OECD Development Co-operation Peer Reviews

FRANCE

2018



The Development Assistance Committee: Enabling effective development

OECD

OECD Development Co-operation Peer Reviews: France 2018



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Conducting the peer review

The OECD Development Assistance Committee (DAC) conducts periodic reviews of the individual development co-operation efforts of DAC members. The policies and programmes of each member are critically examined approximately once every five years, with six members examined annually. The OECD Development Co-operation Directorate provides analytical support, and develops and maintains, in close consultation with the Committee, the methodology and analytical framework – known as the Reference Guide – within which the peer reviews are undertaken.

The objectives of DAC peer reviews are to improve the quality and effectiveness of development co-operation policies and systems, and to promote good development partnerships for better impact on poverty reduction and sustainable development in developing countries. DAC peer reviews assess the performance of a given member, not just that of its development co-operation agency, and examine both policy and implementation. They take an integrated, system-wide perspective on the development co-operation and humanitarian assistance activities of the member under review.

The peer review is prepared by a team, consisting of representatives of the Secretariat working with officials from two DAC members who are designated as "examiners". The country under review provides a memorandum setting out the main developments in its policies and programmes. Then the Secretariat and the examiners visit the capital to interview officials, parliamentarians, as well as civil society and non-governmental organisations' representatives in the donor country to obtain a first-hand insight into current issues surrounding the development co-operation efforts of the member concerned. Field visits assess how members are implementing the major DAC policies, principles and concerns, and review operations in recipient countries, particularly with regard to poverty reduction, sustainability, gender equality and other aspects of participatory development, and local aid co-ordination. During the field visit, the team meets with representatives of the partner country's administration, parliamentarians, civil society and other development partners.

The Secretariat then prepares a draft report on the member's development co-operation which is the basis for the DAC review meeting at the OECD. At this meeting, senior officials from the member under review respond to questions formulated by the Committee in association with the examiners.

This review – containing both the main findings and recommendations of the Development Assistance Committee and the analytical report of the Secretariat – was prepared with examiners from Luxembourg and the Netherlands for the peer review of France on 6 June 2018. The review process included country visits to Morocco and Niger. Among other issues, the review analyses the performance of France, including its efforts towards international stability and climate financing, as well as the impact of the grant-loan composition and the cross-government management of its aid programme.

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Abbreviations and acronyms

AFD	Agence Française de Développement (French Development Agency)
AfDB	African Development Bank
CAP	Common agricultural policy
CDC	Caisse des dépôts et consignations (Deposits and Consignments Fund)
CICID	Comité interministériel de la coopération internationale et du développement (Interministerial Committee on International Co-operation and Development)
CNDSI	National Council for Development and International Solidarity
CRS	Creditor reporting system
CSO	Civil society organisation
DAC	OECD Development Assistance Committee
DGT	Direction générale du Trésor (General Directorate of the Treasury)
DPT	Document de politique transversal (cross-cutting policy document)
ECOWAS	Economic Community of West African States
FAO	United Nations Food and Agriculture Organisation
FSD	Fonds de Solidarité pour le Développement (Solidarity Fund for Development
FTT	Financial Transaction Tax
FUH	Fonds humanitaire d'urgence (Emergency Humanitarian Fund)
GNI	Gross national income
HIPC	Highly indebted poor countries
IATI	International Aid Transparency Initiative
IDFC	International Development Finance Club
IFAD	International Fund for Agricultural Development
IUCN	International Union for Conservation of Nature
LDC	Least developed countries
LOP-DSI	Loi d'orientation et de programmation relative à la politique de développement et de solidarité internationale (Orientation and Programming Law on Development and International Solidarity)

MEAE	Ministère de l'Europe et des Affaires étrangères (Ministry of Europe and Foreign Affairs)
MINEFI	Ministère de l'Économie et des Finances (Ministry of Economy and Finance)
ODA	Official development assistance
PISCCA	Projets innovants des sociétés civiles et coalitions d'acteurs (Innovative Projects of Civil Society and Other Stakeholder Coalitions)
SCAC	Service de coopération et d'action culturelle (Co-operation and Cultural Action Office)
SDG	Sustainable Development Goals
TSBA	Taxe de solidarité sur les billets d'avion (solidarity levy on air tickets)
UN	United Nations
UNIFIL	United Nations Interim Force in Lebanon
UNPFA	United Nations Population Fund
WFP	World Food Programme

Signs used:

EUR	Euro
USD	United States dollar
( )	Secretariat estimate in whole or in part
-	(Nil)
0.0	Negligible
..	Not available
…	Not available separately but included in total
n.a.	Not applicable
p	Provisional

Slight discrepancies in totals are due to rounding.

Average annual exchange rate: USD 1 = EUR

2010	2011	2012	2013	2014	2015	2016
0.7550	0.7192	0.7780	0.7532	0.7537	0.9015	0.9043

France's aid at a glance

Figure 0.1. France's aid at a glance

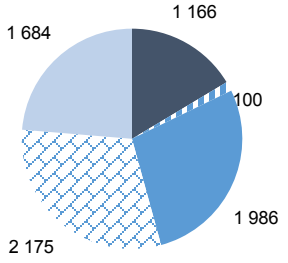
FRANCE

Gross Bilateral ODA, 2015-16 average, unless otherwise shown

Net ODA	2015	2016	Change 2015/16
Current (USD m)	9 039	9 622	6.4%
Constant (2015 USD m)	9 039	9 577	6.0%
In Euro (million)	8 149	8 701	6.8%
ODA/GNI	0.37%	0.38%	
Bilateral share	57%	59%	

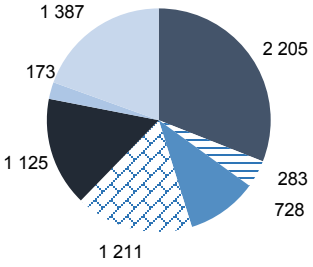
Top Ten Recipients of Gross ODA (USD million)	
1 Morocco	424
2 Colombia	345
3 Côte d'Ivoire	287
4 Cameroon	215
5 Jordan	212
6 Indonesia	191
7 Egypt	190
8 China (People's Republic of)	161
9 South Africa	160
10 Brazil	154
Memo: Share of gross bilateral ODA	
Top 5 recipients	21%
Top 10 recipients	33%
Top 20 recipients	50%

By income group (USD m)



