OECD Development Co-operation Peer Reviews: France 2024
Foreword

The OECD Development Assistance Committee (DAC) conducts reviews of the development co-operation efforts of DAC members every five to six years. DAC peer reviews seek to improve the quality and effectiveness of development co-operation policies, programmes and systems, and to promote good development partnerships for greater impact on poverty reduction and sustainable development in developing countries.

From 2021, DAC peer reviews no longer cover all components identified in the peer review analytical framework (https://one.oecd.org/document/DCD/DAC(2022)57/FINAL/en/pdf#page=14). Instead, they highlight good and innovative practices and reflect on key challenges faced by the reviewed member on select themes, recommending improvements. These themes are selected through consultation with representatives from the reviewed member and its partners.

At the beginning of the process, the reviewed member submits a self-assessment. Based on this, staff from the Secretariat and two DAC members designated as peer reviewers visit the member’s capital to interview officials and parliamentarians, as well as representatives of civil society, non-government organisations and the private sector. This is followed by visits to up to two partner countries or territories, where the team meets with the representatives from the reviewed member as well as senior officials and representatives of the partner’s administration, parliamentarians, civil society, the private sector and other development partners. The team then compiles the findings of these consultations and prepares a set of recommendations which are then discussed during a formal meeting of the DAC prior to finalisation of the report. During the whole process, the OECD Development Co-operation Directorate provides analytical support and is responsible for developing and maintaining, in close consultation with the DAC, the methodology and analytical framework within which the peer reviews are undertaken.

To support learning between DAC members, the report highlights a number of valuable practices from the reviewed member, from which peers can draw inspiration and learning. These are documented in further detail on the Development Co-operation TIPs - Tools Insights Practices online peer learning platform (www.oecd.org/development-cooperation-learning), that offers insights into making policies, systems and partnerships more effective. The peer review report is complemented by the France’s development co-operation profile (https://doi.org/10.1787/29927d90-en) which includes factual information on its policies, development financing, institutional arrangements, and management systems.

The analysis presented in this report is based on (1) a desk review, including France’s self-assessment and assessments provided by more than 24 partners (multilateral organisations, non-governmental organisations, academics, the private sector and government partners); and (2) an extensive process of consultation with actors and stakeholders in France, Mauritania and Viet Nam (listed in Annex C). The work was discussed during the meeting of the DAC on 15 May 2024 and revised to integrate comments. The section titled “The DAC’s peer review recommendations to France” sets out the recommendations approved by the Committee via written procedure on 21 May 2024.
Acknowledgements

Development Assistance Committee (DAC) peer reviews function as a tool for both learning and accountability. This report is the result of an in-depth consultation and review process. It was produced by a review team comprising peer reviewers from Belgium (Isabelle Wittoek, Belgium Delegation to the OECD, and Stefan Meersschaert, First Counsellor, Deputy Head of Mission) and Japan (Kozo Kawata, First Secretary, Permanent Delegation of Japan to the OECD Kyosuke Inada, JICA’s Chief Representative in Paris and Takashi Yukizawa, Policy Advisor, JICA’s France Office). From the OECD Development Co-operation Directorate, co-authors were Joëlline Bénéfice as lead analyst and Santhosh Persaud, Juan Casado Asensio and Cyprien Fabre as policy analysts. Renwick Irvine, Team Lead for Peer Reviews, oversaw the review. Samantha Proteau and Agustina Vierheller provided logistical assistance to the review, and formatted and produced the report. Héctor Moreno provided statistical support and Yasmin Ahmad and Elena Bernaldo de Quiros verified the data. The report was prepared under the supervision of Rahul Malhotra, Head of Division, Reforms and Partnerships for Development Impact. Sylvaine Herold edited the original French version of the report, Susan Sachs the English translation.

The team are grateful for valuable inputs from across the Development Co-operation Directorate – including from the Financing for Sustainable Development division and the Global Partnership for Effective Development Co-operation team and the OECD, in particular the Directorate for Financial and Enterprise Affairs; the Directorate for Legal Affairs; the Directorate for Public Governance; the Environment Directorate; the Global Relations and Co-operation Directorate; the Financial Action Task Force; and the Multilateral Organisation Performance Assessment Network. Interviews with and written submissions from 24 of France’s partners (non-governmental organisations, civil society representatives, the private sector, think tanks and multilateral organisations) helped to focus and enrich the review.

The Peer Review of France benefited throughout the process from the commitment and dedication of representatives of the Ministry of Europe and Foreign Affairs, the Ministry of Economy, Finance and Industrial and Digital Sovereignty, and the AFD Group. The review team would also like to thank France’s Embassies in Mauritania and Viet Nam and AFD offices for hosting the review team, sharing insights and ensuring smooth contact with local counterparts.
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This book has...

Look for the StatLink at the bottom of the tables or graphs in this book. To download the matching Excel® spreadsheet, just type the link into your Internet browser or click on the link from the digital version.
Abbreviations and acronyms

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<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>AFD</td>
<td>French Development Agency (Agence Française de Développement)</td>
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<td>CICID</td>
<td>Interministerial Committee for International Cooperation and Development</td>
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<td>CNDSI</td>
<td>National Council for Development and International Solidarity</td>
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<td>CRS</td>
<td>Creditor Reporting System</td>
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<td>CSO</td>
<td>Civil society organisation</td>
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<td>DAC</td>
<td>Development Assistance Committee (OECD)</td>
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<td>ESG</td>
<td>Environmental, social and governance</td>
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<td>EU</td>
<td>European Union</td>
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<td>FASEP</td>
<td>Private Sector Study and Aid Fund</td>
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<td>FEXTE</td>
<td>Fund for Technical Expertise and Experience Transfers</td>
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<td>FISEA</td>
<td>Financial Integration and Structure in the Euro Area</td>
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<td>FSOF</td>
<td>Support Fund for Feminist Organisations</td>
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<tr>
<td>GEMMES</td>
<td>General Monetary and Multisectoral Macrodynamics for the Ecological Shift</td>
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<tr>
<td>GNI</td>
<td>Gross national income</td>
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<td>IDFC</td>
<td>International Development Finance Club</td>
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<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
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<td>JETP</td>
<td>Just Energy Transition Programme</td>
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<td>LDC</td>
<td>Least developed country</td>
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<td>MEAE</td>
<td>Ministry for Europe and Foreign Affairs</td>
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<td>MEFSIN</td>
<td>Ministry of the Economy, Finance and Industrial and Digital Sovereignty</td>
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<td>MIC</td>
<td>Middle-income country</td>
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<tr>
<td>ODA</td>
<td>Official development assistance</td>
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<td>SDG</td>
<td>Sustainable Development Goal</td>
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<tr>
<td>SME</td>
<td>Small and medium-sized enterprise</td>
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<td>SSE</td>
<td>Social Solidarity Economy</td>
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<td>UN</td>
<td>United Nations</td>
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Symbols used:

EUR Euro
USD United States dollar

Slight discrepancies in totals are due to rounding.

**Annual average exchange rate: USD 1.00 = EUR**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
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<tr>
<td>EUR</td>
<td>0.847</td>
<td>0.893</td>
<td>0.878</td>
<td>0.846</td>
<td>0.951</td>
<td>0.925</td>
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Executive summary

This peer review analyses the performance and coherence of France’s development co-operation system in relation to its objectives. It highlights successes and challenges and provides recommendations for the future. The report was prepared with reviewers from Belgium and Japan with the support of the OECD Secretariat.

France has renewed its ambition for development co-operation. The unanimous adoption of the 2021 law on solidarity for development and the fight against global inequalities marked an important step. The policy guidelines adopted in 2023 have refocused this ambition around ten priority policy objectives. These latest guidelines have raised questions about the hierarchy of France’s priorities and the extent to which they have been taken on board by external partners. While the 2023 guidelines confirm the evolution of development co-operation towards a mutually beneficial partnership, clarifying the balance between the interests of the various stakeholders will be necessary for co-operation policy to remain a pillar of France’s foreign policy.

This ambition is also reflected in the steady increase in French official development assistance (ODA), which has risen 37% since 2018. However, France has revised the timetable for its ODA growth trajectory and cut its ODA budget by more than 10% in 2024. A roadmap to reach the international target of 0.7% of gross national income (GNI) by 2030 would strengthen its credibility.

France champions the linkages between the green and social agendas in its vision of development and in its international advocacy, in line with the 2030 Agenda. Aligned with the Paris Agreement, France is one of the main providers of support for combating climate change and biodiversity loss, and it strives to pair action on climate, climate adaptation and biodiversity with the goal of reducing poverty and multidimensional inequalities. France is particularly active on climate, biodiversity and vulnerability issues within multilateral organisations. France’s dynamism and unifying ambition could be strengthened as part of the follow-up to post-summit commitments, as is planned with the Secretariat of the Paris Pact for People and Planet.

These two priorities structure France’s co-operation strategy, but integration remains a challenge. France has ambitious operational tools to articulate the green and social agendas. However, depending on the context, the country portfolios seem to follow parallel rather than integrated paths while also respecting the ambition not to harm any of the three pillars of sustainable development (economic, social and environmental). Current discussions aimed at making better use of positive synergies in programming would help accelerate the achievement of cross-impacts. Investment in diversified partnerships and research are assets that France can mobilise to a greater extent.

France is spearheading the mobilisation of sustainable finance to redirect financial flows, and is encouraging international debate on the subject. France is seeking to mobilise the private sector to a greater extent in its bilateral co-operation, including in higher-risk contexts and markets. To do so, France can draw on a full range of instruments, particularly those to support financial intermediaries. Taking on risk in line with its objectives will require adequate concessional resources, including support for partners.
In lower-risk markets, it will be important to pay particular attention to the added value of the French contribution.

**The financing of infrastructures and the financial sector is at the heart of support for private sector development.** As a complement, France plans to become more involved in some industry sectors and could step up the promotion of responsible business conduct. Even if formally tied aid remains limited, it will be important to maintain the effectiveness of ODA in the face of its expansion and the focus on economic spin-offs in France.

**France has strengthened its crisis response instruments, becoming a major humanitarian donor.** France has increased its financial contribution (+257% in five years) and strengthened its emergency mechanisms through better co-ordination of its delivery channels on the basis of contextualised global programming, a tenfold increase in the provision reserve for major crises and strong inter-ministerial co-operation. Its approach to crises, centred on fragility, enables a flexible response adapted to the context. The Minka Fund, managed by AFD, has demonstrated its relevance in this environment as a complementary instrument to humanitarian and stabilisation actions.

**The contribution of French development co-operation to conflict prevention is not sufficiently clear.** While France gives development aid an important role in identifying causes and preventing and responding to crises, it is less clear about the instruments to mobilised to achieve these objectives. The aid architecture that distinguishes between humanitarian and emergency aid and development and long-term aid may not be very relevant in many crisis contexts. AFD’s efforts to link up with the Crisis and Support Centre are interesting in this respect. Furthermore, the increase in French aid in the most fragile areas has not always led to greater acceptance, as in the Sahel for example, which needs to be seen in the context of new partnership approaches with partner countries.

**The balance between political impetus, steering by objectives, and flexibility has yet to be found.** France’s renewed ambition has also led to a reform of strategic steering and new co-ordination structures have strengthened the political impetus. The effectiveness of the new steering architecture will depend on its clarity and on the finalisation of work on transparency and the measurement of aid results to ensure overall strategic steering. While the creation of local development councils and the re-introduction of country strategies have contributed to the coherence of country portfolios, opening up these councils to local partners further could contribute to more contextualised steering.

**France mobilises a wide range of instruments to meet the needs of its partners.** In particular, it has diversified its instruments to increase partnerships with local civil society organisations through the Team France Funds and is paying greater attention to technical assistance. Nevertheless, the proportion of loans in its portfolio and their degree of concessionality has an impact on the sectors and geographical areas that are financed. A better integration of available tools, in particular through the consolidation of the AFD Group, would enable greater predictability and flexibility in financing French priorities.
The DAC’s recommendations to France

1. France should maintain growth in the ODA/GNI ratio to reach the target of 0.7% of GNI devoted to ODA by 2030 and align budget allocations with strategic priorities, in particular by:
   a. ensuring that each instrument has the appropriate level of concessional resources to be mobilised in the relevant contexts - including in fiscally vulnerable countries
   b. ensuring that the planned geographical concentration on vulnerable countries is not to the detriment of the French priorities in favour of the least developed countries.

2. To reinforce the effectiveness and credibility of its advocacy, France should continue to mobilise the appropriate resources to contribute to the implementation of the decisions taken at international summits it has facilitated, by involving a diversity of partners and ensuring coherence between international advocacy and domestic performance.

3. To optimise the integration of the social and green agendas, the AFD Group should take greater account of cross-cutting dimensions of sustainable development identified by the analysis and advice tool in its strategic and operational steering, in particular by:
   a. taking greater account of positive or long-term objectives in terms of reducing poverty and inequality in climate and biodiversity projects
   b. measuring the ex-post performance of French development aid relative to the dimensions identified in the sustainable development analysis tool to inform this steering.

4. To maximise the added value of efforts to mobilise the private sector and redirect financial flows to finance the sustainable development goals, France should:
   a. implement rigorous testing and effective monitoring of all aspects of additionality, particularly in lower-risk operations
   b. clearly define how Proparco intends to implement its objectives to reduce inequalities
   c. optimise the availability of concessional resources to enable Proparco to take risks and support the local private sector in line with Proparco’s strategic objectives.

5. France should pursue the de jure and de facto untying of its ODA in line with the DAC Recommendation on the Untying of Official Development Assistance, in particular by ensuring that the optimisation of development impact remains the main criterion for decision making and project appraisal.

6. The use of local development councils should be strengthened in order to co-ordinate Team France around policy objectives and common results defined at country level and their mandates should be broadened to increase their partnership dimension and dialogue with local partners, as called for by the 2023 Interministerial Committee for International Cooperation and Development (CICID).
7. In politically constrained or particularly fragile environments, France should connect its instruments and mechanisms in favour of peace and stability and strengthen the co-construction of development processes designed by the countries and communities supported, with roles and responsibilities that are clear to the populations concerned.

8. France should ensure that the steering bodies are equipped with tools to monitor the implementation of ODA that go beyond financial flows to ensure the overall coherence of political efforts and ODA programmes with a view to achieving the common objectives and strengthening the results-oriented approach.

9. On the basis of an analysis of the respective advantages of the different technical co-operation implemented by Expertise France (project management operator, ad hoc expertise facility, international technical experts), and in the context of the AFD Group consolidation, France will need to clarify the positioning of technical assistance in the French toolbox and reinforce the complementarity of this instrument with other co-operation modalities in order to mobilise its full potential.

10. The Ministry of Europe and Foreign Affairs should ensure that the strategy and management of the Team France Fund enable a balance between the impact on development, responsiveness, and the objective of visibility.
Infographic 1. Highlights from the 2024 Development Co-operation Peer Review of France

FRANCE’S STRENGTHS...

- Ambitious strategic, institutional, and financial reform
  - Parliament unanimously adopted the law on solidarity development and the fight against global inequalities in 2021

- Champions the linkages between the green and social agendas
  - The AFD sustainable development mechanism turns this commitment into practice

- Spearheads the mobilisation of sustainable finance
  - One of the main backers of the local private sector through support for banking and financial services

- Strengthened instruments to respond to crises
  - The Minka Peace and Resilience Fund acts on the determinants of crises and conflicts

...AND AREAS FOR IMPROVEMENT

- Increasing ODA to reach targets of 0.7% ODA/GNI and 50% of financial effort for LDCs

- Taking greater account of poverty and inequality in Proparco’s portfolio

- Strengthening the complementarity between technical assistance and other instruments

- Equipping steering bodies to monitor the overall coherence of the development co-operation policy

PROGRESS SINCE THE PREVIOUS PEER REVIEW

France has partially or fully implemented 11 of the 13 recommendations from its review in 2018.

- FULLY IMPLEMENTED
- PARTIALLY IMPLEMENTED
- NOT IMPLEMENTED
Infographic 2. France’s development co-operation at a glance

Figures expressed are gross disbursements in USD million in constant 2021 prices unless otherwise stated.

FRANCE IS THE DAC’S FOURTH LARGEST BILATERAL DONOR
2022, current price, USD millions

- Multilateral: 41% of ODA 2022 (USD 16 BILLION)
- Bilateral: 59% of ODA 2022

FRANCE’S ODA IS RISING STEADILY
Constant prices, USD million and % of GNI

FRANCE’S MAIN PARTNER COUNTRIES ARE MICs
Average 2021-22, constant price 2021, USD millions, disbursements

THE EUROPEAN UNION AND FINANCIAL INSTITUTIONS ARE FRANCE’S MAIN MULTILATERAL PARTNERS
2021-22 average, constant price, USD million, Gross disbursements

NATIONAL GOVERNMENTS ARE FRANCE’S PREFERRED PARTNERS
2021-22 average, % of gross disbursements, 2021 constant

HUMANITARIAN AID HAS GROWN STRONGLY SINCE 2018
USD millions, disbursements, 2021 constant
Findings

This report presents the conclusions and recommendations of the 2024 peer review of France’s development co-operation. In line with the 2023 methodology, it does not cover all the components of the analytical framework applicable to these reviews but focuses on four areas of French development co-operation selected in consultation with France’s partners and public representatives. As such, it examines the extent to which the French co-operation system as a whole is living up to its objectives in terms of its strategic, institutional and operational aspects; how France links environmental and social agendas; its efforts to mobilise the private sector; and its ability to respond to an unstable world. For each of these areas, the report takes stock of France’s strengths, the challenges and risks it faces, and its prospects for the future.
Background to the peer review of France

A political context of reform

Between the last peer review in 2018 and 2023, the political climate in France was relatively stable, with President Emmanuel Macron leading a centrist coalition for two successive presidential terms. With a comfortable majority in the National Assembly in its first term, the government was able to push ahead with its ambitious programme of planned reforms. The parliamentary elections of 2022, however, marked a turning point with the loss of the coalition government’s absolute majority and the breakthrough of the Rassemblement National (National Rally) party on the far right of the political spectrum. Against a backdrop of difficult political compromise, the government passed the latest reforms with the support of other parties or after weathering a vote of no confidence in the National Assembly, sparking controversy in the parliament and society.

The French economy has been relatively resilient to the successive external shocks that occurred during the period under review. After the unprecedented contractions resulting from the COVID-19 pandemic, French economic growth rebounded rapidly in 2021, with annual gross domestic product (GDP) growing at a rate of 7.9% (OECD, 2024[1]). Growth has since slowed significantly in a global context marked by Russia’s war of aggression against Ukraine and a sharp rise in inflation largely due to higher energy prices. GDP growth is expected to fall from 0.9% in 2023 to 0.8% in 2024 before rising to 1.2% in 2025 (OECD, 2024[1]). Deteriorating financing conditions due to the tightening of monetary policy are expected to continue to impact investment and consumption.

Recent geopolitical reconfigurations have affected France’s position on the international stage. France has recognised the changing balance of power in the world, in particular the weakening of the European Union’s (EU) position on the multilateral stage, the existing international order and the acceptance of France’s involvement in some of its former colonies. In this context, France has positioned itself as an advocate of multilateralism based on the rule of law while also defending republican principles in order to position itself as “the leading destination for foreign investment in Europe, a country of innovation, of rapid transition towards carbon neutrality, a major player in the security of Europe and the world, an essential partner in development and international solidarity” (French Presidency, 2023[2]).

Overview of French co-operation stakeholders

There are three stakeholders at the heart of France’s multi-stakeholder co-operation system. France’s ODA comprises 24 budget programmes, divided among 13 missions and managed by 14 ministries, in addition to extra-budgetary allocations.¹ The Ministry for Europe and Foreign Affairs (MEAE) and the Ministry of the Economy, Finance and Industrial and Digital Sovereignty (MEFSIN) manage the two main ODA budget programmes (209 and 110).² The French Development Agency (AFD) Group implements most of these programmes. The AFD Group has three components: AFD, which finances the public sector, non-governmental organisations, and sustainable development research and education; its subsidiary Proparco, which is dedicated to financing the private sector; and Expertise France, the technical co-operation agency. In addition to the two ministries and the AFD Group, other public stakeholders directly involved in co-operation include public research centres,³ Campus France, offices of the Alliance Française, France Volontaires, and local and regional authorities.⁴

The role of the AFD Group, the main implementers of bilateral ODA, changed during the period under review, in terms of both its mandate and resources. The AFD Group implements 46% of France’s ODA (Figure 1). The French government broadened AFD’s thematic and geographic mandates in 2018.⁵ The French programming Act on inclusive development and combating global inequalities of 4 August 2021 (hereafter the 2021 Act) (French Republic[3]) ratified the Group’s dual objective of financing access to essential services in least developed countries (LDCs) and financing global public goods,
promoting economic convergence and combating climate change in developing countries. In 2021, the government approved a EUR 953 million recapitalization of AFD to allow it to meet the increased equity capital requirements resulting from changes in prudential regulations, the effects of the economic crisis on its results and significant growth in the agency’s business. AFD can also offer services to all public authorities, respond to requests for appraisal from the French Presidency or the Prime Minister’s office, and implement programmes delegated by the EU.

