be tracked through AFL's internal accounting system.

AFL will manage the funds from the issuance according to a portfolio approach: an amount equivalent to the funds raised will be allocated to a portfolio of loans aligned with the eligibility criteria defined in section 2.1. As of at least the end of the allocation period specified below, AFL will retain a total amount of eligible assets equal to or greater than the total amount of funds raised through outstanding sustainable bond issuances. In particular, the AFL will ensure that:

- The volume of assets eligible for environmental categories remains greater than or equal to the amount of AFL Green Bonds outstanding;
- The volume of assets eligible for the social categories remains greater than or equal to the amount of AFL Social Bonds outstanding;
- The total volume corresponding to the sum of the volume of assets eligible for the environmental and social categories remains greater than or equal to the amount of the AFL's outstanding Sustainable Bonds (Green, Social and Sustainability);

When an eligible asset matures, it is replaced by another eligible asset. Similarly, if an asset no longer meets the criteria specified in this Framework, or in the event of disinvestment, borrower default or loan cancellation, AFL will reallocate the disinvested proceeds to other eligible assets, as soon as reasonably possible.

AFL commits to reach full allocation within two years of the Green, Social or Sustainability Bond issuance. Pending the full allocation of the net proceeds, or in the event that the proceeds are allocated to a loan that is repaid, proceeds will be held in compliance with AFL stringent investment policy until they can be

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<sup>16</sup> Material controversy should be based on reliable source and induce a severe impact.

allocated to eligible loans as outlined in Section (2.2). AFL policies in terms of treasury management encompasses two main rules:

- ✓ 70% minimum of high-quality liquid assets (HQLA)
- ✓ Securities at least rated A- and issued by only Supranational Institutions, Sovereigns and government-related entities from the European Economic Area, North America and internally approved countries

Only loans with a maturity of more than one year will be eligible under this Framework.

Changes to the Eligibility Criteria compared to the previous AFL Sustainability Bond Framework will not affect retroactively the treatment of eligible assets. In other words, eligible assets selected in the previous version of this Framework that have successfully passed the selection and validation steps will not be affected by changes to this Framework and will remain in the Eligible Portfolio until the maturity or sale of the asset. However, AFL analysed the portfolio of eligible assets at the date of publication of this version of the Framework and excluded the lines that could conflict with the exclusion criteria detailed in 2.1.1. a. In other words, the AFL has restated the eligible assets selected in the previous version of the Sustainability Bond Framework that successfully passed the selection and validation steps in order to exclude amounts that may conflict with the exclusion criteria of this Framework.

## 2.4. REPORTING

AFL intends to produce an allocation and impact report at least once a year, until the maturity of Green, Social and/or Sustainability bonds. The report will contain the following information:

### Allocation

- ✓ Total funds distributed according to (i) main areas of intervention and (ii) eligible categories
- ✓ Geographical distribution of funds distributed
- ✓ Total funds used for refinancing or allocated to new loans
- ✓ The amount of unallocated funds (if any) and the types of temporary investments made
- ✓ The breakdown of eligible loans by year of origination

### Impact

- ✓ Number, type, and geographical distribution of Local Authorities financed
- ✓ Contribution of the proceeds to the relevant UN Sustainable Development Goals (SDGs)

When feasible, additional information will be disclosed in the form of case studies, detailing the contribution of AFL's loan for a given Local Authority, through relevant environmental and social impact metrics.

The allocation and impact reporting will be reported in a dedicated Sustainable Bond Report that will be made available via AFL's website: [www.agence-france-locale.fr](http://www.agence-france-locale.fr).

## 2.5. EXTERNAL REVIEW

### Second opinion

Prior to issuance, AFL has commissioned Ethifinance to conduct an external review of its Green, Social and Sustainability Bond Framework and issue a Second Party Opinion on the Framework's environmental and social credentials and its alignment with the relevant ICMA Principles and Guidelines.

The Second Party Opinion will be made available on AFL's website: [www.agence-france-locale.fr](http://www.agence-france-locale.fr).