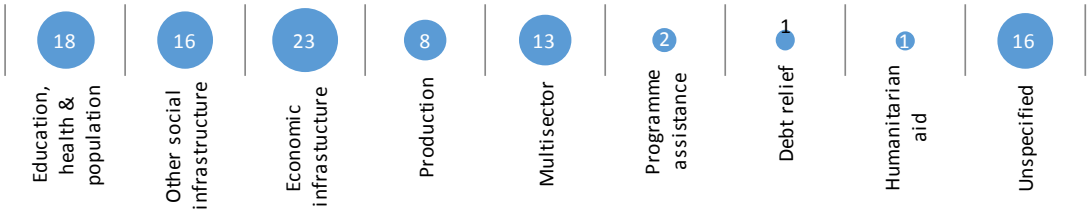
Clockwise from top
- LDCs
- Other low-income
- Lower middle-income
- Upper middle-income
- Unallocated

By region (USD m)



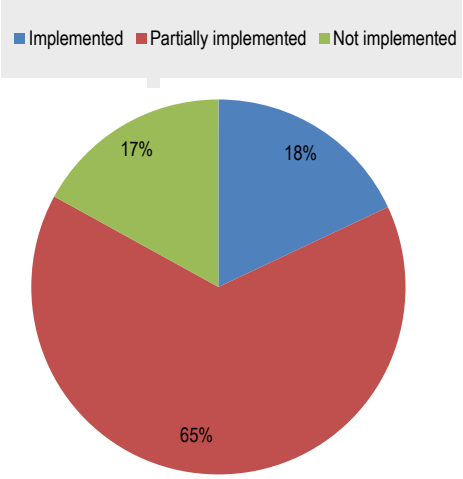
- South of Sahara
- South & Central Asia
- Other Asia and Oceania
- Middle East and North Africa
- Latin America and Caribbean
- Europe
- Unspecified

By sector



Source: OECD - DAC ; www.oecd.org/dac/stats

Figure 0.2. Implementation of 2013 peer review recommendations (see Annex A)



Context of the peer review of France

Political and economic context

Emmanuel Macron was elected President of the French Republic in May 2017. His party, la *République en Marche*, has a comfortable majority in the National Assembly, placing it in a strong position for pushing through social and economic reforms. On the international stage, President Macron styles himself as a leader in the fight against climate change, advocating for accession by all nations to the Paris Agreement on climate change. He also sees himself as a driving force behind the revival of Franco-German relations and European integration. The next presidential and parliamentary elections will be held in 2022.

France has a population of 65 million people, and its economic activity is picking up. Annual GDP growth is expected to be at least 1.6% in 2017-18, though below the OECD average of 2.1%. Stronger growth would help maintain the current levels of social protection, given that France has the highest levels of government expenditure among OECD countries (OECD, 2017a).

While the labour market has started to improve, productivity gains are still too modest. The poverty rate is low, but unemployment – at 10% – remains above the OECD average (6.3%). Many youngsters and low-skilled workers are excluded from the labour market, especially those living in poor neighbourhoods (OECD, 2017b).

Development co-operation system

Following the 2017 elections, the French President decided to prioritise official development assistance (ODA), announcing that funds allocated to French ODA would represent 0.55% of national wealth in 2022, before eventually reaching 0.7%. The increase in ODA will be channelled into five priorities for France's development policy: education, the climate, gender equality, health and the Sahel within the framework of the Sahel Alliance (MEAE, 2017). According to provisional figures, France's net ODA increased by almost 15% in 2017, after a series of successive cuts.

Since the adoption in July 2014 of the Orientation and Programming Law on Development and International Solidarity (LOP-DSI), the French Parliament regularly debates France's development policy. The law establishes a new framework for development policy, which "executes a policy that is actively involved in international efforts to fight poverty" (JORF, 2014).

The last OECD DAC peer review of France was conducted in 2013. Since then, France's total ODA has fallen from USD 12 billion (United States dollars) to USD 9.6 billion in 2016 (OECD, 2018). The ratio of ODA to gross national income (GNI) has also fallen, from 0.44% in 2012 to 0.43% in 2017. In 2017, France ranked fifth among the members of the OECD Development Assistance Committee for its ODA volume (USD 11.3 billion), and tenth for its ODA/GNI share (0.43%).

The budget structure of French ODA is complex, with 24 separate budget programmes across 13 missions (budget categories) managed by 14 ministries, along with extra-budgetary funds. The two main budget programmes in the "Official Development Assistance" mission (Programme 209, "Solidarity with developing countries", managed by the Ministry of Europe and Foreign Affairs, and Programme 110, "Economic and financial development assistance", managed by the Ministry of Economy and Finance) account for one-third of total French ODA. Consequently, two-thirds of French ODA are either used for missions that do not have development as a primary objective, or by extra-budgetary funds.

Sources

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The DAC's main findings and recommendations

France has strengthened its role as a driving force in promoting sustainable development and international stability. It now has an international development strategy

France is a leading player on the global stage in promoting international stability. Since 2015, the country has been spearheading efforts to promote, implement and encourage accession to the Paris Climate Agreement, and consistently prioritises climate change financing. In the economic field, France has made progress in the fight against corruption and illicit capital flows. It has designed successful and innovative development financing mechanisms and now has a wide range of instruments to support its co-operation. Despite successive falls in its official development assistance (ODA) since the last review, it committed in 2017 to a steady increase to bring its ODA to 0.55% of its gross national income by 2022.

Under the terms of the Orientation and Programming Law on Development and International Solidarity (LOP-DSI), adopted in July 2014 after unprecedented debate, France has implemented many of the recommendations made by the last peer review. For example:

- France has significantly consolidated its approach to fragile contexts, for which it now has a comprehensive strategic framework and clear priorities
- France has streamlined its central co-operation machinery
- the French Development Agency (Agence Française de Développement – AFD) has consolidated and strengthened its human resources management.

France leads by example on sustainable development and international stability

The LOP-DSI stipulates that the goal of French development policy is sustainable development in developing countries, based on three pillars (economic, social and environmental). The main purpose of the law is to combat poverty and inequality. France has, in recent years, demonstrated support for a more modern view of development financing. At the United Nations Sustainable Development Summit in 2015, it endorsed a combined vision of development and protection of the planet in adopting the 2030 Agenda for Sustainable Development. France undertook a voluntary national review of its implementation of the Sustainable Development Goals (SDGs) at the first High-Level Political Forum in July 2016.

France prioritises funding for climate issues, the environment and biodiversity. The country has reiterated its commitment to allocating EUR 5 billion by 2020 for combating climate change, EUR 1.5 billion of which will be earmarked for climate change adaptation.

France has good policies in place for complying with international standards and co-operation in the financial field, especially in relation to information exchange. The law on transparency, the fight against corruption and the modernisation of economic life (the "Sapin II" law), enacted in 2016, gave new impetus to French action by creating the Agence Française Anticorruption (French Anti-Corruption Authority). In response to the Rana Plaza disaster in Dhaka, France has passed a law imposing a duty of care on parent companies and contracting companies; it also complies with the OECD Guiding Principles for Multinational Enterprises.