Figure 1. The AFD Group is France’s main ODA delivery channel

A strategic, institutional and operational framework commensurate with the objectives

An evolving strategic framework

The evolution of the ambitious legal and strategic framework needs to be clarified and stabilised

France has embarked on a strategic, institutional and financial reform of its development co-operation supported by strong political impetus and a wide-ranging consultation process. The unanimous adoption of the 2021 Act was a clear reflection of France’s renewed ambition in this area. All the stakeholders in French development co-operation, including parliamentarians, non-governmental organisations (NGOs) and trade unions, highlighted the quality of the consultation process during the
preparation of the Act, notably within the framework of the National Council for Development and International Solidarity (CNDSI) (Box 1). The 2021 Act enshrines development policy as a pillar of the country’s foreign policy and sets out a renewed ambition for French development co-operation in terms of objectives and resources. It increases and concentrates resources in 10 cross-cutting and sectoral strategic priorities and 19 priority countries, while expressing France’s willingness to develop partnerships to strengthen its work on tackling poverty and inequality and protecting global public goods.

**Box 1. The National Council for Development and International Solidarity: A multi-stakeholder consultation body**

*A consultative body including representatives from partner countries*

The CNDSI, established by the 2014 Orientation and Programming Law on Development and International Solidarity, is the consultative body of state and non-state actors that discusses the direction, objectives and resources for French development policy. It is composed of nine groups representing French civil society (NGOs, trade unions, economic stakeholders involved in sustainable development, members of parliament, local authorities, companies in the social and inclusive economy, foundations, universities and research centres, and multi-stakeholder platforms) and a tenth group of qualified foreign experts.

The CNDSI meets three times a year in plenary session chaired by the MEAE, with working groups meeting separately on topics related to the international agenda and chosen by the Council. Seven groups have completed their work on the following topics: migration and development, development financing, private sector engagement, the French presidency of the Group of Seven (G7), France’s strategy for multilateral banks and funds, strengthening the role of civil society, and implementation of the 2030 Agenda. Four working groups on the role of foundations, strengthening the role of youth, the role of French territories, and debt reduction and development contracts (C2D) are still active.

**From discussion to influence**

The CNDSI has fostered consultations and produced reports on the successful implementation of development policy, notably on creating an enabling environment for civil society and on France’s strategy towards multilateral banks and funds. The Council also took an active role in drafting the 2021 Act. However, CNDSI members emphasise the difficulty of transitioning from a forum for discussion and consultation to body that influences political decision making – not least because of its extremely diverse membership. Although it is supported by a secretariat housed at the MEAE, the CNDSI has limited resources to organise its discussions, make its debates more visible and engage in existing forums.

The evaluation launched in 2024 to mark the Council’s tenth anniversary will enable it to better measure what it has achieved in terms of stakeholder consultation and impact on development policy and to identify areas for improvement in terms of organisation and operation. The lessons learned may also be useful to other DAC members with similar bodies.


**Shifts in the strategic orientation since the 2021 Act, driven by the upper echelons of the government, raise concerns about the status and hierarchy of successive priorities.** The CICID adopted new guidelines for international co-operation and ODA policy in 2023 following a meeting of the Presidential Council for Development. The changes were made after a consultation process that was similar but less intensive than the consultations for the 2021 Act. However, the partners involved identify less closely with the conclusions of this iteration. The new policy guidelines (CICID, 2023[6]) are structured...
around four major objectives and ten priority policy objectives. These latter policy objectives largely maintain the priorities defined in the 2021 Act, namely the climate and the environment, with an increased focus on decarbonisation and biodiversity protection, gender equality, governance and human rights, health, education, food sovereignty, inclusive growth via innovation, African entrepreneurship, and infrastructure. In addition, the 2023 CICID policy guidelines do not explicitly include objectives for water, sanitation and fragility but introduce new targets for combating illegal immigration and smuggling. The changes raise questions about the status of the earlier policy goals – in particular whether older objectives should be additional or removed – and about the ranking of new and older priorities.

The latest policy guidelines confirm that development co-operation is evolving to become a mutually beneficial partnership. The 2021 Act and the French president’s speech in Ouagadougou (Macron, 2017[7]) set out a goal of reforming partnerships, mainly with countries on the African continent. The 2023 guidelines are particularly explicit about the returns France expects from development co-operation, both in terms of values and domestic policy. These include co-benefits of tackling global warming, combatting illegal immigration and the economic return for French companies (see Mobilising private sector contributions). Peer review exercises have shown that more and more DAC members seem to be adding a transactional dimension to development co-operation with a clear expectation of returns beyond shared interests. However, France must ensure that these objectives do not alter its policy of supporting partner countries, which must above all respond to their development needs. Clarifying the balance between the interests of the various stakeholders will be necessary to ensure that co-operation policy remains a full-fledged pillar of France’s foreign policy, rather than a subsidiary instrument, and continues to be part of an approach based on social and sustainable investment.

ODA has risen sharply, in line with France’s stated ambitions

The 2021 Act reflects a newly ambitious vision for French co-operation that is further illustrated by the 37% increase in real terms in ODA from 2018 to 2022, making it the fourth-largest bilateral donor in terms of ODA volume and the tenth-largest as a percentage of GNI (Figure 2). The rise in the volume of ODA is mainly due to the increased state budget for the “ODA mission excluding loans”, which in terms of both volume and percentage; this budget allocation thus rose from 24% to 36% of the total budget for the state and its agencies between 2018 and 2023 (Government of France, 2023[8]). This increase can also be explained by rising costs associated with receiving asylum seekers and providing them with health care and the increased contribution to ODA financed from the EU budget. Infographic 1 shows changes in the share of loans and grants in the ODA budget.
Figure 2. French ODA has risen steadily over the period under review

Grant equivalent, USD millions, as a percentage of GNI, at constant 2021 prices

While France has exceeded its intermediate target (0.55% of GNI devoted to ODA in 2022), a roadmap to reach the international target of 0.7% by 2030 would strengthen its credibility at home and its influence on the international stage. In 2023, the CICID meeting, revised the timetable for achieving its ODA target. The 2021 Act called for France strive to reach the international target by 2025, but the new guidelines shift this objective to 2030. A significant reduction in commitment authorisations for the ODA budget line, from EUR 12.3 billion in 2023 to EUR 6.3 billion in 2024, is also planned. According to preliminary ODA data for 2023, ODA declined in real terms and as a percentage of GNI, reaching a ratio of 0.5% in the same year. In February 2024, the government also announced ODA budget cuts of EUR 742 million, or 12% of the allocations initially approved for 2024. A continuation of this trend would make it more difficult to increase the ODA/GNI ratio in coming years.

Moving from political impetus to results-based steering

The balance between political impetus, strategic steering and flexibility has yet to be found

The 2021 Act fleshed out the architecture of French development policy, creating new structures for political impetus. The Presidential Council for Development, created by the 2021 Act and chaired by the French president, is responsible for making strategic decisions about development policy. The Council, which is responsible for the latest strategy that was published in mid-2023, supplements the CICID, the pre-existing decision-making and co-ordination mechanism. The CICID sets out the general framework for France’s development co-operation activities; it is chaired by the French prime minister, and its secretariat is managed jointly by the MEAE and MEFSIN. The CICD also determines how the various stakeholders and modes of intervention are to be co-ordinated based on the guidelines set by the Presidential Council (Figure 3). The post of Minister of State for Development, Francophonie and International Partnerships was also created in 2022 to strengthen political impetus and steering.

This new system only partially solves the problems associated with steering the cross-cutting policy as a whole. Observers of French co-operation and its stakeholders have repeatedly identified steering as a weakness. At the CICID level, this weakness is evidenced by the lack of regular meetings, the level of participation and the tools available to ensure this steering. These tools are not always sufficient
to measure progress beyond financial mobilisation or to analyse the overall coherence of Équipe France’s actions, particularly in terms of the strategic use of all the institutions actively involved in the ODA mission even though a series of indicators were put in place after the 2023 CIDIC (see also Moving from political impetus to results-based steering). France is planning to introduce new interministerial meetings – for example annual meetings between the Minister for Europe and Foreign Affairs and the Minister of the Economy, Finance and Industrial and Digital Sovereignty as well as a quarterly meeting led by the Minister of State for Development, Francophonie and International Partnerships the MEFSIN, thereby bringing together the main players involved in implementation. The decisions to introduce additional interministerial meetings on co-operation were made before the January 2024 cabinet reshuffle and the change of some political appointees, but they are currently being implemented and the first quarterly meeting was in November 2023. The added value of these meetings and the effectiveness of existing steering and co-ordination structures will greatly depend on their clarity, roles, information needs, and the relevance of the tools at their disposal to ensure effective and efficient steering of priority political objectives, country strategies and operators.

Figure 3. The institutional architecture gives pride of place to political impetus

Co-ordination and steering bodies for the ODA mission

Striking the right balance between establishing strategic directions, measurable objectives and flexible steering for the AFD Group is a complex task. In practice, steering is primarily focused on the two ODA mission programmes, which are mainly implemented by the AFD Group (Figure 3). As line ministries, the MEFSIN and MEAE are members of the AFD Group’s Board of Directors and sign a Means and Objectives Contract with the Group. These contracts are a perfect example of the complexities of steering. It is difficult to strike a balance in such contracts between measurable strategic directions and management flexibility. The latest Means and Objectives Contract for the 2020–22 period contains 47 indicators covering sectoral, geographical and instrument-related steering objectives as well as impact measurements. In the stakeholders’ opinion, the number of indicators and their level of detail made it
difficult to balance French political priorities with evolving country needs. For these reasons, the number of indicators will be drastically reduced in the next contract. Similarly, once a Means and Objectives Contract has been validated, the MEAE approves each subsidy implemented by AFD on its behalf individually, rather than approving them grouped in broad categories as is the case for loans. This raises questions around efficiency that this practice entails.

Balancing the strategic steering of the AFD Group between the line ministries would enable France to fully harness the Group’s added value. The two AFD line ministries have three roles in the co-operation architecture: cross-cutting strategic steering; implementation of their budget line (including via the multilateral channel); and steering of the AFD Group and other public operators, which requires three different types of expertise. As the French Court of Auditors has observed (Cour des comptes, 2020[9]), steering has become more complicated as the AFD’s responsibilities have steadily expanded to give it a major role in developing and executing international co-operation policy, both as implementing agency and financier and because of its ability to mobilise equity capital on the markets.16 While the MEAE’s steering role is critical given its leading role in the cross-cutting social and sustainable investment policy, it is required to have a much greater range of staff skill sets than the MEFSIN, the second line ministry dealing with international co-operation. For instance, implementing programme 209 involves managing small projects, whereas the MEFSIN is primarily responsible for steering for financial institutions. Although the MEAE workforce is growing, the majority of staff at the Directorate-General for Global Affairs are contract workers. This creates challenges in terms of institutional memory and relationship in how they relate to the AFD Group’s staff, which is composed of development experts. (Multilateral aid steering issues are further discussed in the subsection titled Linking green and social agendas)

**Strengthening co-ordination within countries of operation could help better contextualise steering**

While strengthening co-ordination under the authority of the ambassador is a positive development, the various embassy departments could be more involved in order to bring greater coherence to Équipe France in terms of positioning and action. The previous peer review noted the complexity to co-ordinate French stakeholders in partner countries (OECD, 2018[10]). The latest institutional reforms address this difficulty by strengthening country co-ordination under the authority of the ambassador.17 As observed in Mauritania, regular discussion between the embassy’s Cooperation and Cultural Action Service and AFD, under the authority of the ambassador, can strengthen the internal coherence of French co-operation strategy. Although these discussions take place on an ad hoc basis, they have facilitated the co-appraisal of projects (for culture, youth and sport) and their scaling-up (for civil society) while preserving the specific role of development co-operation. As recommended in 2018, the 2021 Act reinstated country-specific strategies and programming, covering all French stakeholders (the Équipe France strategy), under the authority of the ambassador. However, these are not yet being used to their full potential, particularly in terms of setting shared objectives and identifying synergies in different areas. To achieve these goals, it will be essential to implement regular co-ordination at the embassy level in priority areas and to monitor progress towards shared outcomes.

The creation of local development councils is a promising development, but their role and the frequency of their meetings could be reviewed to enable them to achieve their potential and strengthen co-creation. Local development councils, provided for in the 2021 Act and introduced in 2022, illustrate France’s efforts to strengthen the local roots of its co-operation through its openness to a range of partners and mutual accountability. Although the 2021 Act stipulates that the councils are open to local authorities and stakeholders to create a framework for enhanced partnership dialogue, some councils are used more as bodies for transparency than for co-creation. This is notably due to a lack of appropriate financial and human resources. If mobilised more regularly, these councils could be used more strategically to increase understanding of local expectations and issues beyond government authorities, reach agreements on future priorities, enrich the response implemented by French co-operation at the local and
regional levels, and inform its strategic priorities as envisaged by the 2023 CICID. Furthermore, as observed in Viet Nam and Mauritania, while France’s counterparts and partners are well aware of projects that directly concern them, they are not fully aware of the extent of French co-operation. Regular high-level consultations would enhance the visibility and transparency of French co-operation and foster better consultation on and sharing of Équipe France’s strategy.

**Ongoing efforts to strengthen accountability for results must be accelerated**

**France has several accountability instruments that are focused more on financial mobilisation than results.** These include monitoring indicators in operators’ Means and Objectives Contracts (including those of the AFD Group), that cover both financial efforts and development results; cross-cutting policy documents on French development policy; and annual performance reports that assess the extent to which each programme fulfilled commitments made during the review of the draft finance law based on strategic priorities. French development co-operation also benefits from an inter-institutional evaluation system composed of three evaluation units that jointly carry out strategic planning and implement a wide range of evaluation methods.\(^\text{18}\) Co-operation policy guidelines are accompanied by measurable indicators and occasionally go beyond financial investment. However, the absence of targets non-financial targets raises questions about their use for accountability (as opposed to mere communication) purposes. The AFD Group’s ongoing work to strengthen the results-based approach to development as a way to improve its own accountability is a step in the right direction. This work includes a review of existing monitoring mechanisms and indicators that can be aggregated beyond financial flows, work to set up similar mechanisms within Proparco (see the subsection titled Mobilising private sector contributions) and Expertise France, and the creation of a unit dedicated to the ex-post measurement of development results and impacts.

**Accelerated efforts to promote accountability and transparency will be needed to strengthen public support, including in partner countries.** The 2021 Act put accountability efforts at the centre of the co-operation policy renovation project and listed a series of reforms to be implemented. While not all initiatives are yet complete, it will be important to keep the results dimension at the centre of discussions. The following points in particular are important:

- The project to create an independent commission to evaluate ODA policy has not yet been established or assigned to an institution.\(^\text{19}\) Once established, this commission should be able to respond to the growing demand for information and accountability in terms of coherence between bilateral interventions and policy guidelines (Bonis Charanche, Vielajus and Simon, 2021\(^{[11]}\)). As stipulated in the implementing decree regarding the functioning of this commission, it will be important for this additional structure to complement rather than duplicate the existing assessment system by focusing on issues of overall coherence. France must also ensure that this commission is not its only response to the lack of accountability instruments in the operational and strategic debate. In this respect, efforts to strengthen the evaluation culture within the MEAE and to reposition evaluation within the project continuum at AFD are encouraging.

- In partner countries, capitalising on knowledge and lessons learned from experience with all stakeholders would improve the social dimension of the partnership, for instance by reaching a wider audience. In this sense, AFD’s willingness to invest in partnership evaluations is promising.

- The annual report on implementation of the development policy was not submitted to the French parliament until 2022, although there was a commitment made to provide it in 2021, and it is not available to the public.

- France has set up an open database\(^\text{20}\) containing information on all bilateral activities and current events in the field of social and sustainable investment. The AFD Group publishes project data as well as documents on its strategies and governance on various open data platforms and in line with international standards. These transparency efforts have paid off in AFD’s steep climb in the
Publish What You Fund (2022[12]) aid transparency rankings. However, these platforms do not yet contain information on the results of French co-operation, a weakness also identified in the Publish What You Fund ranking. In this respect, the AFD Group’s intention to publish the results of its projects on its own platform in 2024 is welcome.

Despite strengthened steering, strategic directions are only partially visible in financial allocations.

France’s environment and climate and gender thematic priorities are reflected in financial allocations, and the volume of related funding has increased thanks to political commitments. Since the last peer review (OECD, 2018[10]), France significantly increased its commitments to gender equality and is comparable to the DAC average, with 46.8% of its commitments targeting gender equality. However, this share is far from the target set by the 2021 Act of 75% of bilateral public aid commitments to be programmed by 2025. France’s commitment to environmental and climate issues is also noteworthy: in 2021-22, 86% (EUR 7.3 billion) of France’s total disaggregated bilateral aid went towards the environment and while 56% (EUR 6.8 billion) went towards climate change. (See the subsection titled Linking green and social agendas for a detailed analysis of green and gender financing)

However, sectoral priorities are only partially reflected in financial allocations, and French ODA in practice is mainly focused on infrastructure financing. Although ODA allocated to the sectoral priorities (priorities and key sectors) set out in the 2021 Act has increased in volume, its share of total ODA has remained stable at about 40% (Figure 4). It should be noted that more than half of the aid allocated to the education sector, a priority for French co-operation, is composed of tuition fees for foreign students in France (65% in 2022). The main beneficiary sector of French ODA is the economic infrastructure and services sector, particularly transport and banking services that are more capital intensive and therefore more amenable to loan financing. It should also be noted, however, that loan volumes in the social sectors are increasing, which could help improve alignment between priorities and financing without the need to rebalance financial instruments.
Figure 4. The 2018 Interministerial Committee for International Cooperation and Development priorities account for just one-fifth of ODA disbursements

Percentage of French bilateral ODA by sector, gross disbursements

![Percentage of French bilateral ODA by sector, gross disbursements](https://stat.link/avb8n1)

Note: CICID sectors and DAC codes: crises and fragility (152: peace and security, 720: emergency response, 730: post-emergency reconstruction, 740: disaster prevention); education (110: education); health (120: health, 130: population, health and fertility policy); agriculture and food security (310: agriculture, forestry and fishing, 520: food security); water and sanitation (140: water supply and sanitation); and governance (151: government and civil society – general). Calculated on a grant equivalent basis, the share of ODA to CICID priorities – excluding key sectors - rose to 26% in 2021 and 27% in 2022.


Similarly, financial allocations only partially reflect the prioritisation of Africa, although the proportion of aid committed to the continent is increasing. In the 2021 Act, France pledged to devote 75% of the state’s total financial effort in grants and loans (excluding debt cancellation) and at least 85% of all funding implemented via AFD to the Africa and Mediterranean zone. In 2022, the share of this effort devoted to these geographical areas stood at 46% (on a grant-equivalent basis i.e. below the target set by the 2021 Act), while 84% of the AFD Group’s financial effort reached Africa and the Near and Middle East. However, ODA disbursements increased more significantly to sub-Saharan African than in any geographic zone (+61% between 2018 and 2022). Africa was also the main beneficiary region of France’s earmarked contributions to multilateral organisations.

The concept of priority countries, although made obsolete by the 2023 CIDIC, has never been reflected in financial allocations. Of the 19 priority countries listed by France before 2023, only Senegal is among the top ten recipients of French ODA. Even when French contributions to multilateral organisations are allocated geographically, priority countries account for only 33% of ODA and extra-budgetary funding (Government of France, 2023[18]). The proportion of French bilateral aid allocated to priority countries remained stable at about 14% of bilateral ODA in grant equivalent over the period under review, below the target to allocate 50% of the state’s grant effort to these countries. It was also expected that by 2025, 25% of country programmable aid would benefit these priority countries; however, by 2022, they had been allocated less than 10% of such aid. The 2023 decision to remove the list of priority countries is consistent with the level of financial allocations in a context where France’s commitment in certain sub-Saharan countries is complex (see the subsection titled Facing an unstable world) and where France intends to broaden its scope of action to finance global public goods.
While France now intends to prioritise LDCs, it will be necessary to continue efforts to increase grant resources and loan subsidies to ensure that the poorest countries maintain preferential access to ODA. LDCs still receive only a small share of France’s bilateral aid. In 2022, they accounted for 16.2% of France’s gross bilateral ODA (USD 2.3 billion) and 19% of ODA in grant equivalent, a share that remained relatively constant throughout 2018-22. With 0.12% of its GNI allocated to LDCs, France is also below the targets set in Istanbul although above the DAC average of 0.08% of GNI. The main beneficiaries of French co-operation are middle-income countries (MICs), which receive loans. Efforts should continue to reach the targets and increase LDCs’ access to ODA resources, especially as the cost of loans continues to rise. Mobilisation of the loan instrument partly explains why certain stated priorities (e.g. health and education services and LDCs) are less reflected in financial allocations than the priority related to combating climate change by financing capital-intensive infrastructures in MICs, which are more suited to loan financing. Therefore, the question is how France can increase resources to finance its priorities in a more balanced way.

As part of its new guidelines for international co-operation and ODA policy, France is planning to redefine its geographical focus and prioritise LDCs and vulnerable and fiscally fragile countries (CICID, 2023[6]). This will use a typology that is currently being finalised. France is considering how to better integrate the vulnerability dimension into its ODA, considering factors such as climatic, political, economic and social vulnerability and the problems faced by certain small island developing states. It is not yet clear how this definition of vulnerability will affect targets for the geographic focus of the state’s financial effort. The 2023 CIDIC set called for concentrating 50% of the financial effort in LDCs. This target is to be extended to “vulnerable” countries from 2025. While the extended target should be higher than 50%, the share of French ODA going to LDCs might nevertheless be affected, depending on how much overlap there is between vulnerable countries and LDCs. It will be necessary to consider the interrelationship of the trajectories and dimensions of vulnerability and poverty to clarify the specific nature of ODA and how best to direct this scarce resource towards contexts facing the greatest difficulties in terms of financing and concentrated poverty.