### External review


AFL will make public on its website a limited or reasonable assurance report provided by its external auditor or any other appointed independent third party on an annual basis. For each reporting, the auditors will verify:

- ✓ that an amount equivalent to the net proceeds of the Green, Social and/or Sustainability Bond has been allocated in compliance (in all material respects) with the Eligibility Criteria defined in this Framework.
- ✓ the number of Local Authorities financed and the contribution of the proceeds to the SDGs, as defined in the section 2.4 of this Framework.

## APPENDI X: RESPONSIBILITIES OF FRENCH LOCAL GOVERNMENT AUTHORITIES REGARDING ENVIRONMENTAL & SOCIAL MANAGEMENT

Local Public Authorities	Level of competencies / responsibilities of local public governments regarding Environmental & Social management  As defined in the French Law of town and country planning (NOTRe – 7 August 2015 <sup>17</sup> )
Region	<p><b><u>Regions’ role related to Town and Country planning has been reinforced:</u></b></p> <ul style="list-style-type: none"> <li>- Production of the <b>Regional Plan</b> of town and <b>country planning, sustainable development and territories equality</b> (STRADDET) has become prescriptive since the recent laws (2023), integrating objectives of land sobriety, sustainable mobility, air quality, biodiversity and renewable energy</li> <li>- Production of the <b>Regional Plan</b> of <b>waste management and prevention integrated into the SRADDET</b></li> <li>- Management of <b>Regional passenger transportation</b> (notably: <b>rail</b>)</li> <li>- Building, renovation and management of <b>high schools</b></li> <li>- Implementation of a <b>Regional air quality plan, also integrated into the SRADDET.</b></li> <li>- Classification of <b>Regional natural reserves</b></li> <li>- <b>Steering the ecological and energy transition: Regions are leaders, with tools such as regional COPs, CRTes (contracts for the success of the ecological transition), the Green Fund (€1.15 billion in 2025), and the COMETE community to support the territories.</b></li> <li>- <b>Support for ecological territorial planning under France Nation Verte</b></li> </ul> <p>On the strength of the legislative provisions, the Region is a head / conductor of the ecological and energy transition and develops tools to accelerate the implementation of concrete projects throughout the regional territory. Strengthening solidarities and social links remains also at the heart of every Region’s priorities.</p>
Department	<p><b><u>Departments have authorities notably on social subjects:</u></b></p> <ul style="list-style-type: none"> <li>- Child Welfare, Maternal and Child protection, Adoption, <b>Support to low income families</b></li> <li>- <b>Socioeconomic advancement and empowerment of people with disabilities</b></li> <li>- Creation and management of <b>elderly care centres</b> or of <b>care systems at home for the elderly</b></li> <li>- Management of the <b>minimum revenue allocation</b></li> <li>- Building, renovation and management of <b>secondary schools</b></li> <li>- Fight against <b>energy poverty, integrated in social policies</b></li> <li>- <b>Water management</b> (taking into account the priorities defined by the municipalities)</li> <li>- Students transportation (outside cities), including for students with disabilities</li> <li>- <b>Rural development: roads, equipment, water management</b></li> <li>- <b>Shared competences in culture, sport and tourism</b></li> </ul>
Grouping of municipalities & Cities & Metropolis	<p><b><u>Municipalities &amp; Grouping of municipalities have authorities on the following topics:</u></b></p> <ul style="list-style-type: none"> <li>- <b>Low carbon mobility integrated in the Territorial Climate-Air-Energy Plans (PCAET)</b></li> <li>- Urban planning, Space organization and <b>local development (through PLU, SCOT, etc.)</b></li> <li>- <b>Waste water management and waste management</b></li> <li>- Building, renovation and management of <b>primary and Secondary schools</b></li> <li>- <b>Local implementation of ecological transition policies, in conjunction with the regions and the State.</b></li> </ul>

<sup>17</sup> <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000030985460&categorieLien=id>



Inter-municipal body (EPCI) oversees the coordination of social housing policy and urban planning over the municipalities of its area.

At the same time, the principle of shared competences has been maintained in cross-cutting areas. Thus "skills in promoting gender equality, culture, sports, tourism, promotion of regional languages and public education are shared between municipalities, departments, regions and communities with special status".<sup>18</sup>

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<sup>18</sup> Article L.1111- 4 General Code of Local Authorities revised on February 23, 2022