In conflict situations, civil and military actors alike acknowledge the importance of the link between security and development. This should help France to tackle crises more holistically, without affecting discrete actors' responsibilities. France is one of the five biggest donors to United Nations peacekeeping operations; it is the second highest European contributor of personnel. The security-development connection has been tightened, especially in the crisis zones in which France has intervened. For example, France has spearheaded the fight against terrorism and to maintain security in the Sahel region.

France has streamlined its ODA machinery and has a broad range of instruments suited to the needs of developing countries

France's added value lies in its historic and linguistic ties with the majority of its priority countries. It also draws on its technical expertise and long-term engagement, which allow it to adjust to changes in the economic and social climate and to be alert to the needs voiced by national counterparts. The range of instruments available—notably sovereign and non-sovereign loans, decentralised co-operation and the arrangements for loan-donation-technical assistance projects – is a major asset.

France has successfully created innovative development financing mechanisms, including the financial transaction tax and the solidarity levy on air tickets, which together generated over EUR 1 billion in ODA financing in 2017. France also uses instruments for catalysing private-sector engagement and development, chiefly through Proparco, a subsidiary of AFD, whose annual commitments are set to double by 2020. Proparco wants to increase its transparency and accountability and plans to increase its activities in Africa and in fragile countries, which is a very positive.

France has streamlined its central co-operation machinery, acting on the recommendations made in the 2013 Peer Review. The LOP-DSI requires development stakeholders to increase their transparency, consensus and accountability, and has established the National Council for Development and International Solidarity for this purpose. France wants to increase the frequency at which meetings of the Inter-ministerial Committee for International Cooperation and Development (CICID) are held. It has also begun to streamline the architecture of its technical co-operation, setting up Expertise France in 2015—an agency for international technical co-operation which currently groups together six agencies. France also has a programme of strategic evaluations, which are now better co-ordinated among the Ministry for Europe and Foreign Affairs (MEAE), the AFD and the General Directorate of the Treasury.

France can build on its assets

France's pledge to raise ODA between now and 2022 is a welcome step after a period of significant cuts, but realising this will require immediate action

Over the period 2012-16, French ODA fell from 0.45% to 0.38% of its gross national income (GNI), equivalent to a decline in volume from USD 10.6 billion (United States dollars) to USD 9.6 billion. France has now pledged to commit 0.55% of its GNI to ODA by 2022—which would represent a volume increase of almost EUR 6 billion from 2016 levels. A CICID report in February 2018 laid out the overall budget trajectory (in terms of the annual change required in the ODA/GNI ratio between 2018 and 2022), and France has pledged to allocate two-thirds of this cumulative rise in ODA commitment authorisations to bilateral aid. According to provisional figures for 2017, the ODA/GNI ratio has reached 0.43% of GNI, which is a step in the right direction. To reach these targets whilst ensuring coherence with its geographic and thematic priorities, France will need to significantly increase its bilateral aid allocated as grants.

Recommendation:

1. **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.**

France wants to increase its commitments in least-developed countries and fragile contexts – this will mean improving its overall crisis response and providing more, and more effective, support

France adopted a new humanitarian strategy for 2018-2022 at the 4th National Humanitarian Conference in March 2018. The strategy seeks to align humanitarian aid with France's overall approach to crises, in line with its undertakings at the World Humanitarian Summit and the Grand Bargain, which France joined in 2017. This overall approach will require greater interaction between its military and civil actors, including humanitarian actors. In order to comply with the humanitarian principles to which it is very committed, it has had guidelines in place for many years for its armed forces in their dealings with civilians.

Even so, the closer links between peace, security, development and humanitarian aid inherent in the overall approach will require greater vigilance to safeguard the responsibilities of each actor and preserve their specificity and credibility. These include the security role of armed forces personnel, the role of development actors in fighting poverty and inequality in pursuit of the Sustainable Development Goals, and the role of humanitarian actors in providing an emergency response to preserve lives and livelihoods. While restoring security is one factor in the fight against poverty, France needs to ensure that it does not does not subordinate development aid to issues related to security, domestic policy or regulation of migratory flows.

Given France's intention to increase its engagement in least-developed countries (LDCs) and fragile contexts, the AFD would benefit from adapting its guidelines and procedures and delegating more of its operations to the local level. While the country has significantly consolidated its approach to fragile contexts since its last peer review, the

decision-making process is not flexible enough to provide an effective link between emergency or stabilisation aid and development. This is compounded by the fact that the Crisis and Support Centre's modest Stabilisation Unit is the only instrument able to commit funds quickly enough to prevent crises from escalating.

Recommendations:

2. **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.**
3. **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.**

Implementation of the new Gender and Development Strategy will require an increase in the financial resources earmarked for gender equality

Since the 2013 peer review, France has made strategic progress in building a gender approach more effectively into its policies, interventions and mechanisms. France unveiled its new Gender and Development Strategy in March 2018, which incorporates the conclusions of the assessment of the previous strategy as well as the recommendations of civil society. MEAE officials and operators are much more aware than previously of the "gender and development" issue. AFD has created sectoral "gender toolkits", which encourage a cross-cutting approach and provide a resource for technical experts and project leaders. Nonetheless, just 22% of France's bilateral commitments target gender equality, well below the DAC average of 40%. This tends to contest France's stated prioritisation of gender equality and undermine its influence when putting gender and human rights on the agenda of international fora.

Recommendation:

4. **The financial resources earmarked for gender equality in French ODA programming should be increased to demonstrate its commitment to the implementation of this policy**.

The new multilateral strategy offers a good opportunity for a more structured dialogue with multilateral partners

France has drawn up the French Multilateral Aid Strategy 2017-2021 in response to the 2013 peer review recommendation. The strategy highlights the 10 thematic and geographic priorities that France has been successfully advocating to the boards of international financial institutions. This orientation enables it to channel funds towards the poorest, most fragile countries, and towards climate-related activities. However, the strategy contains no specific criteria for the future multilateral aid allocations. In fact, the lack of a systematic multiannual commitment in France's multilateral aid undermines its predictability. Similarly, France's multilateral counterparts (AFD, MEAE, MINEFI [Ministry of Economy and Finance], Expertise France and the sectoral ministries) do not

communicate systematically amongst themselves and do not necessarily share the same priorities and objectives.