France is seeking to foster international discussion on international aid, including beyond ODA. The concepts of social investment and vulnerability are central to this discussion and would be complementary to the ODA metric. An objective in the new policy guidelines is to define a new metric to better measure efforts on the cross-border challenges of the Sustainable Development Goals (SDGs) and spending on global public goods.

While France is mobilising an increasingly diverse range of instruments, they are not yet perfectly aligned with the country’s ambitions

The proportion of loans in the French toolbox and the conditions under which they are granted have enabled a considerable mobilisation of financial resources, but not enough to meet all commitments.

Loan conditions are designed to maximise the potential grant-element associated. France has not established a formal policy for mobilising different instruments apart from AFD’s policy on sovereign loans, which was updated after the list of priority countries was removed. The tool mobilised should depend on the country’s financial capacity, the sector’s maturity and the nature of the project as well as the volume of financing available (in practice, loans are less constrained than grants) and the prudential framework established by the supervisory authorities. This approach gives AFD a high degree of flexibility and autonomy in deciding on the instrument, the level of concessionality and the local counterparty and enables it, in theory, to appraise projects based on expressed needs rather than instruments. The mobilisation of innovative climate and environmental loans in MICs, as observed in Viet Nam, illustrates AFD’s efficient use of scarce ODA resources.
Nevertheless, France has not complied for over ten years with the DAC Recommendation on the financial terms and methods, and its loans are less concessional than those of its peers. On average, French development aid loans are less concessional than those of other DAC members, irrespective of country category and sector of allocation (Table 1). France ranks second to last among DAC bilateral lenders in terms of the average grant element of its loans (Annex B. Progress against OECD legal instruments under the responsibility of the DAC). This low concessionality has an impact on the type of partner, including non-sovereign partners, that can access less-concessional financing. However, the concessionality of French loans has increased in recent years, rising from 55% in 2015 to 60% in 2021. Lending conditions are also more favourable for LDCs. Average grant element rates should also gradually increase if France fully implements the measures endorsed at the July 2023 CICID, which envision state financial effort of at least 50% for LDCs, strengthening of global budget aid, humanitarian target of EUR 1 billion and approval of highly concessional loans.

Table 1. On average, French development aid loans are less concessional than those of other DAC members

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Germany</th>
<th>Belgium</th>
<th>Korea</th>
<th>Spain</th>
<th>France</th>
<th>Italy</th>
<th>Japan</th>
<th>Poland</th>
<th>DAC total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average maturity (years)</td>
<td>14.4</td>
<td>39.2</td>
<td>36.5</td>
<td>25.0</td>
<td>17.8</td>
<td>16.0</td>
<td>31.4</td>
<td>24.6</td>
<td>28.3</td>
</tr>
<tr>
<td>Average grace period (years)</td>
<td>4.5</td>
<td>10.9</td>
<td>11.8</td>
<td>6.1</td>
<td>5.2</td>
<td>8.5</td>
<td>8.8</td>
<td>12.0</td>
<td>8.3</td>
</tr>
<tr>
<td>Average interest rate (%)</td>
<td>1.7</td>
<td>0.0</td>
<td>0.5</td>
<td>2.1</td>
<td>1.8</td>
<td>1.1</td>
<td>0.6</td>
<td>0.6</td>
<td>1.3</td>
</tr>
<tr>
<td>Grant element (%)</td>
<td>30.5</td>
<td>70.0</td>
<td>73.4</td>
<td>42.1</td>
<td>37.0</td>
<td>44.8</td>
<td>65.9</td>
<td>63.7</td>
<td>60.0</td>
</tr>
</tbody>
</table>

Note: This table presents data for all countries that granted at least one loan in 2022. Only sovereign loans are included; private sector instruments have not been included.


Rising interest rates are increasing the cost to the government of loan subsidies (the difference between the interest rate charged by AFD and the market rate) and reducing the concessionality of loans granted. Against this backdrop and to meet the challenges of debt sustainability, France is experimenting with highly concessional tied sovereign loans in vulnerable countries as well as budgetary aid in the form of grants (see subsection titled Mobilising private sector contributions). AFD also prioritises non-sovereign loans in its strategy, enabling diversification of counterparties within the same country. (Loans granted by Proparco are discussed in the subsection on Mobilising private sector contributions). Loans to companies in which the state owns a stake of 50% or more could be included in debt restructuring exercises, but France will have to assess the viability of the partner country’s debt and the risk of this option for AFD.

The increase in grants as a share of the total French portfolio is a positive development. Since 2018, the state budget allocated to ODA excluding loans has increased sharply in volume and percentage terms, rising from 24% of the total state and agency budget in 2018 to 36% in 2023. This increase is not due to the increase in costs of hosting refugees or schooling. Furthermore, the proportion of total ODA accounted for by grants has risen more or less steadily since 2018 (from 76% in 2018 to 83% in 2023 on a grant-equivalent basis, 62 and 75% on a disbursement basis), while the proportion of loans has declined (from 18% in 2018 to 14% in 2023). It should be noted, however, that this trend is more uneven in the case of bilateral ODA, where grants have increased from 67% to 71% of bilateral ODA over the same period while...
loans have fallen from 22% to 23%. In addition to improved targeting of stated priorities, an increase in grant resources as part of the bilateral portfolio could also strengthen synergies between instruments.

This broad range of instruments could be further integrated and balanced

To strengthen the local anchoring of French development co-operation and in response to political commitments made on the international stage, the MEAE has remobilised its project assistance instruments via the Équipe France Fund (FEF) and the Équipe France Rapide Fund (FEF-R). In doing so, France has created a series of new funds and increased the resources allocated to the former Solidarity Fund for Innovative Projects (FSPI) under the FEF banner, thus increasing the volume of grants directly managed by the MEAE and administered by embassies. As observed in Viet Nam and Mauritania, these instruments, whose financial scope is smaller than AFD financing, make it possible to finance other types of actors and interventions, strengthen dialogue with local civil society, and restore the influence of embassies (see the subsection titled Facing an unstable world). These initiatives are appreciated by local organisations, particularly since the commitment procedures used by AFD hinder the involvement of smaller organisations.

However, as things currently stand, there are questions around the strategic steering, operational monitoring and effectiveness of the FEF in terms of development, including because of the recent nature of this instrument. During the missions, the MEAE and embassies’ Cooperation and Cultural Action Service appeared ill-equipped to manage a multitude of projects in a forward-looking and strategic way and thus enhance their development impact while responding to demands for accountability from headquarters. Furthermore, although project and instrument evaluations are planned, the project financing strategy could be made clearer to enhance development impact, given the short duration of projects and their broad geographical coverage.

France is also working to facilitate access to funding for NGOs. In 2022, French funding channelled through civil society organisations (CSOs) totalled EUR 745 million (versus EUR 355 million in 2018), accounting for 6% of France’s bilateral ODA. This represents a steady increase over the review period but remains below the target set by France initially of 15% and since revised to 11% in the latest strategy and below the DAC average. In addition to increasing the share of ODA channelled through NGOs, France is seeking to diversify its civil society partners (NGOs, philanthropy, etc.), facilitate the funding of local rights NGOs, and simplify its procedures, including for promoting strategic thinking. However, the fact that AFD and government ministries offer similar financing instruments but with different financial and administrative conditions to civil society organisations makes establishing partnerships more complicated (Annex B).

With the same aim of diversifying partnerships and mobilising stakeholders, France is striving to expand the involvement and role of private philanthropy. Although foundations have only recently been recognised as development partners, they are now clearly identified as partners in building activities, particularly in Africa and in France’s priority areas, as outlined in the philanthropy and development strategy (MEAE, 2021[14]). AFD has explored avenues of operational collaboration and formalised partnership agreements with the Bill & Melinda Gates Foundation, notably to investigate new approaches to mixed financing and to identify leverage effects (AFD, 2023[19]). To involve these stakeholders more fully, particularly French foundations, the strategic framework could evolve to emphasise aspects linked to dialogue and administrative flexibility such as less-onerous co-financing rules and simpler tender processes, for instance. The involvement of private philanthropy is also an opportunity to strengthen advocacy for accountability in development financing.

By paying more attention to technical assistance, France continues to diversify the tools that enable it to meet the expectations of both partner countries and French policy makers. With a dual objective of aid effectiveness and influence, and following a sharp reduction of technical assistance in favour of directly funding stakeholders, France has revitalised its technical assistance system around the
Expertise France agency. Created in 2015 by bringing together six operators and since joined by a seventh in 2021, the agency mobilises several types of technical assistance – project-based, resident and intermittent – to meet the capacity-building needs of partner authorities. National budget resources allocated to technical assistance have fluctuated at between 19% and 14% of bilateral ODA. The current boost to the technical assistance system results primarily from the consolidation of Expertise France within the AFD Group following its integration in 2022; the implementation of projects delegated by other donors, mainly the EU; and the significant increase in the number of international technical experts deployed, which illustrates the importance attached to the influence objectives of technical assistance. While Expertise France is increasingly active, its current efforts to strengthen results measurement, monitoring and capitalisation will be critical to better understand the respective advantages of the different types of technical assistance and develop a global strategy specific to the agency. These efforts will also be vital to making technical assistance a full-fledged bilateral co-operation instrument capable of enhancing its impact in terms of development.

France is then able to mobilise a wide range of instruments to meet the development needs of its partners. Despite the economic context and the rising cost of loans, France is able to mobilise investment financing via loans and grants to governmental and non-governmental stakeholders, to support public policy and research, to provide technical assistance, and to mobilise private sector support instruments including within one group, the AFD group. There are many beneficial interactions between these instruments and the stakeholders that have access to them. This wide range of instruments enables France to articulate short-, medium- and long-term objectives, including support for the structuring of institutions and sectoral public policies. The potential for synergy between these instruments is clear in partner countries. In Viet Nam, for example, Vietnamese counterparts greatly appreciate co-operation with France’s various institutions and instruments. France is also able to mobilise local resources and leverage synergies with the EU Global Gateway and other development partners to put together and support its loan-financed projects.

Better integration and mobilisation of available tools and greater visibility for France’s offering could be achieved through ongoing consideration of the resources available for each instrument and the associated financial contribution by the French state. Expertise France being part of the AFD Group is an opportunity to promote greater consistency between the Group’s financial and non-financial instruments – a request clearly expressed by partners – as was partly the case for its subsidiary, Proparco. Proparco benefits from its link with AFD in many ways. First, AFD mobilises resources in the form of debt, part of which it transfers to Proparco. This removes the need for Proparco to develop the necessary expertise while also enabling it to mobilise resources on a larger scale and thus at lower cost. AFD and Proparco further share expertise through professional communities and staff mobility. Proparco can also call on AFD’s expertise in its projects, for example in the social sectors. In the case of Expertise France, institutional integration has already led to greater administrative efficiency due to the sharing of certain administrative costs and the exchange of staff and expertise. At the operational level, such integration has also enabled greater strategic alignment, notably through the pooling of methodological tools and an increase in the number of joint projects. However, given the limited resources allocated to technical assistance, it is not clear whether France is sufficiently equipped to drive change at the political level. Technical assistance is also not systematically associated with financial instruments, reducing potential synergies. Furthermore, the low level of funding for NGOs, while increasing, is preventing France from taking full advantage of their potential as a complement to government-to-government co-operation. Better co-ordination between the various instruments would increase predictability and flexibility in terms of accessing and mobilising resources. The next sections of this review illustrate this potential in the specific examples of linking green and social agendas and supporting the private sector.
Recommendations

- France should maintain growth in the ODA/GNI ratio to reach the target of 0.7% of GNI devoted to ODA by 2030 and align budget allocations with strategic priorities, in particular by:
  - ensuring that each instrument has the appropriate level of concessional resources to be mobilised in the relevant contexts - including in fiscally vulnerable countries
  - ensuring that the planned geographical concentration on vulnerable countries is not to the detriment of the French priorities in favour of the least developed countries.
- France should ensure that the steering bodies are equipped with tools to monitor the implementation of ODA that go beyond financial flows to ensure the overall coherence of political efforts and ODA programmes with a view to achieving the common objectives and strengthening the results-oriented approach.
- The use of local development councils should be strengthened in order to co-ordinate Team France around policy objectives and common results defined at country level and their mandates should be broadened to increase their partnership dimension and dialogue with local partners, as called for by the 2023 Interministerial Committee for International Cooperation and Development (CICID).
- On the basis of an analysis of the respective advantages of the different technical of technical co-operation implemented by Expertise France (project management operator, ad hoc expertise facility, international technical experts), and in the context of the AFD Group consolidation, France will need to clarify the positioning of technical assistance in the French toolbox and reinforce the complementarity of this instrument with other co-operation modalities in order to mobilise its full potential.
- The Ministry of Europe and Foreign Affairs should ensure that the strategy and management of the Team France Fund enable a balance between the impact on development, responsiveness, and the objective of visibility.

Linking green and social agendas

France leads the way in linking green and social agendas

France’s strategic framework aims to link the green agenda with the social agenda. These agendas provide the structure for French action on the environment including work on climate change, climate adaptation and biodiversity loss as well as in the social and societal sphere, where the aims are to reduce poverty and multidimensional inequalities, including inequalities between women and men, and improve well-being and access to essential goods and services. This dual vision is reflected in the 2021 Act (French Republic, 2021[3]) and the 2023 strategy (CICID, 2023[6]). The framework applies to all public stakeholders involved in development co-operation and guides other sectoral and geographic strategies. This ambition is further reflected in thematic strategies, as illustrated by France’s 2018-22 International Strategy for Gender Equality, which seeks to link gender and climate (MEAE, 2018[16]).

At the AFD Group level, the goal to link the green and social agendas is reflected in its “100% climate” and “100% social link” targets. The Group’s third Climate and Development Strategy for 2017-22, which also includes biodiversity, aims to achieve full alignment with the Paris Agreement through increasing climate finance, systematically promoting low-carbon and climate-resilient development, and redirecting financial flows towards objectives aligned with protecting the climate (AFD Group, 2017[17]). The think tank E3G thus considers AFD exemplary in that it is the development agency most aligned with
the Paris Agreement, with alignment on 9 of the 15 metrics and expected progress on biodiversity (E3G, 2022[18]). In addition, AFD aims to become a nature-friendly development bank that is aligned with the Kunming-Montreal Global Biodiversity Framework\(^37\) (AFD, 2024[19]). At the same time, through its 2021-25 100% Social Link Strategy, AFD has committed to analysing and combating poverty and multidimensional inequalities (AFD, 2021[20]), notably by fostering participatory forms of governance and promoting a just transition – a concept that should foster interactions between environmental and social SDGs. AFD has also gradually integrated and strengthened these two agendas within its sectoral and thematic strategies.\(^38\) In addition, AFD is preparing three ambitious cross-functional roadmaps that will feed into all of its activities (i.e. climate and nature; social link; and citizens, institutions and democracy).

**France continues to be an active advocate on the international stage for pursuing both agendas simultaneously**

France is leveraging its diplomatic strengths to bolster integrated action on the green and social agendas. For example, as part of its feminist diplomacy, France promotes an integrated approach at meetings of the Commission on the Status of Women and the Rio Conventions,\(^39\) and has been facilitating the participation of female African negotiators in these meetings since 2018. Within the EU, France used its presidency in early 2022 to promote biodiversity and human development in parallel (Government of France, 2023[21]). For example, in conjunction with the Directorate-General for European Civil Protection and Humanitarian Aid Operations, France has proposed a declaration by humanitarian aid donors on climate and the environment\(^40\) (European Commission, 2022[22]).

In addition to its advocacy, France is working to mobilise its partners through multilateral initiatives. France has been jointly leading the One Planet summits since 2017. These summits are multi-stakeholder coalitions that promote every aspect of the ecological transition. The One Ocean Summit in 2022 and the One Forest Summit in 2023 also made it possible to link the ecological transition with social issues such as deforestation, agriculture and food security (Government of France, 2023[21]; Gabonese Republic, French Presidency, 2023[23]). In addition, France organised the Summit for a New Global Financing Pact in June 2023. The aim was to accelerate reflection on a revised international financial system that would ensure that no country would need to choose between tackling poverty and protecting the planet (French Presidency, 2023[24]). Finally, as part of the Finance in Common network, AFD is mobilising public development banks to align themselves with the Paris Agreement and 2030 Agenda (Box 3) and is betting on a green and just transition (AFD, 2023[19]).

The dynamism and overarching ambition demonstrated by France at these summits could be strengthened through a focus on mobilising post-summit stakeholder coalitions. France could take stock of the initiatives undertaken and implemented in the wake of these events, for example, regarding the scope and impact of the initiatives launched at the summits; this is a point also made by French civil society. France plans to continue co-hosting summits of this type in the future,\(^41\) which could collectively advance the way in which green and social issues are addressed in an integrated manner. The Summit for a New Global Financing Pact also highlighted France’s ability, despite the challenges, to involve a wide range of the stakeholders needed to carry out such ambitious reforms (Caulcutt and Weise, 2023[25]). To increase the chances of success and translate political commitments into actions leading to tangible results, it will be important for France to invest in the long term, build powerful coalitions and ensure effective follow-up. The country’s support for an OECD-hosted Paris Pact for People and the Planet implementation committee following the 2023 summit will enable this accountability exercise to proceed (French Presidency, 2023[26]).

**France is involved in the governance of multilateral organisations to accelerate implementation of this dual agenda.**\(^42\) The quality of its funding, which mainly benefits central and multi-year budgets, and its involvement in governance bodies, help ensure the coherence and effectiveness of the multilateral system. The MEFSIN, for example, regularly benchmarks development banks and international
organisations to encourage the adoption of best practices, particularly with regard to the integration of these two priorities. In addition, a recent evaluation found that France can act as a catalyst within multilateral institutions. During its presidency of the Green Climate Fund (GCF) in 2021-22, France helped ensure parity between mitigation and adaptation financing, mobilise positive financing for nature, and maintain a focus on the most vulnerable countries (MINESFIN, 2023[27]). At a time when France is seeking to improve the linkage between bilateral and multilateral aid and to promote its two priorities, maintaining the quality of its current forms of commitment will be important so that it continues to set an example.

**Closer monitoring of multilateral work in the field could contribute to better linkage between the two agendas.** France works with many multilateral institutions but does not systematically use its posted teams to monitor the actions of the institutions it supports at headquarters level. There are, however, positive examples of this approach. In Mauritania, staff maintain regular contact with international organisations, including the World Bank and the EU, to discuss follow-up action, and a regional adviser monitors the Global Fund. In Viet Nam, the Global Fund’s dedicated focal point is based within the French embassy, which enables ongoing engagement with the institution in the country. France is also strengthening its network of international technical experts within multilateral development banks and funds in a bid to step up its relationships with these organisations and contribute to better sharing of experience. Being mindful of the respective mandates of the multilateral institutions supported by France, and in line with France’s approach of contributing to the organisations’ central budgets, the continuation of these efforts could help provide useful feedback for discussions with governance bodies and for France’s strategic decision making.

**While funding for environmental and social issues is increasing, integrating the agendas remains a challenge**

France is championing climate and biodiversity finance, and the green agenda has helped remobilise French development co-operation policy. France has made ambitious financial commitments that it has systematically exceeded, even ahead of schedule, on both climate and biodiversity (OECD, 2021[28]; OECD, 2023[29]). France allocated EUR 6.8 billion of its ODA to climate finance in 2022 for a total of EUR 7.6 billion in climate finance, above its target of EUR 6 billion. France’s climate finance therefore accounts for a greater share of ODA than that of other DAC members (Pettinotti et al., 2023[30]), accounting for 50% of its ODA (CICID, 2023[31]).

Activities continue to favour mitigation, although an increasing number are aimed at adaptation. France’s climate finance is primarily focused on mitigation in MICs and renewable energy and low-emission transport infrastructure as these countries and sectors are more suited to loan financing (see also the subsection titled A strategic, institutional and operational framework commensurate with the objectives). While adaptation targets have been achieved, France could continue to increase investment in adaptation. This would require greater investment in the form of subsidies – a more appropriate form of financing for social infrastructure, particularly in LDCs where most of the challenges linked to poverty converge with the effects of climate change converge (Coordination SUD, 2023[32]). Finally, France’s plans to step up action with regard to biodiversity while also seeking to link part of this action to climate activities are encouraging.

**Funding is beginning to align with ambitions for the social agenda, but targets are not yet being met.** Funding for social infrastructure increased in 2018-22; for example, it quadrupled in the health sector following the COVID-19 crisis and more than doubled in the governance and civil society sector. Funding for gender equality also trended upwards between 2018 and 2022, but remains below the targets set by the 2021 Act. The creation of the Support Fund for Feminist Organisations (FSOF) in 2020 is a positive step in this direction. To achieve its gender objectives, France and AFD in particular will need to further deepen their dialogue with partners with the aim of increasing the number of projects promoting gender equality while also seeking more co-benefits (AFD, 2021[33]).
The search for co-benefits remains a challenge for France. AFD has set a target of 50% climate co-benefits, which is more ambitious than other donors and could be extended to all development public cooperation stakeholders in France, such as Proparco. It also aims to ensure that 30% of climate financing has a biodiversity co-benefit by 2025. Co-benefits between climate change and biodiversity and gender objectives have thus increased in volume (Figure 5) despite the rise in climate and biodiversity funding without other cross-cutting co-benefits over this period.\(^4\) In fact, the total share of climate financing without gender co-benefits increased fivefold during this period. This confirms the results of the analysis of sustainable development ratings issued for 2022-23 (see Box 2), which shows how challenging it is to identify a positive impact on the social link and gender for projects focused on mitigating climate change. In short, the objective of seeking ambitious climate co-benefits could serve as the basis for a dedicated roadmap to ensure that climate financing also benefits the other aspects of sustainable development.