Recommendation:

5. **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.**

France's bilateral allocations respond to partner country requests, but could be more focused on few sectors

France's allocation of aid in the field largely reflects the demands of the country in question – this favours national ownership and alignment with national priorities. However, France also spreads its aid over too many sectors, and contradicts its general co-operation policy of choosing three priority sectors for each country in agreement with the government concerned. Similarly, data also show that France spreads its modest humanitarian aid budget over a large number of crises, which results in the dispersion of aid. This fragmentation can make it difficult for the embassies and local AFD agencies to co-ordinate aid and identify the relevant technical expertise, as they do not necessarily have the capacities required to run projects in all sectors. The future implementation of joint European programming in 12 of the 17 priority countries for its ODA could allow France to better focus its aid.

Recommendation:

6. **In line with its commitments, France should concentrate its aid on a limited number of sectors - where it has added-value – in its partner countries.**

Despite the recommendations of the LOP-DSI, there is no body to ensure policy coherence for sustainable development

Article 3 of the LOP-DSI of 2014 explicitly highlights France's concern to ensure coherence amongst the objectives of its development policy and other public policies. However, the act makes no provision for any monitoring, review or accountability mechanism. For example, there is little coherence in the educational domain, in particular between France's strategic action overseas on education, vocational training and integration in developing countries, and the activities of Campus France, which assists foreign students wishing to study in France. The 2013 peer review had already pointed out the lack of a system for guaranteeing French policy coherence for sustainable development. However, the National Council for Development and International Solidarity (CNDSI) has limited resources for framing and directing development policy, which leaves no room for monitoring policy coherence. Even if it is not the case at present, the council could ensure coherence and officially monitor French policies and their development effect on partner countries.

Recommendation:

7. **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.**

France has challenges to overcome

France's ODA is not aligned with the priorities and strategies of the LOP-DSI, or with CICID's recommendations

To meet its high-level commitment to increasing ODA, France needs to draw up an implementation strategy aligned with its development policy and stated priorities. In 2016, France allocated only 14% of its bilateral ODA to its 17 priority countries. Moreover, none of these countries were amongst the ten main beneficiaries of French ODA, all of which were middle-income countries. That same year, LDCs received only 19% of allocable French bilateral aid (compared to the 37% average for OECD Development Assistance Committee member countries). This was only 0.08% of France's GNI, well below the target of 0.15%. Also, the low level of humanitarian aid (USD 153 million in 2016, or 1.3% of its ODA, compared to a DAC average of 11%) runs counter to France's strategic objectives.

In terms of geographic allocations, France has not achieved its regional objective in terms of financial effort for Africa and the Mediterranean since 2012. In addition, the indicators France uses to determine its allocations for its regions and priority countries are often complex. They provide little transparency and accountability to the public or parliament, and do not do sufficiently differentiate countries according to their level of wealth. Consequently, these indicators do not always provide the incentives required for France to achieve its policy objectives.

France relies heavily on its loan instrument, which accounted for 28% of total gross ODA in 2016 (and 44% of gross bilateral ODA). In 2016, 64% of the agency's ODA portfolio consisted of loans. Over the period 2012-16, the grant element of French ODA loans remained below the DAC recommended grant element for loans to LDCs. In fact, the grant element actually decreased from one year to the next even though this was already identified as a weakness of French co-operation during the last peer review. The AFD business model, which is based more on loans than grants, encourages it to invest in middle-income countries and potentially profitable sectors, which partly explains the difference between France's stated priorities and actual ODA allocations.

France has not adopted a global approach for targeting the most deprived people in its partner countries. It does, however, use its role to "spur on" civil society actors to act when the state is unable to do so. Consequently, it could provide more support for non-government organisations (NGOs) who are best-placed to reach vulnerable populations who, in many cases, live in remote locations where access is difficult. France has doubled its assistance to and through NGOs since 2012, but the level of that aid (3% of bilateral ODA) is still very low compared to the DAC average (15% of bilateral ODA).

Recommendations:

8. **France should increase the volume of ODA provided as grants to priority countries (which are all LDCs, including a large number of fragile 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.**
9. **France should increase the proportion of bilateral aid it channels to and through local and international NGOs.**

France must continue to streamline its co-operation architecture – clarifying how it is steered, improving co-ordination and adopting results-based management

Expertise France, which only generates one quarter of its resources from French government contracts, aims to be self-financing by 2020. According to the 2018 CICID conclusions, it will become part of the AFD Group in 2019. However, its work is spread over a large number of sectors, and there is little clarity over its economic model and its ties to other French co-operation actors in Paris and in the field. This places it under great technical and economic pressure, and is leading to tensions with its staff.

In theory, the MEAE and the MINEFI are responsible for the strategic oversight of co-operation, whilst implementation is handled by the agencies (including AFD). In reality, the boundaries between these two functions are blurred. Leadership roles and the division of work – such as between the MEAE and AFD at headquarters, and the Co-operation and Cultural Action Office (SCAC) and AFD in the field – are not always made clear, sometimes leading to duplication of effort. In addition, the MEAE's strategic oversight capacity is weakened by the high turnover of its technical staff, whereas AFD has strengthened its strategic capability in recent years.

AFD has its own intervention frameworks and strategies for some countries. On the whole, however, these do not include an indicative budget that is transmitted to its counterparts, or a performance framework for collecting the data and outcomes of the various projects. Moreover, only the broad lines of intervention are discussed with partner countries. The General Directorate of the Treasury also has a number of separate country strategies. In addition, the line ministries in various sectors and other entities working in the area of co-operation sometimes have their own country strategies. France lacks a partnership framework covering its entire co-operation activity. Preparing one would make it easier for the embassy to oversee co-operation, support dialogue with national authorities and help monitor outcomes. Including the budgets, objectives and indicators for all activities would help to create a clear overall picture and make for better monitoring of French co-operation.

Although it uses 31 aggregate indicators (of which 17 refer to bilateral aid) to measure progress at project level, France has not identified the outcomes it seeks to achieve at country, programme or thematic level. This makes results-based management all the harder and means that France cannot measure the true impact of its financial support. The updating of the various performance indicators, and the revision of the 2014 law, are an opportunity to better align the various indicators with the SDGs so as to increase their relevance, broaden their use and develop a results-based culture. In addition, project

monitoring and results are seen as mechanisms of control and accountability rather than as tools for results-based management. Their use for improving project implementation and co-ordination, communication and learning will require an increase in the human and logistical resources allocated to them.

Recommendations:

10. **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.**
11. **France should improve the strategic management and oversight of its co-operation, with clearly defined mandates backed up by the necessary human resources.**
12. **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.**
13. **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.**

Secretariat's Report

Chapter 1. France's global efforts for sustainable development

France is a leading player on the global stage for promoting international stability and sustainable development. Since 2015, the country has strongly supported efforts to promote, implement and encourage accession to the Paris Agreement. However, France still does not possess a mechanism or the means to guarantee policy coherence. In the economic field, France has made progress in the fight against corruption and illicit capital flows: the 2016 law known as "Sapin II" requires large businesses, including financing bodies such as the French Development Agency (AFD), to adopt a mechanism for preventing corruption. Resources for and means of raising public development awareness are meagre in comparison with other countries, and there is still work to be done if all stakeholders are to take development co-operation priorities and outcomes on board and communicate them clearly.

Efforts to support global sustainable development

Peer review indicator: The member plays an active role in contributing to global norms, frameworks and public goods that benefit developing countries

France plays a leading role on the global stage in promoting international stability and sustainable development. This was demonstrated in its Voluntary National Review at the first High-Level Political Forum on Sustainable Development in July 2016. Since its adoption in December 2015, France strongly supports efforts to promote, implement and encourage accession to the Paris Agreement and has increased its finance to combat climate change.

The Orientation and Programming Law on Development and International Solidarity Policy (LOP-DSI), approved on 7 July 2014, makes sustainable development the cornerstone of French development policy. The policy's three key components are economic, social and environmental. On the world stage, France promotes international stability, climate, education, gender equality and health. In his speech to the World Economic Forum in Davos in January 2018, the French President, Emmanuel Macron, emphasised that "France is back at the core of Europe because there can be no French success without European success" (Macron, 2018). He called for a European strategy on migration, digital technology, defence, development, finance and investment. France also views its international co-operation responsibilities from this European perspective.

France sets a good example on sustainable development and international stability

France made a strong commitment to sustainable development at the four main summits held in 2015. At the UN World Conference on Disaster Risk Reduction in Sendai in March 2015, France played an important role by linking those risks to climate change adjustment policies. At the 2015 UN Conference on Financing for Development in Addis Ababa, it put forward a modern view of development financing. At the United Nations Summit for Sustainable Development, France endorsed this convergence of agendas of development and protection of the planet by adopting the 2030 Agenda for Sustainable Development. Finally, it achieved a major diplomatic success with the adoption of the Paris Agreement on climate change in December 2015 (MEAE, 2017).

France undertook a voluntary national review of its implementation of the Sustainable Development Goals (SDGs) at the first High-Level Political Forum on Sustainable Development in July 2016 (MEAE, 2016). The review highlighted French strengths, and in particular the high standard of living and quality of life, inclusive social security systems, implementation of the Paris Agreement, green growth and increased political transparency. However, the review also highlighted the challenges facing France in reducing social, educational and gender inequalities. France is currently drawing up a roadmap for implementing the SDGs. This is to be piloted by the Interministerial Representative for Sustainable Development under the authority of the Prime Minister, and is expected to be finalised in 2019.

France has been a pillar of United Nations peacekeeping operations. In 2016 and 2017, it was among the top five financial donors and made the second most important European contribution in terms of personnel, mostly through its participation in the UN Interim

Force in Lebanon (UNIFIL) (UNDPKO, 2017). The strong link between development and security is reinforced in the crisis zones where France intervenes. For example, France has spearheaded the fight to prevent terrorism and maintain security in the Sahel region and has a total of 4 000-strong force on the ground in Mali, Chad, Niger, Mauritania and Burkina Faso as part of Operation Barkhane (Ministry of the Armed Forces, 2018). However, although France is a committed donor in terms of alleviating crises and maintaining stability, its focus on preventing crises and reducing vulnerabilities is weaker.

France prioritises funding for climate issues, the environment and biodiversity

France has used all its efforts, actors and policies to promote climate-related funding as a central element of its development activities. Since 2015, it has played a major role in promoting, implementing and encouraging accession to the Paris Agreement. Rémy Rioux, the Chief Executive Officer of AFD (the French Development Agency), has been appointed Chairperson of the International Development Finance Club (IDFC). This club brings together 23 national, regional, and international development banks to debate important issues, including climate change, so they can speak with one voice at international development and climate fora[1] (see Box 5.1 in Chapter 5). The Energy Transition for Green Growth Act, adopted in April 2015, set a target to increase the share of renewables to 32% of France's final energy consumption by 2030. It aims to reduce that share to 50% of 2012 levels by 2050. This makes France a legitimate bearer of the universal message of the Paris Agreement (JORF, 2015).[2]

The conclusions of the CICID (Interministerial Committee on International Co-operation and Development), issued in February 2018, confirmed that AFD's activities would be "100% compatible with the Paris Agreement" (MEAE, 2018a). They stressed that France would only support low-carbon development projects through funding and support for public policies which speed up ecological transition and end reliance on fossil fuels. At the One Planet Summit held in Paris in December 2017, France reiterated its commitment to allocating EUR 5 billion by 2020 to combating climate change, which includes increasing the share of financing dedicated to climate change adaptation to EUR 1.5 billion.[3] France also committed to unlocking EUR 700 million for promoting solar energy in developing countries through the International Solar Alliance (Laborde and Imbach, 2018).

France is one of the first OECD countries to have developed a dedicated biodiversity co-operation strategy. Set up in 2010, the National Biodiversity Observatory is now incorporated into the new French Biodiversity Agency. France has also tripled its official development assistance (ODA) earmarked for biodiversity, especially in the context of major water transport and sanitation projects funded by AFD. In addition, France has been working to conduct an ambitious review of the Aichi Biodiversity Targets and to ensure greater funding for projects that reflect the joint aims of combating climate change and protecting biodiversity.[4]

Policy coherence for sustainable development

Peer review indicator: Domestic policies support or do not harm developing countries

The international challenges and commitments that are likely to be affected by national laws and policies are taken on board and are well co-ordinated at interministerial level, especially financing climate change action. However, France still does not have a mechanism in place to ensure policy coherence. In the economic field, France has made progress in combating corruption and illicit capital flows: the 2016 law, known as "Sapin II", requires large enterprises, including funding bodies such as AFD, to adopt a mechanism for preventing corruption.

Policy coherence for development is central to legislation, but there is no body which ensures policy coherence for sustainable development

Since 2010, France has adopted six policy coherence priorities enshrined in the 2009 European Consensus: trade, migration, foreign investment, food security, social protection and climate change. The General Secretariat for European Affairs has been striving to ensure the coherence of French policies at the European level and the coherence of European policies as a whole.