Figure 5. The volume of financing with green-gender co-benefits increased over the review period, while its share declined

<table>
<thead>
<tr>
<th>2018 (USD Million)</th>
<th>2022 (USD Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>477 million ■ Overlap Biodiversity Climate</td>
<td>1.34 billion ■ Overlap Biodiversity Climate</td>
</tr>
<tr>
<td>340 million ▼ Overlap Climate Gender</td>
<td>1.8 billion ▼ Overlap Climate Gender</td>
</tr>
<tr>
<td>452 million ● Overlap Gender Biodiversity</td>
<td>5 million ● Overlap Gender Biodiversity</td>
</tr>
<tr>
<td>188 million ★ Overlap Climate Gender Biodiversity</td>
<td>768 million ★ Overlap Climate Gender Biodiversity</td>
</tr>
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To overcome these tensions, France has turned its strategic ambitions into operational tools

A collection of programmatic and analytical tools helps AFD avoid undermining sustainable development and reinforce positive co-benefits through its activities. At the heart of its approach is the sustainable development analysis and opinion mechanism, an ambitious initiative that has strengthened expertise in teams, fostered greater cross-sector collaboration and facilitated cultural change.
within the agency (Box 2). The mechanism allows projects to be rated across several aspects (environmental, social, economic and governance); to assess, from the appraisal stage, their expected ex-ante impacts; and thus enable the modification or discontinuation of projects as required (AFD, 2022\textsuperscript{33}). This analytical framework, adopted by the entire AFD Group, is complemented by an a priori activity exclusion list (AFD, 2022\textsuperscript{34}) as well as an in-depth ex-ante and ex-post distributional impact assessment tool for projects that evaluates the potential impact of operations on the poorest 40% of a partner country’s population in terms of income distribution (see also Mobilising private sector contributions).

**Box 2. Sustainable development opinion**

In 2014, AFD set up the sustainable development analysis and opinion mechanism to ensure greater consideration of sustainable development in all its projects. The mechanism is a tool for dialogue, with operational teams carrying out the first analysis, and a tool for analysing ex-ante impacts. The analysis grid has since been revised twice to align it with the Group’s new ambitions and strategy. Recent updates have focused particularly on issues such as multidimensional inequalities, inclusion and biodiversity. Since 2023, impact analyses are required not only when projects are identified but also when they are closed.

The tool leads to an analysis of the expected outcomes of a project, which may have significant negative (-2), residual (-1), neutral (0), moderate (+1), significant positive (+2) or structuring (+3) impacts on each aspect of sustainable development (i.e. biodiversity, climate, social links, gender, economy and governance). It is possible to give a double rating (for example, -1 and +2) for one aspect to reflect the ambivalent effects, both positive and negative, of projects. If a project is likely to be detrimental to one of these aspects (negative rating) and the measures taken to mitigate this risk are deemed unsatisfactory, the project receives a reserved or negative opinion and is debated as part of the decision-making process. In line with AFD’s commitment to be 100% aligned with the Paris Agreement, projects with a negative rating of -2 or -1 for the climate aspect (both for the low-carbon trajectory component and for the adaptation component) are considered misaligned and receive a negative opinion. Thanks to an improvement in the skills of operational teams that address sustainable development challenges and the prioritisation of these challenges during project appraisal, sustainable development visas were introduced in 2020. These visas are granted to 25-30% of projects, meaning no formal opinion is required.

In 2022, 216 sustainable development opinions were issued on projects totalling EUR 8.2 billion. Of these opinions, 67% were positive (compared with 60% in 2021); as in 2021, only 4% of projects received a reserved opinion and no negative opinions were issued. In addition, 76% of projects had a significant or structuring impact on two pillars, meaning they have an impact of +2 or +3 on one of the aspects of two of the three pillars: planet (biodiversity and climate), human (social link and gender), and economy and governance). Another 33% had a significant or structuring impact on three pillars. An analysis of the opinions issued between 2018 and 2022 shows significant progress on biodiversity, climate and reducing gender inequality.

The unit responsible for issuing sustainable development opinions is also in charge of co-ordinating the system and supports the change of approach at the staff level through training, building on experience and dialogue during project appraisal. The unit prompts staff to review the sustainable development aspects of each project so that activities can be adjusted and progress measurement indicators designed. This feedback enables a general reflection on sustainable development, which has now been appropriated by teams. The evaluation of gender mainstreaming in AFD projects has confirmed the usefulness of this tool for integrating strategy into the organisation’s culture. As AFD prepares to take
France has established special programmes to speed up progress on both agendas. One of these is AdaptAction, which provides support focused on climate change adaptation and now includes a cross-cutting component dedicated to gender and social inclusion in vulnerable countries (AFD, 2023[36]). The AFD’s 2050 Facility supports the development and implementation of long-term strategies for low-carbon and resilient development, taking into account the institutional, economic, financial, technological and social needs of vulnerable countries (AFD, 2023[15]). Another example is the FSOF, which aims to support feminist CSOs in partner countries by considering gender and climate issues (AFD, MEAE, 2021[37]). These programmes are innovative and provide a demonstration effect for the rest of the Group since they offer integrated solutions and meet concrete capacity needs that are less of a focus for other AFD programmes and other donors. The budgets for these programmes remain limited, however. The first phase of AdaptAction had a budget of EUR 30 million for 2018-22. A further EUR 15 million was added for the second phase (2022-25), and EUR 580 million was leveraged via projects with the GCF and the EU (AFD, 2023[38]).

Integrating the just transition concept into operations is becoming increasingly important. The concept stems from Just Energy Transition Partnership (JETP) projects (notably in South Africa), and its adoption is meant to provide the AFD Group with a unified vision of just transition, broken down by sector and geographical area, and enable dialogue with partners. The concept is increasingly being used within the Group while it is not the only partner supporting JETP projects. For example, the latest AFD Group activity report notes that the just transition must provide the framework for the agency’s future activities (AFD, 2023[15]), and Expertise France (2023[39]) has indicated its support for the “just” aspects of transition through vocational training for green jobs and support for green and inclusive entrepreneurship.49 The joint EU-AFD Research Facility on Inequalities is testing a number of tools to deepen understanding of socioeconomic inequalities in developing countries and analyse the levers that can be used to reduce them. AFD has also developed a macroeconomic modelling tool for the ecological transition called the General Monetary and Multisectoral Macrodynamics for the Ecological Shift (GEMMES) to enable a better understanding of the macroeconomic impact of climate change (AFD, 2023[40]). This research must be continued so that it can influence France’s strategic framework and operations.

Tensions between the green and social agendas remain, both in the intervention portfolio and at the national level, despite the progress made on improving integration.

Notwithstanding the stated desire for integration, the country portfolios seem to follow parallel rather than integrated paths. The missions to Mauritania and Viet Nam provided an opportunity to observe how France mobilises different tools and stakeholders to achieve its priorities, and with very different results. The issues of poverty and inequality are firmly established as part of France’s portfolio in Mauritania through activities that are mainly implemented in the most vulnerable regions and that reflect the priorities emerging from dialogue with the country. However, these activities often adopt a do-no-environment-harm approach and/or lack longer-term visibility (which undermines their awareness-raising potential). This points to the need to strengthen integration through a mainstreaming approach. In Viet Nam, on the other hand, France’s activities focus mainly on the economic infrastructure and green
France must continue to seek synergies between environmental and social issues. As noted, tensions are visible in AFD’s bilateral portfolio. Concerns about this have been expressed by the Conseil économique, social et environnemental (2023[41]) and by parliamentarians (Assemblée nationale, 2023[42]), who insist that investment focused on the green transition must not come at the expense of aid targeting food security, education or access to essential health care, particularly for women. An examination of negative ratings and double ratings given as part of sustainable development opinions shows that trade-offs between sustainable development issues were more frequent and increasing (in terms of the number of projects) in 2022 than in 2021. Similarly, the number of projects with potential negative residual social impacts increased compared with 2021, although this may also reflect the strengthening of the analysis grid in 2022. Finally, as indicated in the mid-term review, some projects may be subject to a reserved opinion but may nevertheless be financed by the Board of Directors (for example, the construction of a motorway in Kampala, Uganda) (OECD, 2021[43]).

Current projects aimed at strengthening sustainable development opinions as a steering tool and a tool for dialogue with partner countries could enable more ambitious cross-impacts (social, environmental, economic and governance) to be achieved more quickly. AFD intends to strengthen the governance dimension in its activity portfolio by integrating a cross-cutting priority relating to democracy, institutions and governance. This development will be considered in the fourth version of the sustainable development analysis grid. The agency is also seeking to develop common metrics for sustainable development priorities for the AFD Group and to use the sustainable development analysis and opinion mechanism not just as an ex-ante tool, but also an ex-post tool, to inform strategic steering and dialogue with partner countries on the basis of conclusive results. Likewise, current discussions aimed at giving greater prominence to projects with positive synergies between the various aspects, with a view to steering them in this direction, offer interesting prospects for deepening and promoting an integrated approach within the Group. France could also consider extending the use of the sustainable development analysis and opinion mechanism, as it currently applies only to some AFD operations and not to all French development aid stakeholders. 50 Adapting this tool to different stakeholders would allow for lessons to be learned from smaller projects, particularly those involving civil society, and thus strengthen the practical implementation of these ambitions.

The tensions between the green and social agendas are also reflected in national policies. France ranks fifth in the Commitment to Development Index (Center for Global Development, 2023[44]). The country is taking steps to promote green export financing, including by means of a special climate change methodology for export credits via the Export Finance for Future initiative (Direction générale du Trésor, 2021[45]). France is also carrying out ex-ante and/or ex-post analyses of the impact of national and European policies on partner countries, for example policies to prevent imported deforestation (Ministère de la Transition écologique et solidaire, 2018[46]). France also aims to become the first major nation to switch away from fossil fuels (Government of France, 2023[21]). On the other hand, France could still do more on international feminist action (Haut Conseil à l'Égalité, 2023[47]). It ranked 37th (out of 67 countries) in the Climate Change Performance Index in 2024, down from 23rd in 2021 (out of 57 countries) (Climate Change Performance Index, 2024[48]). France is not on track to meet its renewable energy (European Environment Agency, 2023[49]) or greenhouse gas emissions targets by 2030 (Observatoire Climat-Energie, 2022[50]), and it is pursuing a policy of subsidies for fossil fuels that totalled approximately EUR 13 billion in 2021 (Bon-Mardion et al., 2023[51]), equivalent to French ODA for the same year.
France could step up its commitment to its partners to speed up linkage efforts

France has diversified its partnership policy to take advantage of different types of expertise and innovation and to respond more effectively to social and environmental challenges. (See the subsection titled A strategic, institutional and operational framework commensurate with the objectives) France has a multi-stakeholder platform on gender and development (MEAE, 2022[52]), and AFD is working with civil society to update its gender policy to take account of climate change. In partner countries, as observed in Mauritania, CSO projects often integrate both agendas and focus on food security, water and sanitation, or on building resilience to climate change. Efforts are being made to strengthen collaboration with the local and French research community.

More in-depth discussions with non-governmental partners would allow France to build its green and social agendas. National dialogue could play a more significant role in climate change adaptation and biodiversity protection (Coordination SUD, 2023[51]) and could help ensure that CSOs adopt environmentally responsible practices (AFD, 2023[53]) including in relation to humanitarian affairs (Coordination SUD, 2022[54]). It could also play a more significant role in promoting or raising the profile of feminist organisations and making it easier for them to access funding mechanisms (Assemblée nationale, 2023[42]), as is the case for the FSOF. In Viet Nam, engagement with CSOs demonstrates that these organisations can complement the AFD approach that is centred around infrastructure and the financial sector by facilitating local community involvement, raising awareness and disseminating information about environmentally responsible approaches (AFD, 2023[55]). Such engagement can also help create an environment more favourable to civil society, as seen in Mauritania.

Although France prioritises research and learning in its approach, the findings of this work could be better integrated into programming. France supports research for sustainable development as part of its science diplomacy, in particular by funding specialised research centres working on an interdisciplinary basis and partnering or co-producing with research institutes in partner countries.51 But the missions in Mauritania and Viet Nam show that France’s scientific partners could be more effectively mobilised and integrated to inform its programming and thereby accelerate the response to local challenges, identify solutions and opportunities for partnership, and help integrate green and social agendas in practice (Cour des comptes, 2022[56]; Government of France, 2023[57]). In Viet Nam, for example, the approach adopted based on the GEMMES tool has yet to stimulate public policy dialogue on ecological transitions or long-term strategies.

In regard to its activities in the field, France would benefit from working more closely with other donors to better integrate social and environmental issues. As observed in Mauritania, the integrated territorial approach has enabled technical and financial partners within the Sahel Alliance to establish a concrete framework for dialogue and develop a shared understanding of the economic, social and environmental challenges. These have facilitated co-ordination between the various partners and helped avoid duplication (see the subsection titled Facing an unstable world). The lessons learned from these co-ordination and facilitation efforts could be extended across more of France’s co-operation portfolio.

The JETP can help strengthen co-ordination between France and other technical and financial partners to enable them to tackle the challenges and trade-offs facing different countries. These partnerships aim to help partner countries phase out coal and accelerate the development of renewable energies while also taking the social costs of this transition into account. They are based on local concerns and needs, which should enable France to have an integrated, effective and lasting impact. However, implementing these partnerships remains a challenge, especially where there are significant social trade-offs, as is the case in South Africa. France plans to expand the use of JETP, with new partnerships signed with Indonesia, India and Senegal. France also plans to deploy Positive Conservation Partnerships, starting with Gabon (Gabonese Republic, French Presidency, 2023[23]). These partnerships must take into account the social aspects and multidimensionality of the target populations’ vulnerability and fragility.
They could moreover help demonstrate the benefits of integrated, large-scale joint efforts by donors and partner countries.

**Recommendations**

- To reinforce the effectiveness and credibility of its advocacy, France should continue to mobilise the appropriate resources to contribute to the implementation of the decisions taken at international summits it has facilitated, by involving a diversity of partners and ensuring coherence between international advocacy and domestic performance.

- To optimise the integration of the social and green agendas, the AFD Group should take greater account of cross-cutting dimensions of sustainable development identified by the analysis and advice tool in its strategic and operational steering, in particular by:
  - taking greater account of positive or long-term objectives in terms of reducing poverty and inequality in climate and biodiversity projects
  - measuring the ex-post performance of French development aid relative to the dimensions identified in the sustainable development analysis tool to inform this steering.

**Mobilising private sector contributions**

*France stands out for its efforts to mobilise resources for development*

France is spearheading the mobilisation of the private sector and encouraging international debate on the subject. Harnessing its strong diplomatic presence, and thanks in particular to the involvement of the president of the Republic and the expertise of the and AFD, France is working to mobilise public and private resources for sustainable development (French Presidency, 2023[24]). Its advocacy focuses both on the benefits of pooling resources, notably by taking a very active role in multilateral organisations, and on ways to overcome systemic constraints.52 Widely recognised for its leading role in the Paris Club, France has also successfully promoted the inclusion of private creditors in debt relief agreements under the new G20 Common Framework. Through the Finance in Common initiative53 France, via the AFD Group, has brought together over 500 public banks around a sustainable finance agenda (Box 3). The 2021 Summit on the Financing of African Economies and the 2023 Summit for a New Global Financing Pact have demonstrated France’s ability to play a leading role and to mobilise actors and have also illustrated the challenges involved (see the subsection titled Linking green and social agendas), for example within the Alliance for Entrepreneurship in Africa.54

France has also prioritised the mobilisation of local financial sectors to strengthen the sustainable finance offering. In France, the collaboration between AFD and Caisse des Dépôts as part of the STOA impact fund55 demonstrates how the capital and expertise of public banks in OECD countries can benefit developing countries (Caisse des Dépôts, 2023[58]). France has become one of the largest providers of support for banking and financial services in partner countries through loans, lines of credit to local financial actors, guarantees and equity investments, with gross disbursements of over USD 1 billion a year in 2021-22.56
Box 3. Mobilising the power of public development banks

Public development banks invest up to USD 2.5 trillion a year, making them major players in development financing, particularly for small and medium-sized enterprises (SMEs). Improving their ability to fully integrate sustainable development, climate and biodiversity issues could therefore generate a significant leverage effect. With this in mind, in 2020 France launched the Finance in Common network, which brings together over 500 public banks including all the multilateral development banks. Finance in Common supports its members by facilitating experience sharing, co-ordinating advocacy and providing a forum to initiate collaborations.

AFD hosts the network’s secretariat, held the presidency until 2023 and also plays a major role in co-ordinating its activities. It is supported in these efforts by its role chairing of the International Development Finance Club (IDFC), a group of 27 development banks, many of them headquartered in emerging countries.

There is a great amount of interest in Finance in Common activities. Its latest summit brought together more than 1,100 participants and adopted a roadmap to expand the network’s activities, for example in nature-based solutions, blue finance and infrastructure financing (Finance in Common, 2023[59]). Its many working groups and research projects support members in their development.

The smaller IDFC circle spearheads Finance in Common activities. It has adopted joint positions (e.g. on climate, biodiversity, and alignment with the SDGs); strengthened collaboration with other actors (e.g. the GCF); and improved transparency (climate finance monitoring), the results of which flow through to Finance in Common. To better gauge the added value of Finance in Common, it will be important to document the changes its members are making to their financing practices.

Source: Interviews; Finance in Common (2024[60]), Public Development Banks joining forces to transform the financial system towards climate and sustainability (webpage), https://financeincommon.org; International Development Finance Club (2024[61]), Who we are (webpage), www.idfc.org.

Stakeholders recognise the need to strengthen the existing commitment between French co-operation and the French financial sector. With this in mind, the strategy for 2023 mandates AFD to strengthen its collaboration with the Paris financial centre, organised within the Paris Sustainable Finance Institute. At the 2023 Summit for a New Global Financing Pact, the Institute presented opportunities for reform and proposed a forum for dialogue on “climate finance, biodiversity and development” (Institut de la Finance Durable, 2023[62]). French banks are also accredited by the GCF. By strengthening its dialogue with the financial sector, the government could also address the challenges of making development policies coherent. Indeed, France was one of the EU member states that successfully argued for financial services to be excluded from the scope of the Corporate Sustainability Due Diligence Directive57 (Assemblée nationale, 2023[63]). Moreover, civil society research has shown that some French banks finance large-scale projects that make a substantial contribution to climate change (Data for Good, 2023[64]) and generate benefits for the French economy. To support its ambition to increase the involvement of the financial sector, France could set out specific activities and objectives, following the roadmap it has drawn up for mobilising the private sector.

France’s risk appetite hampers its ambitious plans to mobilise the private sector

France has a clear ambition to further mobilise the private sector, including in higher-risk contexts and markets. The government has asked Proparco to achieve a ratio of EUR 1 mobilised for every EUR 1 invested by 2025 (CICID, 2023[65]). This is an ambitious but realistic target, as in the past this ratio has reached approximately EUR 0.75 to EUR 1.00. The CICID also set a target for AFD to mobilise private
finance for activities where appropriate. The government reaffirmed support for SMEs in Africa as a priority (CICID, 2023[6]), notably through the Choose Africa 2 programme, which aims to mobilise EUR 3.5 billion over the 2023-27 period via Proparco and other actors. As recourse to public debt is often more difficult in LDCs and fragile contexts, mobilising private investment in these contexts is an important aspect of the French approach.59

This ambition is reflected in the new strategy adopted by Proparco, which will have to show a greater appetite for risk in its work. In line with the strategy and to promote a sustainable and resilient economy, Proparco will focus in particular on African countries, LDCs and fragile contexts (Proparco, 2023[65]). The agency has also set itself the goal of tackling inequalities, notably socioeconomic inequalities (by targeting the poorest 40%) and territorial inequalities (by targeting disadvantaged areas). Under the “explore” approach (15% of its action plan), it also intends to finance innovation and become active in fragile contexts. Proparco has the notable advantage of a large network of offices (seven of which are located in LDCs and/or fragile contexts), shareholder banks that are also active in these countries, and of course, its close collaboration with AFD (see subsection titled An evolving strategic framework).

The level of private sector mobilisation, while already substantial, still has room to grow in LDCs and fragile contexts. This confirms the relevance of Proparco’s ambition. As a DAC member, France already directs a significant proportion of its private sector instruments to LDCs, mainly through Proparco. However, the example of some DAC members shows that political ambition could translate into an even greater share of financing going to LDCs (Figure 6). France plays a very significant role in upper middle-income countries (38% of disbursements for private sector instruments in 2019-22). Brazil was Proparco’s top recipient country for the 2019-22 period, receiving USD 425 million (current prices). The vast majority of projects not allocated by income group (22% of projects) also target MICs. Fragile contexts (following the World Bank classification that Proparco applies) received only 9% of allocations, almost half of which went to Nigeria over that period.