Article 3 of the LOP-DSI of 2014 explicitly refers to the importance that France attaches to the coherence of its development policies, although the act itself makes no provision for any monitoring, review or accountability mechanism (JORF, 2014). The act created a 54-member National Council for Development and International Solidarity (CNDSI), which is organised into eight groups representing similar stakeholders: non-government organisations (NGOs), economic actors, research institutes and universities, employers, local government, parliamentarians, trade unions and – a unique feature of the CNDSI – foreign experts.[5] The discussions that took place during the mid-term review of France's development co-operation in 2015 established that ensuring policy coherence for development fell within the council's remit.[6] The CNDSI was consulted on the draft conclusions of the Interministerial Committee on International Co-operation and Development (CICID) in advance of meetings held in November 2016 and February 2018. Nonetheless, consultation is ad hoc and the CNDSI is not systematically invited to debate inter-ministerial sector strategies, such as the strategy on tax and development put forward by the Ministry of Economy and Finance (MINEFI) and MEAE in 2017. In short, the CNDSI has neither the capacity nor the means to ensure a long-term monitoring role of France's policy coherence for development; however, French authorities could more systematically draw upon its consultative role.

France should also strengthen the mainstreaming of the SDGs across all its public policies, even if sustainable development is already integrated in a number of its policies and legal texts. The Interministerial Steering Committee on the implementation of the SDGs, headed by the Interministerial Representative for Sustainable Development, answers to the Prime Minister. The committee could ensure coherence and officially monitor French development policies, though this does not currently occur.

Development policy coherence is evident in France's funding assigned to climate change action, agriculture and (perhaps rather debatably) migration. At a meeting organised by AFD and the OECD in late 2017 on policy coherence within the global economy, the

AFD CEO, Rémy Rioux, emphasised the need to develop new financial instruments to support the Paris Agreement and to ensure that national contributions fully comply with it. Through the International Development Finance Club, which he chairs, Mr Rioux advocates partnerships among development banks in order to mobilise resources in addition to ODA to combat climate change (see Box 5.1 in Chapter 5).

Progress in reforming the Common Agricultural Policy (CAP) increasingly contributes to the promotion of sustainable development in France and has begun to eliminate the effects of trade distortion,[7] which have been detrimental to developing countries in the past (Chatignoux, 2018). Two of the six participatory projects proposed to the French food authorities in 2017 concerned dealing with challenges relating to food and responsible investment by French businesses in developing countries (French Republic, 2017).

Furthermore, two centres for examining asylum applications (or "hotspots") were set up in Niger and Chad in 2017 in order to identify nationals with a right to asylum and to relocate them to France, thereby avoiding their need to take the dangerous route through Libya and the Mediterranean. The centres are set up by local governments and the UN Refugee Agency (UNHCR) so that asylum applications can be made prior to a person's arrival on French territory (OFPRA, 2017). However, in addition to the risks for those rejected, [8] the selection effort is minimal in relation to demand. The French positive response rate to asylum seekers in 2017 was 30%, less than the 45% average for the 27 countries cited in the Commitment to Development Index (Center for Global Development, 2017).

In the field of education, examiners noted a lack of synergy including in the overseas action strategy of France in respect for education, vocational training, insertion in developing countries, and the activities of Campus France, which assists foreign students wishing to study in France. Imputed student costs, for example, do not figure in the MEAE education strategy, although they represent an important share of French ODA (Chapter 3).

Although not strictly a policy coherence matter, there is great awareness of international development within ministries, as the following two examples demonstrate:

- In June 2016, the Ministry for the Armed Forces and AFD signed a framework agreement to put existing co-operation on a formal footing. That framework agreement advocated consultation and information exchange between AFD and various elements of the armed forces and enshrined the principle of ensuring prompt support in the delicate post-crisis phase.
- The International Migration and Development Action Plan 2018-2022 is the culmination of an interministerial effort involving close co-operation with local governments and civil society (MEAE, Ministry of the Interior, French Development Agency, Expertise France, 2018).

These co-operative efforts have been established to confront major challenges. A secure environment is a necessary condition for poverty reduction, but France needs to ensure that it does not subordinate development aid to issues related to security, domestic policy or regulation of migratory flows.

Coherence is improving in business and finance

France has policies in place that comply with international standards and co-operation in the financial field, especially in relation to information exchange. In 2011, the Financial

Action Task Force considered that France's system for combating money laundering and the financing of terrorism was highly effective (FATF/OECD, 2011). As a result, there has been no further monitoring of France in this respect.[9]

In 2014, however, a review by the OECD Working Group on Bribery of France's implementation of the Convention on Combating Bribery of Foreign Public Officials found that France did not comply sufficiently with the convention. Despite some progress – such as the creation of the National Financial Prosecutor's Office, the general protection afforded to whistle-blowers and a substantial increase in penalties for active bribery of a foreign public official – the Working Group was concerned by the lack of initiative on the part of the French authorities on cases where French enterprises were implicated in instances of foreign bribery (OECD, 2014). The 2016 law on transparency, the fight against corruption and the modernisation of economic life (known as the "Sapin II" law), gave new impetus to French action, in particular by creating the *Agence Française Anticorruption* (French Anti-Corruption Authority). This agency requires large enterprises – including financing bodies such as AFD[10] – to put an anti-corruption mechanism in place. The first Judicial Convention of public interest introduced by the Sapin II law was signed in November 2017 when the National Financial Prosecutor's Office found HSBC bank guilty of misrepresenting its assets to the tax authorities (Michel, 2017).[11]

In March 2018, France adopted a due diligence law for parent and ordering companies in reaction to the Rana Plaza catastrophe in Dhaka. This aims to ensure that companies assume responsibility for activities affecting the entire supply chain, and goes beyond traditional instruments of corporate social responsibility that are applied on a voluntary basis. France also complies with the OECD Guiding Principles for Multinational Enterprises. The 2017 Peer Review of the National Contact Point[12] underlines the efforts made by France to incorporate the principle of responsible behaviour by French enterprises into the action plans of embassies and economic services forming part of the diplomatic network (OECD, 2018a). Activities have been conducted in this field with French enterprises in Côte d'Ivoire, Senegal and Colombia (OECD, 2018a). At the same time, AFD has set out its official approach to corporate responsibility and has just reviewed its current policy in order to improve it. In this connection, AFD followed good donor practice in 2016 by setting up a mechanism that enables those who are affected socially or environmentally by a project funded by the agency to lodge a claim (AFD, 2017).

Global awareness

Peer review indicator: The member promotes whole-of-society contributions to sustainable development

The French public is aware of sustainable development issues. Resources for and means of raising awareness are increasing, though they are meagre in comparison to other countries. There is still some work to be done before all stakeholders – including the French Administration, non-state actors, NGOs, academia, the private sector and territorial authorities – take development co-operation priorities and outcomes on board and communicate them clearly.

Despite being informed, the public is not engaged with French development policies

According to the AFD barometer established in 2016, 54% of French nationals have heard of the SDGs, and 70% are in favour of France providing funding and technical expertise to certain developing countries; however, 77% think that France is already providing sufficient aid to developing countries (Kraus and Dubrulle, 2016). These results reflect those of the Eurobarometer, which found that almost half (49%) of the French public is familiar with the SDGs, which is more than the European average (40%) (European Commission, 2017). Although French citizens are relatively well-informed, they need to be more involved when it comes to funding global public goods and sustainable development, especially given the French objective of increasing ODA to 0.55% of gross national income by 2022.

The failure to adopt results-based management is a lost opportunity for raising public awareness of the French Administration's strategic objectives (Chapter 6). In order to follow up on the various international pledges made in 2015, AFD commissioned a research project to understand more about the political and civil society basis for the consensus surrounding development policy which has formed in the United States, the United Kingdom and Germany (de Cazotte, 2017). This will allow France to work out possible action plans for building public support (Box 1.1).

The biennial reports required under the LOP-DSI and submitted to Parliament enable ministries and agencies to be accountable to parliamentarians (MEAE, 2017). In addition, the Cross-cutting Policy Document (DPT) on "French policies for development" (MEAE, 2018b), and parliamentary questions in the context of the finance law, are an annual opportunity to communicate the strategy for and resources allocated to development co-operation. Certain NGO networks, such as Coordination SUD, regularly invite parliamentarians to meetings to make them aware of their problems and to co-ordinate positions. This advocacy is especially difficult in that parliamentarians have, for a long time, been critical of the "dual opacity – both budgetary and statistical – of ODA", a challenge which will be addressed by MP Hervé Berville in his role of modernising French development aid – a role conferred on him by President Macron in February 2018 (de Grandi, 2018). It is worth noting that France invited Coordination SUD to contribute to the discussions and analyses of this peer review by submitting an alternative review by civil society of the achievements of French development and solidarity policy (Coordination SUD, 2017).

Though awareness-raising resources have increased, approaches are still low-key and scattered

From 2012 to 2016, France allocated 0.05% of its gross ODA to development awareness and education – a much lower share than Germany (0.52%) and the average for the OECD Development Assistance Committee (DAC) member countries over the same period (0.20%). However, this assistance has now been stepped up and reached USD 11.38 million in 2016. This is the highest amount since 2008, the year in which France began to notify these flows, which are normally channelled through national NGOs in developing countries (OECD, 2018b).

It is predicted that 20% of the AFD budget for financing French NGOs will be allocated to activities in the public interest, including global educational projects. An interministerial roadmap is being drawn up to improve public awareness that is involving the private sector and civil society (MEAE, 2017), as outlined in the conclusions of the 2016 CICID.

A partnership between the Agency for the Teaching of French Abroad and AFD is strengthening links between schools and local AFD agencies. During the European Year for Development in 2015, 10 citizenship and international solidarity educational projects were selected to receive a European subsidy (SGAE, 2015). AFD is notably attempting to reach the general public more effectively through events such as music festivals, the Global Partnership for Education in Dakar and the 8th World Water Forum held in Brasilia in March 2018.

Box 1.1. The search for public opinion consensus: what lessons for France?

The research commissioned by AFD in late 2016 aimed to raise awareness of development issues. It was based on a broad range of consensus indicators, which enabled a comparison with the United States, the United Kingdom and Germany. France could learn several potential lessons from that study in its search for political and social drivers of public consensus. According to the author of the report, France should introduce the following measures:

Engagement of civil society:

- strengthen the dialogue with civil society about sustainable international development, allowing stakeholders to have considerable input
- consider creating an independent, non-partisan French platform bringing together all stakeholders involved in supporting official development assistance policy.

Public opinion:

- get a better grasp of public expectations of public and private development assistance; identify target populations and devise appropriate positive messages which can be taken up by the various actors
- link public support to domestic concerns so as to situate development issues against a background which is meaningful to French people, and rethink messages, emphasising universal development in partnership
- involve the media and social networks in disseminating development messages and publicise individual and collective local initiatives with them.

Communication and influence:

- put out a jargon-free, modern message about French development assistance stripped of instrumental and technical concepts and rooted in the reality of activities undertaken by France and its stakeholders.

Credibility and legitimacy of institutions:

- make development one of the strengths of foreign affairs policy, on par with security, and a clear indicator of France's international stature
- put forward a medium-term budget plan to be debated in Parliament, which aims to better meet European ODA pledges.

Source: de Cazotte, H. (2017), Chercher l'accord sur l'aide publique au développement: Royaume-Uni, Allemagne et États-Unis, AFD, Paris.

Notes

[1] AFD is the first bilateral development bank to have the specific mission of implementing the Paris Agreement on climate, even though NGOs criticise it for failing to announce the end of its support for fossil fuel-based energy.

[2] In particular, Article 173 requires investors and enterprises to explain their climate footprint every year in addition to their climate change policies. France is also at the forefront in eco-innovation in the fields of water, waste and climate change technologies (OECD, 2016).

[3] This funding will be channelled through the Green Climate Fund, the Global Environment Fund, the Multilateral Fund for the Implementation of the Montreal Protocol, the Adaptation Fund and World Bank soft-loan funds. France also has a bilateral instrument, the French Global Environment Facility (FFEM), which has an allocation of EUR 90 million for the period 2015-18.

[4] Through the French Global Environment Facility, which finances innovative projects with a leveraging effect, France is one of two countries funding the Conservation Finance Alliance, an entity which studies sustainable funding mechanisms for conserving biodiversity. Another example of French leadership is the Small-Scale Initiatives Programme (PPI), launched by the French Global Environment Facility in 2005 with the aim of supporting local NGOs in Africa to conserve and manage biodiversity. This has been adopted as a model by the International Union for Conservation of Nature (IUCN) with a view to developing the small-scale initiatives programme for civil society organisations in North Africa (OECD, 2016).

[5] In reality, there are 53 members since the seat reserved for a European MP has never been assigned.

[6] The CNDSI regularly forms working groups to give official opinions on topics covered by the international action programme. These included working groups on financing for development in 2015 (to inform the French position at the Addis Ababa summit); migration and development (2016); and on the contribution of the private sector to development (initiated in 2017, to be finalised in 2018).

[7] The reform makes the subsidies compatible with the "green box" practices authorised by the World Trade Organization.

[8] Migrants afforded the status of refugees are taken to France by plane, whereas those who are rejected remain in situ, creating a socio-economic risk for the towns where the centres are located.

[9] The next review of France by the Financial Action Task Force will be in 2020.

[10] AFD is also bound by the recommendation to manage risks and corruption as stated in the OECD Council recommendation developed jointly by the DAC and Working Group on Anti-Bribery, and adopted by the OECD Council in November 2016: http://www.oecd.org/corruption/oecd-recommendation-for-development-cooperation-actors-on-managing-risks-of-corruption.htm

[11] In February 2018, two other companies signed a Judicial Convention, this time for issues of corruption.