Figure 6. Share of private sector instruments flows in least developed countries, 2019-22

Gross disbursements, constant USD, 2021

Note: Private sector instruments include loans, equity investments, mutual fund shares, mezzanine financing instruments and repayable grants. Guarantees are not included in this table as they do not constitute a flow when issued.
The institutional framework leaves little room for greater risk-taking. At the institutional level, AFD is aiming for an AA rating and thus prioritises very low risk for investors in terms of capital coverage, impaired loans and foreign currency risk, referring to a low-risk portfolio (AFD, 2023). This approach is mirrored at Proparco, which depends on AFD for its financing. A recent study suggested that Proparco’s approach leads it to minimise the risk of default (Attridge and Novak, 2022) and recommended investigating whether a lower rating or seeking financing for Proparco independent of AFD might be more appropriate. However, the government seems to have ruled out these options for the time being because they are incompatible with its objectives of preserving AFD’s economic and financial model, maintaining Proparco’s private shareholder base, and generating a net profit for Proparco while respecting its risk framework. Ultimately, sustainable bonds could be an opportunity to attract investors with a greater appetite for risk without increasing the cost of financing (Box 4). Yet, in the short term, the only option to give Proparco more leeway is to mobilise more resources dedicated to high-risk financing.

Box 4. AFD’s sustainable bonds

In 2020, AFD launched its first SDG bond. Before doing so, AFD introduced management and quality control systems to identify relevant AFD and Proparco projects, i.e. to determine their eligibility to be financed by the bond. A project must meet all three of these conditions: contribute to the SDGs, meet certain technical conditions (development or climate focus), and obtain a sustainable development appraisal without a negative rating in any of the dimensions (AFD, 2020).

These bonds have been a resounding success, already cover 50% of AFD’s financing needs and feature significant involvement of private investors. The quality of this approach is confirmed by external audits and AFD ratings. Although this has not happened for its first offerings, AFD hopes in time to be able to benefit from the so-called greenium (OECD, 2023), a financial margin linked to the high demand for sustainable investments. Rather than using the greenium to lower the cost of its financing, AFD could take advantage of the popularity of its bonds to attract investors willing to accept greater risk in order to finance sustainable development activities in more challenging markets.


To enable Proparco to extend its higher-risk financing, concessional resources will need to be mobilised and investments de-risked. To achieve this, France can build on what it has already achieved. The MEFSIN and the MEAE mobilise resources for Proparco activities (Figure 7). EU resources such as guarantees for the European Fund for Sustainable Development Plus and delegated funds are an increasingly important support system: In 2022, they reached EUR 44 million and even exceeded national resources. In 2019-22, EUR 87 million from the EU enabled Proparco to authorise commitments of EUR 392 million. Proparco is also examining the possibility of partnering with philanthropic institutions. Concessional resources not only allow Proparco to take on more risk but also to offer more technical assistance, which is particularly important for its activities in challenging contexts. However, the level of credit depends on the political situation. It increased sharply in 2021 in response to the COVID-19 crisis and again in 2023 in response to food crises. It is therefore important to examine how Proparco can ensure an adequate level of concessional resources over the long term that is commensurate with its ambitious objectives in relation to inequality and support for fragile contexts and LDCs.
It will be important to ensure that the target for private sector mobilisation does not further impede risk-taking. Generally speaking, projects financed in LDCs have a lower mobilisation rate. As a result, there is a risk that the target will increase the focus on low-risk loans with a greater mobilisation effect in emerging economies. Aware of this challenge, the French stakeholders intend to propose a methodology that accounts for the effects of mobilisation more broadly, notably through equity investments and reference investments. This would enable AFD to strike the right balance between risk-taking and mobilisation, with a view to maximising the impact of its work. To this end, other key indicators will be needed to ensure that the pursuit of impact, and not just mobilisation, guides staff (see the following section).

For the most part, private sector instruments are well suited to commitments in challenging contexts and markets

Having a wide range of instruments to support financial intermediaries enables Proparco to enter challenging markets. As part of the Choose Africa initiative, Proparco specifically targets SMEs in Africa, an approach strengthened under the International Food and Agriculture Resilience Mission (FARM) initiative. Lines of credit for local banks are the main instrument, and a small proportion of these is channelled to microfinance institutions (1.7% of total support for financial intermediaries over the 2019-22 period). In addition, guarantees from ARIZ (Support for the Risk of Financing Private Investment in AFD’s Areas of Operation) provide coverage in the local currency, further reducing the risk for intermediaries. For even riskier guarantees in a crisis context, the coverage ratio can rise to 80%, financed by the Minka Fund. Financial Integration and Structure in the Euro Area (FISEA), the investment and support fund for businesses in Africa, finances venture capital funds and longer-term funds in more challenging markets (Box 5). Finally, the Digital Africa programme aims to support digital start-ups with high impact potential, helping them to scale up. Proparco also offers banks a Trade Finance guarantee for commercial...
operations, which is a particularly important aspect for the agricultural sector (Haye, Le Clainche and Chevrier, 2023[69]). It is worth noting as well that France is by far one of the largest donors to the International Fund for Agricultural Development (IFAD), which is very active in supporting small farms, and allocated 20% of all DAC member financing to IFAD from 2019 to 2022.  

Box 5. Lessons learnt from an instrument dedicated to greater risk-taking: FISEA

Development finance institutions have profitability targets and risk frameworks that can constrain their financing in risky markets. To address this constraint, AFD created FISEA in 2009.

FISEA is an independent company wholly owned by AFD and whose investments are managed by Proparco. Because it is not on Proparco’s balance sheet, FISEA does not affect its debt-to-capital ratio and is not subject to the same risk management framework. FISEA had an initial capital, provided by AFD, of EUR 250 million. It focuses on higher-risk equity investments in investment funds and companies, aiming for a higher impact. A technical support facility works to develop clients’ skills in relation to sustainable development. A new FISEA+ phase was launched in 2021, and its capital was raised to EUR 360 million in 2023.

An evaluation of the first phase of FISEA in 2019 found its results were positive overall. Its investments have contributed to job creation and its technical assistance has improved client performance. FISEA has been able to support sectors that have traditionally had less access to financing. However, high-risk locations were not the focus of investments, 32% of which went to low-income countries and 14% to fragile contexts. Balancing risk appetite and returns remains a major challenge.

A number of lessons were learned from this approach:

- Maintain complementarity by targeting locations, sectors and products with greater risk and impact.
- Define a long-term strategy to steer investments towards greater impact while retaining the flexibility to adapt according to financial and extra-financial results and to react to changes in market conditions.
- Invest in capacity building, notably through technical support. (This component has risen from 2% in the first phase to 10% of investments in the second.)
- Mobilise concessional resources. French and EU support has made it possible to increase technical assistance and take on more risk.

Note: This practice is documented in more detail on the Development Co-operation TIPs • Tools Insights Practices platform at www.oecd.org/development-cooperation-learning.


Proparco’s investment in technical assistance remains limited. Contributors to Proparco’s Private Sector & Development magazine have stressed the importance of technical assistance (Proparco, 2021[73]). This was also one of the key lessons learned from implementing FISEA. Under the Sustainable Use of Natural Resources and Energy Finance (Sunref) programme, AFD and Proparco combine financing and technical assistance, sometimes co-financed by the EU, to support banks and help develop the renewable energy market (AFD, n.d.[74]). Yet for the bulk of Proparco’s operations, there are few if any resources for technical assistance, even though the Propulse technical assistance facility can meet a

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diverse range of needs beyond ESG risks. Between 2010 and 2019, Propulse mobilised EUR 8 million, compared with commitments of EUR 2.5 billion in 2019 alone (Proparco, 2020[75]).

**Direct engagement with smaller companies is a work in progress.** This approach could be a useful addition to Proparco’s offering, particularly in contexts where the local financial sector is not yet in a position to respond to credit requests from SMEs. However, corporate loans and equity investments remain a very small part of Proparco’s portfolio, a situation that the agency intends to change under its new strategy. From 2019 to 2022, the agency financed only nine projects directly benefiting companies headquartered in LDCs, including just one equity investment. The STOA fund was designed to facilitate larger equity investments but invests mainly in upper middle-income countries, which accounted for 57% of investments in 2019-22 (compared with 0% for LDCs). Between 2009 and 2018, FISEA financed only nine companies (Proparco, 2021[71]). Aware of this constraint, especially when working with the agricultural sector (Ferdi, 2023[76]), the teams at Proparco are in the process of simplifying the due diligence requirements for this type of client to give them access to financing and reduce management costs relative to project size. Adapting risk management in this way would be in line with a local development approach (OECD, 2023[77]).

**Ongoing attention will be needed to maximise the development impact of these investments**

**Proparco and STOA have strengthened their quality control, risk management and impact-orientation mechanisms.** Since 2022, Proparco has been reviewing its projects using a sustainable development rating64 (similar to the sustainable development opinion) regarding their ex-ante impact, profitability and risk (Proparco, 2023[78]). (See the subsection titled Linking green and social agendas.) Sector-specific framework documents guide staff through the analysis. Proparco establishes ESG measures through discussion with clients and offers them technical assistance where necessary.65 In 2019, it joined the complaints management mechanism used by the counterpart German and Dutch development finance institutions agencies. With regard to impact, Proparco adheres to the Operating Principles for Impact Management devised by the World Bank Group’s International Finance Corporation. An independent audit has confirmed the relevance of these mechanisms66 (BlueMark, 2023[79]). Impact is monitored annually and published in an aggregated impact report. In 2023, Proparco carried out thematic assessments for the first time and has committed to publishing them. For its part, STOA has developed a grid for testing additionality and a framework to improve targeting and monitor the impact of the infrastructure it finances, particularly in terms of access to an accessible, reliable service with a smaller carbon footprint (STOA, 2023[80]).

**In lower-risk markets, it is harder to demonstrate the value added by French support.** In a portfolio approach, less-risky financing can provide a cross-subsidy as long as the management is transparent enough to effectively enable higher-risk operations. Nevertheless, it is still vital to explore how each development financing operation can bring maximum value. This issue is all the more important given that a large proportion of Proparco’s financing consists of loans in MICs, which accounted for 73% of disbursements in 2019-22. Proparco focuses on its financial additionality, providing resources that are cheaper and/or for a longer term than those available on the market as well as on the support it offers on ESG issues. Both of these activities can be invaluable for intermediaries and may also open doors to other financing. However, development finance institutions, including Proparco, frequently finance the same customers. This reduces the value they can each add67 and misses the opportunity to consider which customers might need support to help a sector evolve as a whole. DAC members thus have noted that value additionality must go beyond the adoption of ESG standards (OECD DAC, 2023[81]), a point that could challenge Proparco to explore how it could further embed sustainable development in its customers’ business models.
It will therefore be important to undertake more thorough analysis and closer monitoring of interventions. Project proposals do not currently include an in-depth analysis of either financial or value additionality or the expected impact at the customer and market levels. In its projects, Proparco tracks the high-level impact of its customers’ operations (e.g. jobs created), which is extremely useful for aggregation and communication purposes (Proparco, 2023[78]). This is reflected in reporting to the DAC that highlights the activities of the companies financed, which even stipulates that “AFD Group activities always deliver additionality in terms of development objectives” without reflecting Proparco’s specific contribution. On the other hand, the agency does not monitor the impact of its interventions. Doing so could provide information on the effectiveness of its support and the need for any additional support (including via AFD and Expertise France for technical assistance) to overcome constraints not related to resources. The evaluation of FISEA recommended developing a long-term strategy and improving the monitoring process (Proparco, 2021[71]).

**Focusing on reducing inequalities could boost the impact on development.** How the objectives of targeting poorer populations (what Proparco terms “the bottom 40”) and reducing regional and gender inequalities are implemented will make all the difference to Proparco’s development impact and value added relative to commercial banks. Given the agency’s focus on supporting financial intermediaries, it will be particularly important to use analysis and technical assistance tools to help customers adapt their portfolios. Project sheets illustrate this difficulty in relation to the 2X Challenge on the promotion of gender equality by development finance institutions: they emphasise the gender equality of intermediaries in their own operations but are vaguer when it comes to focusing on gender in portfolios. In its impact report, Proparco also fails to distinguish between an improved service and new access to services for target populations. Managing risks to equal access to services, arising for example in the healthcare sector, will also require ongoing attention (Oxfam, 2023[82]). It will therefore be vital to clearly define the way in which Proparco intends to take account of inequalities in both preparing and monitoring its financing operations.

**France has opportunities to better align its support for private sector development with its objectives**

**France supports private sector development, notably by financing infrastructures in MICs.** Between 2019 and 2022, 86% of gross ODA disbursements to the economic and productive sectors allocated by income group were targeted towards MICs. There were also significant non-ODA flows to these sectors, which are therefore less concessional. This trend can be explained by the focus on loan-financed economic infrastructure (notably rail and energy), as highlighted by a joint evaluation of aid for trade (Direction générale du Trésor, 2022[83]). The result is something of a mismatch with respect to France’s aims of promoting the private sector in LDCs and reducing inequalities. Nevertheless, France could remedy this mismatch by building on what it has already achieved.

**France plans to adjust aid for trade.** While reaffirming the importance of aid for trade, the government has said it will pay particular attention to value chains and strengthening competitiveness, going beyond support for economic infrastructure (CICID, 2023[85]). In addition, a recent update to the aid for trade strategy confirms the desire to further support LDCs to integrate into international markets (MEFSIN; MEAE, 2023[86]). The government acknowledges the low level of technical assistance in this area[68] – well below the targets set (less than EUR 25 million per year over 2009-19 compared with an annual target of EUR 150 million – and commits to increasing its support for LDCs, while having set any specific targets. It will therefore be important to better define how France can strengthen activities that help improve the business climate and create the conditions for private sector development in LDCs.

**France could do much more to promote responsible business conduct.** It lobbies actively at the international level, for example at the OECD, and was the first European country to introduce a corporate due diligence law in 2017[89]. However, France does less to promote responsible business conduct in partner countries beyond ESG risk management by AFD and Proparco, and its participation in Team Europe Initiatives. Responsible business conduct does not feature to any significant extent in the new
policy guidelines and only very implicitly70 (CICID, 2023[6]). However, opportunities and needs related to corporate social responsibility are growing fast, particularly in view of new legislation (including new European legislation) and increased attention among investors. Given France’s major focus on the private sector, not explicitly integrating responsible business conduct as a central pillar would be a major shortcoming. To strengthen French action in partner countries, embassies could step up political dialogue and engagement with companies, and co-operation could provide greater support71 to help the private sector comply with standards72 and create an enabling environment for responsible business conduct. In France, promoting responsible business conduct and multi-stakeholder dialogue could play a central role in activities in the priority sectors identified by the CIDIC. The national contact point for responsible business conduct should also be strengthened, commensurate to the size of the French economy, as was recommended in the 2018 peer review (OECD, 2018[85]). To make progress on these different fronts, the relevant actors could build on the existing collaboration between the economic services, the AFD and Team France Export.

The social dimensions of private sector support would benefit from greater attention. In 2016, France had already adopted the Innovating Together strategy to promote the social and solidarity economy (SSE), including at the international level (MEAE, 2016[86]), and AFD has made social and inclusive business a component of its activities. A recent report by the National Council for Development and International Solidarity praised France’s international advocacy on the SSE while identifying a number of measures to strengthen this element of French co-operation (CNDSI, 2023[87]). These include, among others, more actively promoting the SSE at the international level and taking greater account of SSE actors in financing instruments. In response, the MEAE has launched a working group and is planning, among other things, technical assistance to promote the SSE in partner countries.

Concern for French economic interests increases challenges for maintaining the quality of ODA

Tied loans make up only a small proportion of French ODA, but they have been shown to have weaknesses in terms of effectiveness and efficiency. Tied concessional ODA loans represented USD 938 million, equivalent to 11.5% of all ODA loans granted in 2022 (OECD, 2024[6]). These loans respond to development needs and in some cases target poor populations. However, two recent evaluations of the use of Treasury loans identified challenges that affect their implementation and recommended better co-ordination, particularly with other French activities, and greater attention to ESG impacts (Pluricité, 2021[88]; EY Consulting, Hydroconseil, 2022[89]). It’s the new partnership agreement with Bpifrance (the implementer of tied loans) for 2023-28 requires the institution to comply with these recommendations. The evaluation also identified challenges in terms of adapting to the local context and building local capacity (EY Consulting, Hydroconseil, 2022[89]). In Viet Nam, the government expressed a clear preference for untied AFD loans. The evaluation by Pluricité (2021[88]) further found that it was mainly large multinationals that benefit from tied loans, noting a “subscription effect” of the Treasury loan instrument, a challenge the government tackles by strengthening its communication, notably directed at SMEs.

The pilot project to extend tied concessional loans to LDCs is not an entirely fit-for-purpose response to a challenge that is nonetheless relevant. Many LDCs have approached France to obtain more concessional resources in consideration of their worsening fiscal constraints in the current context of sharply rising interest rates and country risk premiums. France is keen to respond favourably including in its offer of tied financing, which must be highly concessional.73 Given the relatively small amounts involved (EUR 50 million forecast for 2024), the vast majority of French ODA will remain untied. However, this decision sends a problematic signal in that it runs counter to the DAC’s recommendation that all ODA to LDCs should be untied, especially to take advantage of open procurement procedures and avoid the risk of significant cost overruns. Given the lessons learned from the evaluations, it will be necessary to continue to pay particular attention to the quality of appraisals and monitoring of tied loans. Another question to
consider is whether tied concessional loans are the best way to use resources for concessional financing, a rare commodity in the French system.

**Research funds can provide useful French expertise while ensuring that it remains neutral.** In Viet Nam, partners valued the French expertise provided through the Private Sector Study and Aid Fund (FASEP) and the Fund for Technical Expertise and Experience Transfers (FEXTE). In the energy sector, it was a valuable complement to project loans. However, the FASEP tied fund’s explicit criteria to “maximise the effectiveness of the instrument in terms of export support” (Direction générale du Trésor, 2019) raises concerns, all the more so because France relies on the fund very frequently, including in LDCs; it was used 107 times in 2022, including 33 times in LDCs. This suggests that funds for formally untied projects could in fact be channelled to French companies, an approach that is difficult to reconcile with DAC standards. There is an intention to refocus untied FEXTE and Project Start up, Preparation and Monitoring Facility (FAPS) funds on influence and economic diplomacy, and this could weaken partners’ confidence in the objectivity of French expertise. It will therefore be important to ensure that this technical support responds to the requests and needs of partners (who must submit the requests) and that it is not accompanied by high expectations in terms of economic benefits for French companies. The practices observed during the missions did make sure of this, but could change in view of the new guidelines.

**The government also plans to use untied aid to generate economic benefits for France, following an approach that is more focused on French interests.** (See the subsection titled An evolving strategic framework) Following the 2023 CIDIC (CNDSI, 2018) and contrary to a CNDSI opinion, the government announced it will “strengthen the economic influence dimension in the AFD Group’s mandate, without backsliding on the principle of untying aid”. To achieve this strengthening, the government will be stepping up dialogue between stakeholders. The government also introduced changes for the AFD, setting targets of 60% of total calls leading to an international call for tenders and a 74% rate of participation by French companies in these international calls, whether they are selected or not; the previous target was 67%). It also instructed AFD to prioritise project loans rather than budget support, the most efficient co-operation regime in terms of untying. In addition, the AFD will strengthen requirements on sustainability and inclusiveness, which are considered to be favourable to the positioning of French companies (CIDIC, 2023). While most of these measures concern AFD alone, expectations also affect Proparco and STOA. AFD and Proparco project proposals must already indicate the extent to which they are consistent with France’s economic influence strategy, and project managers must justify the lack of consistency. Under a partnership agreement, Bpifrance, as an export promotion actor, and the AFD Group are working together to “develop a co-ordinated service and finance offering that benefits French companies and private sector development in the countries in which they operate” (AFD, 2021), particularly in Africa.

**The role of local private sectors remains unclear, despite the opportunities.** Particularly in emerging countries, local companies can already compete with French companies in many cases, as highlighted by the evaluation of the Treasury loan instrument (Pluricité, 2021). AFD has the flexibility to reflect on this situation. The threshold for international tenders is higher in emerging markets. In exceptional cases, these calls for tender may be adjusted if a country’s legislation requires a preference for local suppliers, but within limited margins and provided this does not undermine the project’s objectives. The calls may also contain an obligation to transfer skills to a local partner or local staff where relevant, for example, on environmental, health or construction site safety issues. However, there is no established requirement for AFD to try to maximise local benefits via public procurement, and the focus on French companies pushes the AFD in the opposite direction. The current review of the DAC Recommendation on Untying Official Development Assistance, which addresses issues of sustainability, local sourcing and fair competition, provides an ideal framework for France to make progress on these issues.

**Focusing on economic benefits in France risks undermining the effectiveness of French ODA.** France places particular emphasis on partners’ responsibility to issue calls for tender that comply with local standards and their financing agreement with AFD. AFD often finances technical assistance for project
Partners’ decision-making power provides an important safeguard in this respect. However, policy guidelines suggest that the French government is counting on AFD’s ability – upstream of calls for tender – to evaluate projects in such a way as to promote French economic interests. The agency’s appraisal of projects is therefore pulled in opposite directions by the pursuit of impact and the desire to create opportunities for French companies. This runs the risk of projects being less relevant to partners, less open to the local private sector, closed to joint financing (even when they are efficient and in line with AFD’s partnership approach), and less focused on reducing poverty and inequality (in order to be of interest to French companies). These risks persist even though partners are responsible for issuing calls for tender and awarding contracts to non-French companies.

Improving dialogue with the private sector could help to better reconcile private sector interests and development objectives, as planned by the CICID. Regular discussions with companies in strategic sectors could enable the sharing of valuable information, both for the companies themselves and for those involved in co-operation. This has been demonstrated, for example, by the energy working group in Viet Nam and the seminar organised in France to provide information on the European Global Gateway initiative. Private sector actors have shown interest in increasing dialogue with AFD, building on ongoing efforts. However, they also emphasise the importance of better collaboration with actors responsible for economic advancement, for example by clarifying institutional responsibilities or strengthening Bpifrance’s risk appetite. France could therefore explore other avenues to promote its private sector while avoiding tying up its ODA fund, whether in law or in practice.

Recommendations

- To maximise the added value of efforts to mobilise the private sector and redirect financial flows to finance the sustainable development goals, France should:
  - implement rigorous testing and effective monitoring of all aspects of additionality, particularly in lower-risk operations
  - clearly define how Proparco intends to implement its objectives to reduce inequalities
  - optimise the availability of concessional resources to enable Proparco to take risks and support the local private sector in line with Proparco’s strategic objectives.
- France should pursue the de jure and de facto untying of its ODA in line with the DAC Recommendation on the Untying of Official Development Assistance, in particular by ensuring that the optimisation of development impact remains the main criterion for decision making and project appraisal.

Facing an unstable world

**France has strengthened its crisis response mechanisms**

France has become a major humanitarian donor. France was the 17th-largest humanitarian donor in 2018 and will be ranked 11th in 2023, thanks to a 257% increase in contributions recorded by the UN (2024[93]). In 2023, France was the EU’s third-largest humanitarian donor (European Commission, 2024[94]). This increase began in 2022 and underscores the scale of the effort made, which aligns with France’s various commitments in this area, notably those made at the 2018 session of the CICID (2018[95]). Against this backdrop, France’s response to humanitarian needs in Ukraine in 2022 was additional to the response to other crises.80 humanitarian action has been declared a pillar of French foreign policy, (MEAE, 2018[96]), and France’s financial efforts in turn support diplomacy in the service of humanitarian action. Humanitarian diplomacy was an important component of France’s humanitarian strategy over the 2018-22 period (de
Geoffroy et al., 2023[97]) and has been confirmed as a priority in France’s new humanitarian strategy for 2023-27 (MEAE, 2024[98]), which sets out the French president’s ambition to raise French-funded humanitarian assistance to EUR 1 billion per year. Achieving this ambition will be a challenge for France given the credit cancellations announced for 2024 that affect all development assistance (République française, 2024[99]).

**Emergency mechanisms have also been strengthened.** French humanitarian assistance continues to be distributed through three channels: the humanitarian emergency and stabilisation fund, managed by the Crisis and Support Centre; programmed food assistance, and multilateral aid. This fragmentation is partially offset by co-ordination between these three entities and with AFD to programme the humanitarian response in crisis and conflict situations based on a more comprehensive and contextualised approach. In addition, the major crisis reserve managed by the Crisis and Support Centre within the humanitarian envelope has been significantly increased to allow for action in response to crises or conflicts that were not anticipated in the initial programming. This reserve has been increased from EUR 22.6 million to EUR 270 million for the period 2022-27 in order to cope with humanitarian shocks due to new crises while still maintaining humanitarian commitments in long-lasting crises. This effort is strengthened by the ability to mobilise significant logistical and security capabilities through interministerial co-operation, as was demonstrated by Operation Sagittaire that evacuated civilians from Sudan in April 2023 (Ministère des Armées, 2023[100]); the deployment of field hospitals in Libya (Ministère des Armées, 2023[101]); and deployment of the amphibious helicopter carrier Dixmude that docked off the coast of the Sinai peninsula to support the emergency response in the Gaza Strip. Finally, the FEF (previously called the Solidarity Fund for Innovative Projects) provides embassies and central governments in countries in crisis with the capacity to finance rapid action. While these funds are not designed to be crisis response mechanisms, they can be rapidly mobilised for preventive actions identified by embassies and central governments.

**The Minka Peace and Resilience Fund has proved its worth.** The fund has matured since its creation in 2017. In addition to its innovative financial processes and culture in the AFD context, Minka is an effective instrument for French interventions in crisis zones. The first evaluation of the fund in 2022 noted that it needed to consolidate its initial achievements (AFD, 2022[102]), and the evaluation’s six conclusions should be followed up with a view to providing more effective assistance in the growing number of crisis hotspots that need to be covered in an unstable world. Thanks to this fund’s effective and expanded commitments, France has one of the few instruments among DAC members that is less constrained by the “humanitarian” or “development” labels given by donors or international operators to their financing. This fund thus enables France to complement humanitarian and stabilization actions, in an approach that links humanitarian action, development and the search for peace (HDP) (Box 6). The consolidation of this fund could also enable the AFD to adapt its procedures to crisis areas beyond the Minka Fund’s operations, as already shown by the “Greater Sahel 2020-2024” strategy (AFD, 2020[103]).
Box 6. The Minka Peace and Resilience Fund

Helping prevent and contain violent conflicts through a territorial approach

Implemented by the AFD Group, the Minka Peace and Resilience Fund is France’s operational response to the increasing fragility of states and societies and its contribution to crisis and conflict prevention. Launched in 2017, the Fund finances projects in fragile areas that are at risk of crisis or experiencing conflict. It is not a humanitarian fund but has a single objective: peacebuilding. Thanks to faster, tailored procedures, the Fund is able to mobilise development resources quickly to address the factors that contribute to crises and respond rapidly to assist local populations in areas affected by crises or at risk of conflict. In Mauritania, for example, the Minka Fund supports the resolution of land tenure disputes, which are a major factor behind crises in agro-pastoral areas that are heavily dependent on scarce natural resources. Implementing partners can be classed as either humanitarian or development partners depending on the context.

The integrated territorial approach, developed within the framework of the Sahel Alliance, is an important feature of the Minka Fund. This programmatic approach aims to deliver a coherent, territory-wide response to the multiple components of a crisis and violence in a given crisis hotspot, taking into account local dynamics and analysing factors that support resilience. The territorial approach therefore requires that special attention be paid to analysis and co-ordination between the various humanitarian, development and peacebuilding stakeholders in order to develop a shared understanding of the territories to be targeted as well as define the multisectoral objectives and plan activities. Depending on the situation, particularly the security situation, security, stabilisation and development activities may be implemented in turn or together, combining the different phases and facilitating the simultaneous intervention of different actors.

Note: This practice is documented in more detail on the Development Co-operation TIPs • Tools Insights Practices platform at www.oecd.org/development


France’s approach to crises must evolve

Fragility must remain the focus of France’s attention. France has a wide range of instruments related to the HDP nexus, many of which were being implemented in Sahel countries during the review period. These efforts have not led to the authorities in the countries concerned being able to meet the political, economic and security aspirations of their populations. The dynamics of the crisis in the Sahel region, and more generally in French-speaking Africa, are at the heart of the debate around designing new approaches to stabilisation and development co-operation. Although the 2023 Presidential Development Council and the subsequent CIDIC did not explicitly prioritise support for crisis contexts (French Presidency, 2023[105]), tackling the causes of fragility is indeed mentioned as a priority in the 2021 Act (French Republic, 2021[13]). It is therefore important that France continue to support the most fragile countries notwithstanding the withdrawal of 19 priority countries from the list, 18 of which are among the most fragile (MEAE, 2023[106]). A new strategy to define France’s objectives in these contexts is currently being drawn up. In 2022, France allocated 8.4% of its ODA to peacebuilding objectives, a historically high level that nevertheless remains below the DAC average of 10.7%.

The contribution that development co-operation makes to conflict prevention is not sufficiently clear. In its previous strategy on prevention, resilience and sustainable peace (MEAE, 2018[107]), France
supported a comprehensive approach “combining long-term instruments linked to diplomatic action, peace and development, and short-term instruments linked to emergency and humanitarian action. This doctrinal structure is completed by the French approach to stabilisation” (MEAE, MEFSIN, 2023[95]). This comprehensive approach adopted by France creates an important role for development co-operation and stabilisation actions, as part of the country’s global diplomatic network, in identifying the causes of crises and flagging signs of possible destabilisation. What to monitor, who to warn, are complicated issues for all development players when seeking to identify risks and introduce relevant programmes. A detailed analysis of the various dimensions of fragility, even in apparently stable contexts, is required when examining the effectiveness of stabilisation and development programmes in reducing latent and generally deep-rooted tensions. It would be useful for these conflict prevention mechanisms to be clarified in the next French strategy as part of a commitment to tackling the causes and aggravating factors behind crises and conflicts within the scope of the HDP nexus.

**Financial support for human rights remains modest.** Efforts to strengthen human rights and tackle discrimination are critical to preventing conflict (UN, 2023[108]). Given some major setbacks noted in this area, in 2019 France adopted a human rights and development strategy designed to turn its development co-operation into a lever for diplomacy that promotes human rights (MEAE, 2019[109]). Since 2021, the Marianne initiative, which supports defenders of human rights, has given concrete expression to this priority (Initiative Marianne, 2024[110]). However, the budget allocated to support human rights fell in 2022 to USD 48 million (EUR 46 million) following a sharp rise in 2021 to USD 67 million (EUR 64 million) (OECD, 2024[4]). As part of conflict prevention efforts and to ensure that aid is rooted locally, a consistent and significant effort could be made to promote human rights, which is a long-standing stated priority of French foreign policy.

**Humanitarian aid is also a long-term instrument, and development co-operation can also be a crisis instrument.** France aims to devote EUR 1 billion a year to humanitarian aid by 2025. However, this financial ambition carries the risk of promoting a reactive approach to crises, which France and all DAC members are keenly aware cannot address the causes of crises and conflicts. However, not everything that is urgent is necessarily humanitarian: Emergency actions may be required beyond the humanitarian or security field, as demonstrated by a budget loan allocated to Ukraine less than 20 days after the CIDIC co-secretariat’s decision.  

Humanitarian aid is also a long-term instrument, with 74% of the humanitarian funds allocated by France in 2022 directed towards crises that had received French humanitarian aid for at least nine years over 2013-22 (OECD, 2024[4]). These factors should prompt France to think about crises in terms of linking and integrating aspects that go beyond the distinctions between humanitarian and/or emergency aid and development and/or long-term aid that have been established by its administrative set-up. Specific efforts have already been initiated in this area, in particular between AFD and the Crisis and Support Centre. Several DAC members have recently made changes to this set-up to enable a more integrated approach to the HDP nexus or a more integrated diplomacy-defence-development approach. France could also get involved in joint work aimed at modernising its approach to crises, particularly in politically constrained contexts.

**More visible aid does not guarantee greater acceptance.** Protests by some sections of the population against the French military presence and even symbols of the French presence have been noted, particularly in the more fragile contexts of the Sahel strip. These protests, which have been widely covered by the media and fuelled by virulent disinformation campaigns, should be seen in the context of objectives to reshape France’s relationship with Africa (French Presidency, 2022[111]), including those discussed at the New Africa-France Summit on 8 October 2021 (MEAE, 2021[112]). France considers the discrepancy between the growing amounts of aid mobilised and its low acceptance to be caused by a lack of visibility for this aid (Assemblée nationale, 2022[113]). Yet the effectiveness and acceptance of aid are not solely linked to visibility and understanding of the aid by beneficiary populations. This discrepancy calls into question the development approach adopted and the nature of France’s partnerships in these fragile contexts. Strategic communication based on listening and clarifying responsibilities and objectives could
help France to regain or maintain acceptance among the populations it supports, and to strengthen approaches based on jointly creating strategies and actions. Other DAC countries have already explicitly committed to co-operating on the basis of patient, mutually respectful relations as they adapt to new paradigms of relations between countries (UK Foreign, Commonwealth and Development Office, 2023).

**Recommendation**

In politically constrained or particularly fragile environments, France should connect its instruments and mechanisms in favour of peace and stability and strengthen the co-construction of development processes designed by the countries and communities supported, with roles and responsibilities that are clear to the populations concerned.

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Notes

1 These resources include debt cancellations, certain lending operations and the Solidarity Fund for
Development (FSD), which is financed by a portion of the solidarity tax on airline tickets and the financial
transactions tax.

2 Programme 209 covers solidarity with developing countries; programme 110 covers economic and
financial development assistance.

3 Among these are the French National Sustainable Development Research Institute and CIRAD.
In 2021, local French authorities allocated EUR 126.7 million in ODA, according to the MEAE, or 12% of the total ODA. More than half of this amount went to providing services to incoming refugees. See https://www.diplomatie.gouv.fr/IMG/pdf/rapport_apd_2022_sur_montants_2021_cle0c93af.pdf.

Between 2016 and 2018, AFD’s mandate was expanded to include a range of new sectors: governance, creative and cultural industries, higher education, civic education for development, sport, international migration, social and solidarity economy. It also was expanded to include new locations: Albania, Argentina, Bosnia and Herzegovina, Kosovo, Serbia, Montenegro), Northern Macedonia, and Ukraine.

The AFD Group is also mandated to finance the sustainable development of France’s departments and local authorities through financing that is not included in its ODA.

It also finances a growing number of government operators working in the international arena.

The cross-cutting priorities are the climate and the environment, gender equality, crises and fragile situations, and human rights. The sectoral priorities are health, education, food security, water and sanitation, inclusive growth, and governance.

The four objectives are combating poverty, inequality and the consequences of climate change to strengthen international stability and crisis prevention; safeguarding global public goods, including the climate and biodiversity; promoting a stable macroeconomic framework; and promoting the influence and interests of France and the French people and defending French values.

The ten priority policy objectives are to accelerate the phase-out of coal and finance renewable energies; protect the most vital reserves of carbon and biodiversity; invest in youth through education; build resilience to health risks; promote African innovation and entrepreneurship; mobilise private and public expertise and financing for infrastructure; strengthen food sovereignty; support human rights everywhere; promote women’s rights and gender equality; and combat illegal immigration.

The 2023 strategy raises the target participation rate of French companies in the AFD Group’s international tenders from 67% to 80% and creates an indicator for the proportion of AFD-financed projects that lead to an international tender (60% target). The strategy also notes the steering role that international technical experts can play in promoting French economic interests.

Costs associated with asylum seekers (reception and healthcare) rose from a 6% to a 10% share of the total state and agency budget over the period. See https://www.budget.gouv.fr/documentation/documents-budgetaires/exercice-2024/le-projet-de-loi-de-finances-et-les-documents-annexes-pour-2024/documents-de-politique-transversale-2024.

It should be stressed that changes in commitment authorisations partly reflect the cyclical nature of certain multilateral replenishments or bilateral arrangements and should therefore be interpreted with caution. Commitment authorisations represent the upper limit of expenditure that can be incurred in a given year, but are used to commit expenditure that may be spread over several years. They differ from expenditure that can be authorised or paid during the year to cover commitments entered into under previous commitment authorisations. While commitment authorisations for 2024 are down relative to 2023, disbursement appropriations are up slightly.

Équipe France includes all French public sector stakeholders involved in development co-operation, i.e. ministries, local authorities, operators, research centres, civil society organisations, philanthropy, etc.
AFD’s Strategic Advisory Council is made up of state representatives on the AFD Board of Directors and chaired by the minister responsible for development. The Council co-ordinates the preparation of its Means and Objectives Contract, monitors its execution, and prepares the guidelines set for AFD in application of the decisions taken by the CICID before presenting them to the Board of Directors.

For its financing, the AFD Group relies mainly on donations made on behalf of the state and bond issuances in the markets that it redistributes in the form of loans and repays through its own debtors’ repayments. This method of financing gives it a high degree of financial autonomy since its operating expenses are largely covered by its banking activities alone. Following a major fundraising drive in the last decade, its balance sheet debts to the state now account for just 2% of total borrowing compared with over 25% in 2010.

The law stipulates that AFD’s activities abroad are carried out under the authority of the head of the diplomatic mission.

The evaluation methods include impact, long-term, rapid, thematic, method and/or tool-based, country and/or region, project cluster, individual project, and institutional evaluations as well as evaluations of political commitment in certain areas.

The 2021 Act provides for the commission to be attached to the Cour des Comptes. In March 2024, a new draft law provided for it to be instead attached to the MEAE. At the time of writing, this draft law had not been voted on.

This platform has been available since September 2022. See https://data.aide-developpement.gouv.fr/pages/accueil/.

The AFD Group’s rating has improved by five points since 2020. The Group is now in the “good” category of the ranking, which includes institutions that regularly publish good-quality data, and on the basis of which it is possible to carry out research and analysis.

In 2021-22, 46.8% of France’s disaggregated bilateral aid commitments examined had gender equality as their main or significant objective (up from 32.8% in 2018-19), with the DAC average standing at 43.3%. It should be noted, however, that the degree of coverage of gender analysis fell sharply after 2021 – reducing the accuracy of the comparison for figures pre and post 2021. While gender DAC markers covered more than 95% of France’s disaggregated bilateral aid in 2021, they covered only 64% in 2022.

The Africa and Mediterranean zone includes all countries on the African continent plus Jordan, Lebanon, Türkiye, Syrian Arab Republic, and the West Bank and the Gaza Strip.

The share is about 30% of bilateral aid broken down by country.

The choice of project-financing method (loan or grant) and the level of loan subsidy depend on the following factors: AFD’s supervisory authorisation framework for loans in each country and the prudential framework; the volume of financing available, which is less constrained for loans than for grants; beneficiaries’ expectations or requests in terms of financing tools; analysis of the project’s financial viability; and country programming as a whole.

Not all loan subsidies count as ODA.
For example, in his speech in Ouagadougou in November 2017, the French president placed young people at the heart of France’s partnership with Africa, particularly with regard to education and higher education, entrepreneurship and innovation, and culture and sport.

The strengthening of project assistance within the MEAE will more than double the former FSPI by 2026 (from EUR 80 million in 2023 to EUR 200 million in 2026) and entailed the launch of two thematic funds focused on Africa around partnership and cultural entrepreneurship, which will be endowed with EUR 6 million and EUR 20 million, respectively. The former FSPI, now the FEF, finances projects of between EUR 100 000 and EUR 1 million over a two-year period. The partnership fund finances projects by African partners (institutions and civil society) focused on implementing the Ouagadougou agenda: sport, culture, the French language, civic engagement, agriculture, entrepreneurship, innovation, vocational training, and education, among others. The fund has financed nine pilot projects for 2023 to be implemented over 30 months in nine priority countries. The Cultural Entrepreneurship Support Fund, which totals EUR 20 million and targets 19 priority countries in Africa, will enable French embassies and institutes to support African entrepreneurs in the cultural and creative industries. The 18 selected projects will run from mid-2023 to September 2024. FEF-R projects are scheduled to run for 12 months and cost between EUR 10 000 and EUR 100 000. FEF-R has the same thematic and geographical scope as the FEF.

AFD grants funding to NGOs for projects costing more than EUR 300 000 (EUR 200 000 in exceptional cases).

A 2020 report by the Cour des comptes noted that “cooperation and cultural action advisors would benefit from a better understanding of AFD’s and Expertise France’s activities and funding channels, both in terms of project grants and loans, as well as of all the initiatives and calls for projects launched by other operators” and that “the professionalisation and upgrading of the development sector within the Ministry implies stabilising the teams responsible for supervision and providing better training for departing staff”, so that cooperation and cultural action advisors, in particular, are systematically equipped with a sound knowledge of all the financial instruments available to each operator, at bilateral, regional and multilateral levels”. For details, see https://www.ccomptes.fr/fr/publications/le-pilotage-strategique-des-operateurs-de-creation-exterieure-de-letat.

The former FSPI, with a total budget of EUR 80 million, is being administered in 70 countries. The other two funds, both labeled Équipe France Fund, have a total budget of EUR 26 million and target former priority countries in Africa.

Technical assistance as a proportion of French development assistance has declined sharply over the past 40 years from almost 70% of bilateral aid in the 1970s to 10% in 2021.

In 2022, the EU accounted for 51% of Expertise France’s funding, the AFD for 21% and the MEAE for 21%. Expertise France has become Europe’s second-largest technical assistance agency, after the Germany development agency Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH, or GIZ. For more information, see https://www.expertisefrance.fr/documents/20182/426622/Bilan+%26+perspectives+2022-2023/fda1c2c4-e5a0-54c0-f22d-3f821f1b823.

The following persons may be recruited as international technical experts: French civil servants, civil servants from an EU member state, a state party to the Agreement on the European Economic Area or Switzerland, and, depending on the specific qualifications required, a person who is not a civil servant. In 2022, Expertise France deployed 220 international technical experts in the field, a 60% increase over 2021
when it deployed 137. Its goal is to deploy 500 by 2027. See https://www.expertisefrance.fr/documents/20182/426622/Bilan+%26+perspectives+2022-2023/fda1c2c4-e5a0-54c0-f22d-3f8215f1b823.

35 Promoting such development is to be achieved through mainstreaming and climate co-benefits.

36 These ambitions extend to AFD’s internal practices, with targets set for reducing carbon footprints and creating a network of carbon professionals. For more information, see https://www.afd.fr/fr/ressources/rapport-activite-et-responsabilite-societale-2023-rso.

37 This is to be achieved through direct support for protected areas and mainstreaming and identifying co-benefits, notably related to climate and nature.

38 Through the Community Resilience Partnership Program with the Asian Development Bank, for example, AFD’s health and social protection strategy aims to help the most vulnerable countries and communities in Asia and the Pacific. The education, training and employment strategy aims to strengthen collaboration with the Global Partnership for Education, prioritising countries affected by extreme poverty or conflict.

39 These include the United Nations Framework Convention on Climate Change, the Convention on Biological Diversity, and the United Nations Convention to Combat Desertification.

40 France is also committed to the European Green Deal and its implications for development co-operation, such as greening the EU’s multiannual financial framework and supporting the transformation of the European Investment Bank into an EU climate bank.

41 Examples include a summit with Kazakhstan on access to water in 2024 and with Costa Rica on the oceans in 2025.

42 France recently made significant contributions to the main multilateral funds, including for education (EUR 333 million over the 2021-25 cycle to the Global Partnership for Education); climate change (doubling its contribution to the Green Climate Fund to EUR 1.55 billion for 2020-23); health (EUR 1.6 billion for 2023-25 for the Global Fund); biodiversity (EUR 298 million for 2023-26 to the Global Environment Facility; and agriculture (EUR 150 million for 2025-27 for the International Fund for Agricultural Development (IFAD). For details, see https://www.budget.gouv.fr/documentation/documents-budgetaires/exercice-2024/le-projet-de-loi-de-finances-et-les-documents-annexes-pour-2024/documents-de-politique-transversale-2024.

43 For example, as a member of the board of the Global Fund, France advocates for greater integration of the climate-health nexus and encourages the identification of synergies and partnerships with the Green Climate Fund. Within IFAD, France is among those promoting a pro-gender approach and the link with climate change adaptation and combating biodiversity loss.

44 For example, two experts on biodiversity financing and forests will be deployed to the World Bank and the Asian Development Bank in 2024. Two international technical experts on climate have been deployed to the European Bank for Reconstruction and Development and the Asian Infrastructure Investment Bank (since 2022, and an international technical expert on private financing has been deployed to the GCF.

45 France had pledged to allocate EUR 5 billion each year for climate action by 2020, including EUR 1.5 billion a year for adaptation, and it exceeded these targets in 2018 (see
It subsequently aimed to allocate EUR 6 billion per year over 2021-25, one-third of which would be focused on adaptation. This target was reached in 2022, when EUR 6.8 billion was allocated. France is one of the main contributors of public development funding for biodiversity: it spent an average of USD 1.4 billion per year over 2018-22, representing an average of 13% of its bilateral allocable ODA, and this enabled it to meet Aichi Target 20 of the Convention on Biological Diversity’s Strategic Plan for Biodiversity on time. See https://doi.org/10.1787/e6c182aa-en. France set itself a new target of allocating EUR 1 billion per year for biodiversity in 2021-25, a target it exceeded in 2022 when EUR 2.0 billion was allocated, and earmarking 30% of climate-related development funding for biodiversity (which would amount to EUR 1.8 billion according to its climate target). See https://www.diplomatie.gouv.fr/IMG/pdf/orientations_cle017322.pdf.

The funding increases follow on from strategic commitments in this area: – AFD is committed to ensuring accessible, quality health care and improving the capacity of systems to cope with health and climate crises, and basic health care expenditure mainly accounts for the increase in health-related ODA. Funding for social infrastructure rose from EUR 2.8 billion in 2018 to EUR 5.1 billion in 2022; this was mainly due to investment in the health care sector, which quadrupled over this period.

Among the initiatives put in place to meet this objective is the Support Fund for Feminist Organizations (FSOF), launched in 2020. During its first phase (2020-22), the FSOF financed 1 000 feminist organisations in 73 countries, contributing a total of EUR 134 million. This made France the leading funder of feminist CSOs and government institutions for women’s rights in 2021-22. The FSOF was renewed in September 2023.

A working group is currently examining the link between climate and gender, which will enable a better understanding of how to define feminist action in a context affected by climate change in line with DAC members’ best practices.

Support for corporate social and environmental responsibility can also be a way of linking the social and environmental agendas, as suggested by the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. These guidelines address the just transition issue that was referred to in the Paris Agreement. The guidelines are available at https://doi.org/10.1787/81f92357-en.

Sustainable development opinions apply to financing above a certain threshold (over EUR 1.5 million for grants and EUR 5 million for loans) that follows the classic AFD project cycle and whose sustainable development impact can be assessed. This excludes funding windows and special funds that are subject to a specific project cycle – for example French Facility for Global Environment projects; Fund for Innovation in Development projects; Sectoral Innovation Facility for NGOs windows for CSOs; and Funding Facility for Local Authorities windows for local authorities. See https://www.afd.fr/en/ressources/sustainable-development-analysis-grids.

Among others, France works with and supports the following: the Research Institute for Development, whose expertise is grounded in tackling climate change and the science of sustainability, is tasked with shaping France’s position on international sustainable development agenda and the CIRAD, which works on the issues of health resilience and agroecology. In addition, research by the Institute for Sustainable Development and International Relations has informed the French position at UN climate and biodiversity summits and its EU presidency. France is also conducting its own research into the links between inequality and environmental and climate issues. For more information, see https://www.afd.fr/fr/ressources/spirale-dette-climat-une-approche-empirique-pour-detecter-les-situations-de-double-vulnerabilite;
France aims to address these through, for example, risk assessments for investments and the development of infrastructure projects. Within the DAC, France is also proposing a new statistical measure to take better account of mobilisation efforts, including in relation to the private sector.

For more information, see https://financeincommon.org/.

For more information, see https://alliance4e.org/.

STOA is an impact fund created by AFD and the Caisse des Dépôts in 2017. It aims to finance equity investments in infrastructure projects in developing countries, with a particular focus on sustainable development.

These disbursements are gross ODA disbursements in constant USD (2021). In 2015-16, by comparison, disbursements amount to USD 200 million. These figures do not include less concessional loans, which form part of other public sector contributions.


A key component of Choose Africa 2 is AFD and Banque publique d'investissement (Bpifrance) support for the creation of an entrepreneurial ecosystem in four African countries (Benin, Côte d'Ivoire, Senegal and Togo) through the creation of local public investment banks, where appropriate.

In addition to other planned measures, including adjusting the debt doctrine, France’s approach includes providing budget support in the form of grants and highly concessional loans.

These include strong capitalisation (well above regulatory thresholds), low foreign currency exposure (less than 3% of consolidated capital), and low levels of impaired loans (about 7%).

See https://choose-africa.com/.

With support from the EU, a similar programme, EURIZ, also enables guarantees to be financed outside Africa.

France, together with Angola, also hosted the IFAD replenishment conference in 2023 and has pledged to mobilise USD 150 million, its largest contribution to date.

The rating analyses seven areas: climate - low-carbon, climate -resilience, biodiversity, social, gender, economy and governance.

Proparco regularly monitors ESG risks including through an ESG Watchlist for high-risk cases.

In particular, it recommended better linking the global strategy to sector-specific change theories, and improving operational risk monitoring and underperformance management.
In some operations, Proparco and STOA finance the same customers. This also reduces their respective value additionality, notwithstanding their complementary financing.

Technical assistance accounted for 1% of France’s total aid for trade between 2009 and 2019, compared with 6% in the United Kingdom and 12% in the Netherlands. The flagship Trade Capacity Building Program has been renewed with a budget of EUR 30 million for 2023-25. Expertise France’s activities in this area are largely funded by the EU. See https://www.expertisefrance.fr/actualite?id=888139.

December 2023 marked the first time a French court ordered a company to improve its due diligence measures on the basis of the law.

The updated aid for trade strategy aims, among other things, to promote sustainable, inclusive and resilient value chains, and includes an objective to strengthen social and environmental criteria in AFD’s calls for tender.

From 2019 to 2022, France declared less than USD 750 000 in total for projects on responsible business conduct (CRS code 25040).

This approach set out in the updated strategic framework for aid for trade.

The agreed arrangement on export credits requires a very high level of concessionality in assistance provided to an LDC.

FASEP conducts feasibility studies upstream of an infrastructure project. For more information, see www.tresor.economie.gouv.fr/services-aux-entreprises/le-fasep.

Technical expertise and experience sharing fund to enable recourse to the services of French public or private actors on project preparation studies or technical assistance projects. See: www.afd.fr/en/fexte-cooperation-and-project-preparation-instrument.

Facilité d’amorçage, de préparation et de suivi de projets.

In its report, the CNDSI made a number of recommendations concerning private sector involvement, highlighting the need to focus on support for the local private sector, respond to the local needs expressed by the various stakeholders and to adhere to the principle of untying ODA.

The guidelines initially included a proposed target of 80%.

Examples include technical expertise, environmental and social requirements, and total cost of ownership (purchase cost plus operating costs over the asset’s useful life).

France committed USD 473.8 million to Ukraine in 2022. At the same time, from 2021 to 2022, its humanitarian assistance increased from USD 9.4 million to USD 91.9 million in Africa and from USD 19.9 million to USD 95.8 million in Asia.

Food aid funding was increased from EUR 118 million in 2022 to EUR 160 million in 2023 and is implemented by several multilateral partners: the World Food Programme, the United Nations Children’s Fund, the Food and Agriculture Organization, UN Relief and Works Agency for Palestine Refugees in the
Near East, the International Organization for Migration, and NGOs led by the International Committee of the Red Cross.

82 Within the OECD’s multidimensional fragility framework, ODA to peace-related sectors is tracked using the following sector reporting codes: 15110 (public sector policy and administrative management); 15111 (public finance management); 15112 (decentralisation and support to subnational government); 15113 (anti-corruption organisations and institutions); 15130 (legal and judicial development); 15150 (democratic participation and civil society); 15152 (legislatures and political parties); 15153 (media and free flow of information); 15160 (human rights); 15170 (women's rights organisations and movements and government institutions); 15180 (ending violence against women and girls); 15190 (facilitation of orderly, safe, regular and responsible migration and mobility); 15210 (security system management and reform); 15220 (civilian peace-building, conflict prevention and resolution); 15230 (participation in international peacekeeping operations); 15240 (reintegration and small arms and light weapons control); 15250 (removal of landmines and explosive remnants of war); and 15261 (child soldiers: prevention and demobilisation).

83 The French Senate Foreign Affairs, Defence and Armed Forces Committee stated the following in its note setting forth key facts about ODA in the 2023 budget bill (L'essentiel sur la mission "aide publique au développement" du projet de loi de finances 2023): Within the AFD Group, only Expertise France and Proparco are in principle authorised to operate in Ukraine. However, AFD was called on very soon after the invasion, following a decision by the Interministerial Committee for International Cooperation and Development co-secretariat on 15 March 2022, to implement a EUR 300 million budget loan to Ukraine, using French government resources. This loan was disbursed on 4 April 2022 to support social spending on public services (education, health, social transfers, pensions, etc.). The Committee welcomes this responsiveness, which shows that AFD is also a political instrument capable of rapidly implementing the government’s priorities.” For the note in French, see https://www.senat.fr/rap/a22-117-4/a22-117-4-syn.pdf.

84 These include Germany, Norway, Sweden and Switzerland, among others.

85 These protests have been seen not only in fragile countries in conflict. In March 2021, French companies (Auchan, Orange, Total, etc.) were targeted in Senegal during demonstrations linked to domestic sociopolitical problems. Anti-French demonstrations took place in the Central African Republic in 2013 and in Senegal in 2015 and in Burkina-Faso in 2021 and have been seen in Niger since 2019 and in Mali since 2020. The Ichikowitz Family Foundation African Youth Survey 2020, carried out among young people in several countries, found that 71% of Gabonese, 68% of Senegalese, 60% of Malian and 58% of Togolese respondents had a poor opinion of France. For more information, see https://yannhazoume.com/wp-content/uploads/2020/03/African-Youth-Survey-2020.pdf.
## Annex A. Progress since the 2018 DAC Peer Review recommendations

### Efforts to support global sustainable development

<table>
<thead>
<tr>
<th>2018 Peer Review recommendations</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>France should set up a governance mechanism to foster policy coherence. It should ensure that its efforts support, rather than restrain, the sustainable development of its partner countries, especially priority countries.</td>
<td>Implemented</td>
</tr>
<tr>
<td>The Presidential Council and the CICID need to strengthen policy coherence, especially as France has a roadmap for the 2030 Agenda and 98 regularly updated performance indicators to measure policy coherence. In practice, this coherence seems to be improving. France has risen from 14th place in the Centre for Global Development’s Commitment to Development Index in 2003 to 5th place in 2023. Nevertheless, France still rarely looks at the cross-border impacts of its policies, even though they are the subject of independent studies.</td>
<td></td>
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</table>

### Policy vision and framework

<table>
<thead>
<tr>
<th>2018 Peer Review recommendations</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>To facilitate the management of its development co-operation, France should prepare country strategies covering all of its co-operation activities with its priority partner countries, preferably within the framework of EU joint programming.</td>
<td>Implemented</td>
</tr>
<tr>
<td>Since 2021, the ambassador, via the local development council, has been bringing together all French stakeholders to put in place a single solidarity and sustainable investment strategy for Team France, appended to the embassy's action plan, and to co-ordinate the various players. These strategies do not yet systematically include shared objectives across institutions.</td>
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</table>

### ODA volume and allocations

<table>
<thead>
<tr>
<th>2018 Peer Review recommendations</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>France should set out a strategy for achieving an ODA/GNI ratio of 0.55% by 2022—and 0.7% by 2030—in order to meet its international commitments. By 2020 at the latest, the country should authorise the commitments required to achieve this target.</td>
<td>Partially implemented</td>
</tr>
<tr>
<td>France not only reached but exceeded its target of devoting 0.55% of GNI to ODA by 2022, allocating 0.56% of GNI, or EUR 15.3 billion. Nevertheless, France has no clear roadmap for reaching its target of 0.7% by 2030.</td>
<td></td>
</tr>
<tr>
<td>The financial resources earmarked for gender equality in French ODA programming should be increased to demonstrate its commitment to the implementation of this policy.</td>
<td>Implemented</td>
</tr>
<tr>
<td>ODA earmarked for gender equality has risen sharply from 32.8% of bilateral ODA in 2018-19 to 46.8% in 2021-22. (Note that the contribution to this objective was not examined for 36% of allocable bilateral aid in 2021-22, compared with 0.4% in 2018-19). Nevertheless, France has not yet reached its own targets (75% of financing with gender equality as a main or significant objective and 20% with gender equality as a main objective). AFD believes that it can only achieve these targets with an increase in grant contributions.</td>
<td></td>
</tr>
<tr>
<td>In line with its commitments, France should concentrate its aid on a limited number of sectors - where it has – in its partner countries.</td>
<td>Not implemented</td>
</tr>
<tr>
<td>Priority sectors account for only a minority of bilateral allocations, and country portfolios remain multisector.</td>
<td></td>
</tr>
<tr>
<td>France should increase the volume of ODA provided as grants to priority countries (which are all LDCs, including a large number of fragile</td>
<td>Not implemented</td>
</tr>
<tr>
<td>The proportion of aid allocated to priority countries remained stable over the review period. However, the list of priority</td>
<td></td>
</tr>
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</table>

### 2018 Peer Review recommendations

<table>
<thead>
<tr>
<th>countries). At the same time, France should ensure that the financial effort indicator that guide its geographic allocations reflect its strategic co-operation priorities, including LDCs, fragile countries and the Sahel.</th>
</tr>
</thead>
<tbody>
<tr>
<td>countries expired in 2023. The priority given to LDCs is beginning to show in the allocations, with the volume of aid allocated to these countries rising steadily since 2019 even though the targets that France has set itself are not being met.</td>
</tr>
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</table>

### Structure and systems

<table>
<thead>
<tr>
<th>2018 Peer Review recommendations</th>
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</thead>
<tbody>
<tr>
<td>AFD should continue to adjust its procedures in the interest of greater efficiency. It should create shorter procedures between the design of a project and the first release of funds, whether for LDCs or for stabilisation and crisis prevention in fragile states.</td>
</tr>
<tr>
<td>Progress</td>
</tr>
<tr>
<td>Partially implemented</td>
</tr>
<tr>
<td>In 2020, AFD launched the CAP Efficiency programme, which aims to improve and simplify work processes. The average time to the first release of funds remains 12 months, however, as was observed in the previous review.</td>
</tr>
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<table>
<thead>
<tr>
<th>As Expertise France integrates into the AFD Group, France should clearly state its economic model and its position in the French co-operation system, both in Paris and in the field.</th>
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</thead>
<tbody>
<tr>
<td>Progress</td>
</tr>
<tr>
<td>Implemented</td>
</tr>
<tr>
<td>Expertise France, after converting into a simplified joint stock company (SAS) under the Act of 4 August 2021 (with AFD as its sole shareholder), was officially integrated into the AFD Group on 1 January 2022 and is financially stable. Implementation accounts for a growing but still relatively small share of AFD’s revenue.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>France should improve the strategic management and oversight of its co-operation, with clearly defined mandates backed up by the necessary human resources.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress</td>
</tr>
<tr>
<td>Partially implemented</td>
</tr>
<tr>
<td>France has strengthened its management system at headquarters and in partner countries and increased human resources within the MEAE. The reforms have strengthened political leadership, but strategic and balanced management among the various co-operation stakeholders remains an issue.</td>
</tr>
</tbody>
</table>

### Delivery modalities and partnerships

<table>
<thead>
<tr>
<th>2018 Peer Review recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>France should strengthen its strategic dialogue with its multilateral partners while ensuring the coherence of its national policies and the effectiveness of its partnerships. It should also improve its internal co-ordination, base its contributions on clear criteria and share indicative multi-annual financial frameworks for better predictability of its multilateral aid.</td>
</tr>
<tr>
<td>Progress</td>
</tr>
<tr>
<td>Partially implemented</td>
</tr>
<tr>
<td>France is in the process of defining a new strategy for its engagement with the multilateral sector. Its partners emphasise the coherence of its strategic discourse, its involvement in decision-making bodies and the quality of its funding. Involving teams in the field more systematically could help provide France with useful information for governance bodies.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>France should increase the proportion of bilateral aid it channels to and through local and international NGOs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress</td>
</tr>
<tr>
<td>Implemented</td>
</tr>
<tr>
<td>France has more than doubled the volume of aid allocated to CSOs over the review period. It was envisaged that funding allocated to CSOs would reach 15% of France’s bilateral ODA, but such funding is not expected to increase until 2026 and will stabilise at around 8%.</td>
</tr>
</tbody>
</table>

### Results, evaluation and learning

<table>
<thead>
<tr>
<th>2018 Peer Review recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>France should develop results-based management and integrate it across its entire development co-operation programme, so as to ensure that the findings (at project and corporate level) are used to improve accountability, steering, communication and learning.</td>
</tr>
<tr>
<td>Progress</td>
</tr>
<tr>
<td>Partially implemented</td>
</tr>
<tr>
<td>While political priorities and “contracts of objectives and means” come with indicators of resources and results, it is not easy to analyse the outcomes of France’s actions or the impacts on development. AFD Group has also launched initiatives to improve internal results monitoring.</td>
</tr>
</tbody>
</table>
### Humanitarian aid and fragility

<table>
<thead>
<tr>
<th>2018 Peer Review recommendations</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>France should adopt a holistic, balanced approach to crises, while maintaining the fight against poverty as its primary ODA objective, alongside the principle of humanitarian action.</td>
<td><strong>Implemented</strong> France has developed and continues to favour a holistic approach to crises, as clearly articulated by the MEAE, AFD and the Ministry of Armed Forces. The objective of fighting poverty as a means of combating crises is also clearly defined. Preserving humanitarian space is a major part of France's humanitarian strategy.</td>
</tr>
</tbody>
</table>
Annex B. Progress against OECD legal instruments under the responsibility of the DAC

Recommendations adopted by the Development Assistance Committee (DAC)

**DAC Recommendation on the Terms and Conditions of Aid** [OECD/LEGAL/5006]

France has not complied with the DAC Recommendation on Terms and Conditions of Aid for over ten years.

Table A B.1. France’s compliance in 2020 and 2021 with the 1978 Recommendation on the financial terms of aid

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2018-20b</th>
</tr>
</thead>
<tbody>
<tr>
<td>ODA commitments(^a) in USD millions</td>
<td>24,465</td>
<td>21,547</td>
<td></td>
</tr>
<tr>
<td>Grant element in ODA commitments(^a)</td>
<td>75.30</td>
<td>75.60</td>
<td></td>
</tr>
<tr>
<td>Volume test: ODA commitments(^a) as a % of GNI</td>
<td>2020 norm: 2020 0.28%</td>
<td>0.92</td>
<td>0.72</td>
</tr>
<tr>
<td>Grant element of ODA commitments(^a) for LDCs (two alternative norms)</td>
<td>Annually for all LDCs – norm: 90.00%</td>
<td>80.40</td>
<td>80.00%</td>
</tr>
<tr>
<td></td>
<td>three-year average for each LDC – norm: 86.00%</td>
<td>n</td>
<td></td>
</tr>
</tbody>
</table>

Note: (a) commitments excluding debt reorganisation; equities are treated as having a 100% grant element but are not treated as loans. (b) In this column: n = non-compliance. Please note that during its discussions in 2020, the DAC agreed on the need to update the Recommendation on Terms and Conditions of Aid to reflect the decisions taken by the DAC High Level Meeting in 2014, such as the revised ODA definition and new measure of concessionality. However, DAC members expressed different opinions on the substance of changes to be made beyond a technical update.


France points to the proportion of loans in total French ODA (about 20.0% measured in grant equivalent) to explain this failure to comply with the Recommendation. The government reports that it expects the average grant element or average grant element rate of aid to LDCs to rise gradually thanks in particular to measures approved at the CICID meeting in July 2023. It should be noted that Korea, as an example, allocates 49.9% of its total ODA to loans and also complies with the 1978 Recommendation.

**DAC Recommendation on Untying Official Development Assistance** [OECD/LEGAL/5015]

French ODA is not fully compliant with DAC standards. In 2021-22, 92.8% of its ODA allocated to the countries and sectors covered by the Recommendation on Untying Official Development Assistance was untied against a target of 100.0%. Regarding its total bilateral ODA to all other countries, 79.0% was untied. Two instruments managed by the Direction générale du Trésor make up the bulk of tied ODA: Treasury...
concessional loans and the Private Sector Study and Aid Fund, or FASEP. The latter includes explicit criteria to maximise support for exports in favour of French companies. Tied loans amounted to USD 938 million, equivalent to 11.5% of all loans granted in 2022.

France is among the DAC members that adheres to the transparency provision of the Recommendation and reports on contracts ex ante and ex post. It also stands out for having had the tied loan instrument evaluated.

France’s new approach to promoting the French private sector raises questions about its commitment under the Recommendation to ensure that ODA is untied, both de jure and de facto. For example, France is proposing to extend loans linked to LDCs, which runs counter to the Recommendation. In addition, the target set for AFD in terms of calls for tender that French companies respond to is likely to push appraisals towards French suppliers.

In 2021, almost 43% of contracts financed by AFD (representing 51% of the total value of contracts) were allocated to French companies (in volume and number) in countries covered by the recommendation, and around 50% in other countries. France is in line with the average for DAC countries.

**DAC Recommendation on the Humanitarian-Development-Peace Nexus [OECD/LEGAL/5019]**

France favours a holistic approach to crises grounded in better co-ordination and complementarity between development activities, responses to humanitarian needs and peace objectives – the aim of the Recommendation. This review is based on the responses France provided in 2023 to the questionnaire that was developed to monitor implementation of the Recommendation.

The Recommendation has enabled France to improve its approach to the humanitarian, development and peace (HDP) nexus, including by developing new policies and communicating HDP principles during training for ministries and AFD staff in contexts of crisis and fragility.

**Co-ordination:** France has made a particular effort to improve internal co-ordination by giving the ambassador greater responsibility for joint analysis and co-ordination of the actions of Team France. Cross-analyses by staff working in the fields of security, development and humanitarian assistance now make it possible to identify and, more importantly, to rank the main causes of fragility and the main factors of resilience.

**Programming:** Several specific aspects of the French approach to fragility comply with the principles of the HDP Recommendation. For example, the aim of the recommendation to share analyses is to achieve a finer level of detail so that the priorities for action and the resilience factors to be strengthened can be specified area by area. This is the purpose of the integrated territorial approach implemented by the Minka Peace and Resilience Fund projects described in Box 6. The Minka Peace and Resilience Fund also has a regional approach, following crisis basins (Lake Chad, central Sahel, Syrian basin) rather than countries, in order to better adapt to cross-border dynamics and adjust responses according to these areas.

Localising aid and supporting endogenous crisis and conflict prevention processes are fundamental principles of French aid in fragile contexts. The DAC recommendation has been integrated into France’s "Prevention, Resilience and Sustainable Peace" strategy, which is what directs the Minka Peace and Resilience Fund.

**Financing:** The increase in funding for crisis response has been achieved through humanitarian and development channels, with an increase in funding for the Crisis and Support Centre (CDCS) and AFD’s Minka Fund. There is still a question mark over the definition of the scope of the two tools, and prevention and stabilisation instruments remain modest compared with response tools.
DAC Recommendation on Ending Sexual Exploitation, Abuse and Harassment in Development Co-operation and Humanitarian Assistance [OECD/LEGAL/5020]

The AFD Group has adopted an ethics charter, and internal guidelines have been drawn up to prevent harassment. Reporting guidelines have been developed through a professional whistleblowing system within the Group. Staff in MEAE and MEFSIN have several channels for reporting misconduct, including the www.allodiscrim.fr platform, a psychological support unit, managers, HR officials, staff representatives, harassment liaison officers, the mediator, the ethics adviser, etc. A "Zero Tolerance" unit was opened in MEAE in 2020.

Standards and procedures have also been incorporated into all of AFD’s co-operation agreements and financing instruments (Environmental and Social Risk Management Policy for AFD-funded Operations, AFD - Agence Française de Développement) without clarifying the issues covered by the recommendation. In MEAE, subsidy agreements for small local projects supported by embassies and the CDCS stipulate the obligation to combat sexual exploitation, abuse and harassment and to implement effective prevention, monitoring and response mechanisms.

France has also set up social complaints mechanism, both generic and for AFD projects (Environmental and Social Complaints Mechanism - Activity Report 2022, AFD - Agence Française de Développement) and for the CDCS. In the latter case, the CDCS compliance department is responsible for following up allegations in collaboration with the legal department.

France is not very involved in organising training, awareness raising and communication. It is active on the international stage in promoting women's rights, but less so in international co-ordination to prevent and respond to sexual exploitation, abuse and harassment.

DAC Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Assistance [OECD/LEGAL/5021]

The new strategy developed by MEAE “Civil Society and Civic Engagement 2023-27” (MEAE, 2023[2]), in consultation with civil society in France and in partner countries, adheres to the key principles of the OECD recommendation.

Strengthening civic space is one of the priorities of this strategy, and its Pillar 1 focuses in particular on promoting an enabling environment for all components of civil society throughout the world and in France. Within the frame of the CNDSI, France facilitated a working group on "Creating an enabling environment for civil society" in 2021. The 20 recommendations of this working group are followed up by MEAE but had not been assessed at the time of the review. In practice, efforts to promote civic space have resulted in the creation of an Innovation Foundation for Democracy in Africa in 2021. Some of the funding provided by MEAE also contributes directly to the structuring of civil society in partner countries (Équipe France CSO Fund, multi-stakeholder concerted programmes, etc.). However, France does not make sufficient use of the opportunities for dialogue created by AFD funding to engage in discussions on this issue. In addition, French civil society organisations are concerned about changes in the legal environment for CSOs, in particular the Republican Commitment Contract and the application of measures to combat money laundering and the financing of terrorism (see Recommendation of the Council for Development Co-operation Actors on Managing the Risk of Corruption). While MEAE and AFD are addressing this issue internally, engaging in substantive discussions with relevant ministries would strengthen policy coherence and help ensure an enabling environment for civil society, including by addressing the unintended consequences of anti-money laundering and counter-terrorism financing standards, in line with Pillars 1.6 and 2.10.b of the Recommendation.

Involvement with civil society takes place at the strategic level within the context of the CNDSI in Paris, but also within local development councils and during ad hoc consultations. In addition, the president of
Coordination SUD, a platform of French NGOs, is a member of AFD's board, and the president of a CSO collective is on the board of Expertise France. However, more extensive consultations at local level would help improve the understanding of local expectations and issues beyond government authorities and improve the co-operation response.

The 2021 Programming Act recognises the added value and expertise of CSOs on issues of poverty, hunger and inequality, respect for human rights, protection of the planet, and gender equality. In 2022, French funding channelled through CSOs represented EUR 819 million, i.e. 6% of France's bilateral ODA (compared with EUR 355 million in 2018), which represents a steady increase over the review period but remains below the target set by France (15%, revised to 11% in the latest strategic guidelines). In addition, AFD's administrative procedures and co-financing rates are a deterrent for some CSOs.

The Act also recognises the right of initiative of organisations and France has a dedicated financing tool within AFD, the "CSO initiative" mechanism. In 2022, according to Coordination SUD, 50.3% of funding channelled through CSOs effectively contributed to their right of initiative.

French CSOs remain the main beneficiaries of funding for CSOs, but the share of local CSOs is increasing (2.1% in 2018, 9.9% in 2022). This is partly due to the opening up of the "CSO initiative" to local organisations from 2022, the creation of a Support Fund for Feminist Organisations (FSOF) in 2019 to support local feminist CSOs and the increase in Team France Funds managed by MEAE and more accessible to local organisations. With AFD developing a new CSO strategy, planned for 2024, it will be useful for AFD to address the issues of streamlining administrative procedures and strengthening local organisations.

**Recommendations adopted by the OECD Council**

*Recommendation on Policy Coherence for Sustainable Development [OECD/LEGAL/0381]*

In the 2021 Programming Act, France renewed its commitment to coherent policies for development (CPD), both explicitly in the Global Partnership Framework annex and implicitly in the Act itself, by requiring the government to report on CPD to the French parliament (French Republic, 2021[3]).

The government has not set itself any specific CPD priorities. In its 2017-22 voluntary national review (Government of France, 2023[4]), France acknowledges the trade-related impacts on developing countries, also confirmed in the Sustainable Development Spillover Index (Sachs et al., 2023[5]). The Commitment to Development Index identifies arms exports, migration policies and subsidies for agriculture and fossil fuels as areas for improvement (Center for Global Development, 2023[6]), with the latter accounting for EUR 13 billion in 2021 (Bon-Mardion et al., 2023[7]), an amount equivalent to French ODA in 2021.

Under the France Nation Verte initiative (Government of France, 2024[8]), France has taken important steps towards integrating the green transition into policy processes, notably through ecological planning and the green budget. The effects on developing countries (e.g. their role in the circular economy) do not feature specifically in this approach. At the international level, France is actively lobbying to create or strengthen multilateral frameworks, such as its collaboration with Costa Rica to contribute to the Kunming-Montreal Global Biodiversity Framework.

French co-operation co-ordination bodies, which bring together various different ministries, could also be used to discuss the cross-border impacts of French policies, but this opportunity is not taken. On the other hand, stakeholder consultation mechanisms, primarily the CNDSI and the Conseil économique social et environnemental (CESE), also bring together co-operation experts and representatives of developing countries. In their analyses, these two bodies look at the links between national policies and development
objectives. France invests in education for citizenship and international solidarity and the MEAE and AFD had their efforts assessed in 2021 (MEAE, 2021[9]).

Bills and directives do not require an analysis of cross-border impacts. AFD has published an analysis of the impact of the introduction of the Carbon Border Adjustment Mechanism (CBAM) on EU trade partners (Magacho, Godin and Espagne, 2022[10]). National monitoring of SDGs includes some important indicators for monitoring cross-border effects. The report provided for in the 2021 Programming Act has not yet been submitted to the French parliament. It could be an important tool for analysing changes in key areas and informing political debate. Assessments of co-operation and reports by the Cour des comptes regularly focus on subjects of importance to CPD (e.g. trade, migration), but the connections are rarely explored.

Recommendation for Development Co-operation Actors on Managing the Risk of Corruption [OECD/LEGAL/0431]

France has adopted a specific strategy to define its co-operation in the fight against corruption (Government of France, 2021[11]). This strategy covers both co-operation systems and support for partner countries. It was developed by all public actors with expertise in the field, and collaboration and regular exchanges between these actors continue as the strategy is implemented. To improve its systems, France has increased training and awareness raising for staff, particularly those posted abroad.

In 2021, the OECD Working Group on Bribery acknowledged the efforts made by AFD to fight corruption, notably through the creation of an investigation function linked to an internal reporting system, the adoption of a policy to prevent prohibited practices and the introduction of a code of conduct (OECD, 2024[12]). The Working Group also made recommendations for improvement, and in 2024, noted significant progress (OECD, 2024[12]). AFD has strengthened the capacities of the investigations function to better follow up on reports, adopted a revised version of its procurement guidelines, and better targeted training for its staff based on their exposure to the risk of bribery and their role in implementing the prevention and detection mechanism. AFD has also partially implemented a recommendation on criteria to ensure the exclusion from procurement processes of entities that have been implicated in bribery cases.

The government does not publish data on alleged bribery incidents and their follow-up. Like Switzerland, France created a mechanism in 2022 to return ill-gotten assets for development purposes, but there are no examples of its application yet.

Support for anti-corruption bodies remains very limited, with less than EUR 300 000 per year on average over the period 2019-22. AFD's country strategies do not contain any corruption analysis. It is therefore unclear how co-operation actors will implement the area of the French strategy aimed at supporting partner countries.

France could also build the corruption detection capacity of its implementing partners. It will be important to continue discussions on this topic with implementing partners and especially civil society organisations, particularly in terms of the proportionality of checks relating to risks and opportunities for capacity building. These discussions could also build on the work of the Financial Action Task Force (FATF), which recently reviewed Recommendation 8 on non-profit organisations.2

Recommendation on Environmental Assessment of Development Assistance Projects and Programmes [OECD/LEGAL/0458]

France adheres to the Recommendation of the Council and has a comprehensive environmental assessment process for development aid activities that is constantly evolving and improving.

AFD has drawn up a list of activities that it refuses a priori to finance. This list applies environmental, social, ethical and regulatory criteria as well as criteria resulting from strategic choices. It was revised in 2022 to
strengthen the biodiversity and human rights aspects. The list also includes additional criteria for certain high-risk sectors.

AFD integrates social responsibility into its governance system and activities. Its environmental and social risk management policy makes it possible to assess, control and mitigate potential environmental and social risks and damage as well as human rights violations that may result from its activities. This approach applies to all stages of the project cycle and is complemented by two mechanisms for AFD and Proparco for handling, respectively, environmental and social complaints.

Finally, at the appraisal stage, AFD uses a sustainable development opinion tool, which enables programmes to be rated independently on several levels (environmental, social, economic, governance) in order to assess their expected ex-ante impacts. If a programme is likely to be detrimental to one of these dimensions, it is submitted to the Board of Directors for review in order to avoid potentially negative impacts. This tool will soon be enhanced with the possibility of also assessing ex-post impacts and reinforcement of the governance dimension, which is welcome.

**OECD DAC Declarations**

**OECD DAC Declaration on a new approach to align development co-operation with the goals of the Paris Agreement on Climate Change** [OECD/LEGAL/0466]

France is increasingly aligning its development co-operation with the goals of the Paris Agreement, and the strategic orientations of the CICID and CPD make this a priority policy objective for the coming years. Accordingly, France no longer supports projects that run counter to the two major objectives of the Paris Agreement (reducing greenhouse gas emissions and adapting to climate impacts). AFD analyses the coherence of each operation in terms of its low-carbon trajectory and resilience to climate change, looks for climate co-benefits, and has improved and strengthened its sustainable development opinion tool and its exclusion list to avoid financing this type of project. The only exceptions are in accordance with the DAC Declaration: in cases where no other clean energy source is economically or technically feasible; where such projects are part of a host country's transition plan; or in well-defined situations such as humanitarian crises or emergency situations where access to the electricity grid is not possible and a case can be made for support in the form of ODA for fossil fuel power generation.

In addition, the increase in French ODA has gone hand in hand with a sharp rise in climate financing in line with the need for all French aid to be aligned with the Sustainable Development Goals. In 2022, France provided EUR 7.6 billion in climate financing, exceeding its own targets and its "fair contribution" to global climate financing.

However, France still needs to ensure that there is a better balance between mitigation and adaptation funding and that more of this funding is targeted at LDCs, particularly in Africa, as well as other vulnerable partner countries (such as fragile contexts and small island developing states). The work aimed at promoting a fair transition and putting in place a tool to take into account the multidimensionality of vulnerability will be useful for better integrating social aspects into climate financing and thereby contribute to this rebalancing.

In terms of biodiversity, France has set itself the target of allocating EUR 1 billion to biodiversity by 2025, in particular by maximising convergence and co-benefits between climate finance and biodiversity finance. These objectives were already achieved in 2022 when France provided USD 2.3 billion in financing for biodiversity, with 43% of climate co-benefits. That said, the biodiversity portfolio is being increasingly subsumed by the climate portfolio, as almost all ODA for biodiversity now has a climate link compared with only half in 2018. This testifies to the climate focus of this aid, which will have to be increased and remain focused on the objectives of the Global Biodiversity Framework.
References


Center for Global Development (2023), Commitment to Development Index 2023, https://www.cgdev.org/cdi#/


Notes

1 For more information, see https://www.afd.fr/en/combating-corruption.

2 It should be noted that tensions can exist between the implementation of measures to combat money laundering and the financing of terrorism and the financing of partners, in particular between the requirement to verify all final receipts and humanitarian principles. Following legal action brought by civil society organisations, the Conseil d’État overturned the relevant guidelines in 2023 (https://www.legifrance.gouv.fr/ceta/id/CETATEXT000047121728). It will be important to ensure that the efforts invested are proportionate to the risks identified, in line with the 2016 Recommendation and the 2022 recommendations of the FATF mutual evaluation: https://www.fatf-gafi.org/en/publications/Mutualevaluations/Mutualevaluationoffrance.html.
Annex C. Organisations consulted during the peer review

French public bodies, civil society organisations, academic institutions and private sector organisations

1. French Cour des comptes
2. French parliament
3. STOA
4. Conseil national pour de développement et la solidarité (National Council for Development and Solidarity)
5. Foundation for Studies and Research on International Development (FERDI)
6. French Agricultural Research Centre for International Development (CIRAD)
7. French National Research Institute for Sustainable Development (IRD)
8. Institute for Sustainable Development and International Relations (IDDRI)
9. Centre d’études et de recherches sur le développement international (CERDI)
10. Global Development Network
11. Bill & Melinda Gates Foundation
12. Oxfam France
13. Coordination Sud
14. French Chamber of Commerce and Industry
15. Mouvement des entreprises de France MEDEF
16. Europlace
17. Institute for Sustainable Finance
18. Crédit coopératif
19. Centre français des fonds et des fondations
20. Fondation de France
21. European Social Fund (ESF)
22. Nutriset
23. Global Compact
24. POMA Group
25. Veolia
26. Investors and partners
Multilateral organisations

27. World Bank
28. African Development Bank
29. European Commission Directorate-General for International Partnerships (DG INTPA)
30. European Bank for Reconstruction and Development (EBRD)
31. The Global Fund
32. United Nations Refugee Agency (UNHCR)
33. Unitaid
34. Green Climate Fund (GCF)

Actors consulted in Mauritania

35. Je m’engage
36. Action Against Hunger (ACF)
37. Spanish Agency for International Development Cooperation (AECID)
38. TAAZOUR Agency
39. Mauritanian Association for the Promotion of Girls’ Education (AMPEF)
40. African Development Bank - Mauritania
41. World Bank - Mauritania
42. Bank for Trade and Industry (BCI)
43. Office of the Commissioner for Human Rights, Humanitarian Action and Relations with Civil Society
44. French Red Cross
45. EU Delegation
46. Directorate-General for Public-Private Partnerships
47. Belgian Development Agency (Enabel)
48. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, the German development agency
49. Groupe de recherche et de réalisations pour le développement rural (GRDR)
50. Groupe de Recherches et d'Echanges Technologiques (GRET)
51. Médicos del Mundo
52. Ministry of Economy and Sustainable Development
53. Ministry of Water and Sanitation
54. OSFSSR
55. United Nations Development Programme (UNDP) - Mauritania
56. Santé Sud
57. Save the Children
58. Société nationale pour le développement rural (Sonader)
59. Terre des hommes - Italy
60. Terre des hommes - Lausanne
Actors consulted in Viet Nam

61. Action Education
62. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
63. United States Agency for International Development (USAID)
64. German Embassy
65. United States Embassy
66. Netherlands Embassy
67. United Kingdom Embassy
68. Asian Development Bank
69. World Bank
70. BATIK
71. France-Vietnam Chamber of Commerce and Industry
72. French Agricultural Research Centre for International Development (CIRAD)
73. EU delegation
74. Vietnam Electricity (EVN)
75. GreenYellow
76. Groupe de Recherches et d’Echanges Technologiques (GRET)
77. Hanoi People’s Committee (Departments of Transport and Industry and Trade)
78. French National Research Institute for Sustainable Development (IRD)
79. Kreditanstalt für Wiederaufbau (KfW)
80. Ministry of Planning and Investment – Viet Nam
81. Ministry of Finance – Viet Nam
82. Ministry of Natural Resources and Environment - Viet Nam
83. Vietnam Maritime Bank (MSB)
84. Région Île-de-France
85. Hanoi Metropolitan Railway Management Board (MRB)
86. World Wildlife Fund (WWF)
The OECD’s Development Assistance Committee (DAC) conducts peer reviews of individual members once every five to six years. Reviews seek to improve the quality and effectiveness of members’ development co-operation, highlighting good practices and recommending improvements.

France has embarked on an ambitious reform of its development co-operation in institutional, strategic and financial terms. In addition to a substantial increase in the resources devoted to official development assistance and a strengthening of its crisis response instruments, France has championed the linkages between the green and social agendas and the mobilisation of the private sector for sustainable development. The review discusses the difficult balance between the objectives of visibility and development impact, particularly in fragile contexts. It makes recommendations on combining political impetus, steering by objectives and flexibility; deepening the cross-benefits between the social, environmental, and economic dimensions of sustainable development; and, strengthening the contribution of local private sector to poverty reduction by optimising available resources and instruments.