[12] National Contact Points (NCPs) are agencies established by adhering governments to promote and implement the OECD Guidelines for Multinational Enterprises, which provide recommendations on responsible business conduct to companies operating in or from Adherent territories. NCPs assist enterprises and their stakeholders to take appropriate measures to further the implementation of the guidelines. They also provide a mediation and conciliation platform for resolving practical issues that may arise.

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Chapter 2. Policy vision and framework

The 2014 Orientation and Programming Law on Development and International Solidarity Policy (LOP-DSI) lays down the thematic and geographical priorities of French development policy. The law was developed through broad consultation with stakeholders in the context of development and international solidarity, and was also subject to unprecedented debate, allowing for greater accountability to parliament. Nonetheless, the volume and distribution of official development assistance (ODA) do not give enough precedence to priority countries, and the priority themes do not all have individual strategies. France has greatly consolidated its approach to fragile contexts since the last peer review and now has a comprehensive strategic framework. However, inappropriate procedures and instruments are hindering activities with the most vulnerable populations in these contexts. France relies on a variety of partners with recognised strengths when implementing its development policy. However, the scattered nature of budget allocations makes it impossible to use clear criteria to assess and select partners.

Policy vision and framework

Peer review indicator: Clear policy vision aligned with the 2030 Agenda based on member's strengths

The 2014 Orientation and Programming Law on Development and International Solidarity Policy (LOP-DSI) lays down the thematic and geographical priorities of French development policy. The law was subject to unprecedented scrutiny and provides for greater accountability to parliament. It takes into account the main action lines of the 2030 Agenda for Sustainable Development and reflects France's strengths. Nonetheless, the volume and distribution of official development assistance (ODA) do not give precedence to priority countries. Moreover, the priority themes are not all set out in the form of strategies, and the lack of multiannual planning and management limits the co-ordination, coherence and predictability of French action.

The 2014 law establishes the priorities and outcomes to be achieved by France

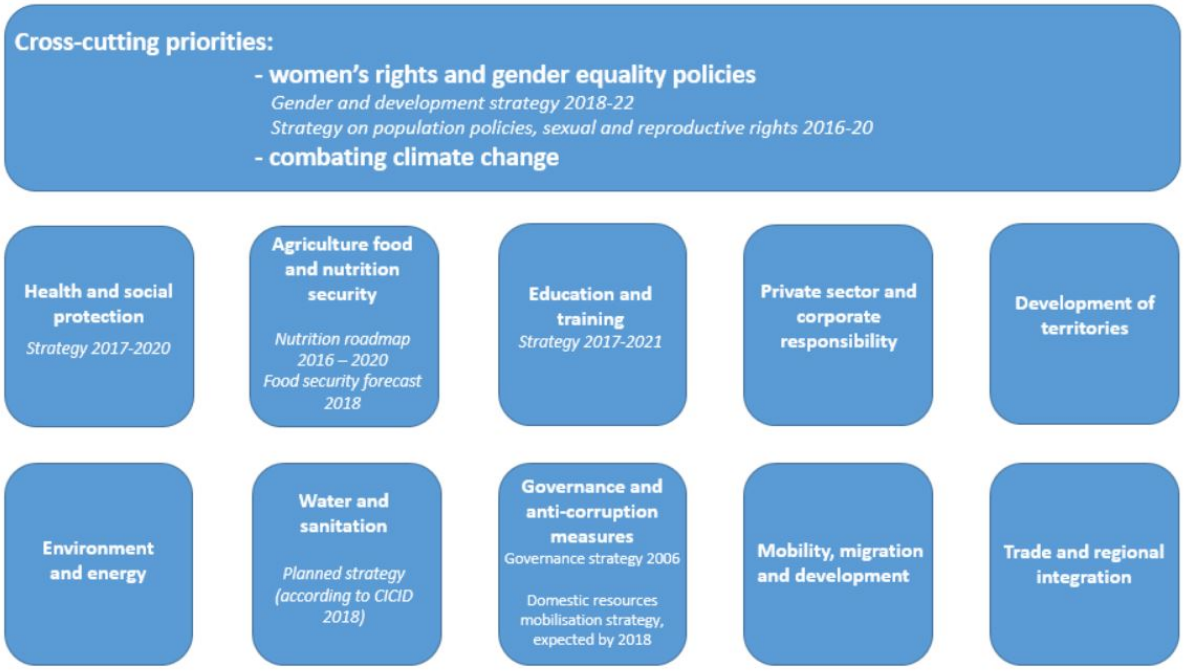
In July 2014 parliament, which before could only discuss development and international solidarity policy in the context of the finance law, debated French development policy choices in the context of the adoption of the LOP-DSI for the first time (Coordination SUD, 2017). The text of the law announces a new framework for development policy, which "implements a policy that actively contributes to the international effort to combat poverty" and is largely based on the Sustainable Development Goals (SDGs) (JORF, 2014). The law provides for greater transparency and accountability to parliament and the public. That transparency is based on 31 indicators for bilateral and multilateral ODA, the outcomes of which are to be set out in biennial reports to parliament (Chapter 6).

France's development policy aims to contribute to four main goals:

- promotion of peace, stability, human rights and gender equality
- equity, social justice and human development
- sustainable, job-rich economic development
- protection of the environment and global public goods.

The cross-cutting priorities of French ODA are women's rights, gender equality policies, and tackling climate change. The law takes into account the needs of partner countries in addition to French development policy objectives and cross-cutting priorities. It identifies 10 areas for action (Figure 2.1), in line with the SDG action areas and the 2030 Agenda for Sustainable Development. It calls on the French Administration to identify, together with its partners, three priority sectors for each partner country from among the 10 sectors referred to in Figure 2.1. Cross-cutting priorities, action areas and sectoral strategies of French ODA(JORF, 2014).

Figure 2.1. Cross-cutting priorities, action areas and sectoral strategies of French ODA



Note: The strategy *Prevention, Resilience and Durable Peace : a holistic approach to fragile contexts* was adopted in 2018 and was not included in this figure. CICID = Interministerial Committee on International Co-operation and Development.
Source: Secretariat of the OECD Development Assistance Committee (DAC).

Since the adoption of the LOP-DSI, there have been four successive development ministers and two Presidents of the Republic. None has altered these thematic priorities, although recently the focus has been on the fight against climate change, fragile environments (and the G5 Sahel[1]) and tuition for girls.

Similarly, geographical priorities have not changed since the last peer review in 2013. There are still four categories of countries with which France has established different partnerships geared to certain financial targets:

- **priority countries**: accounting for 50% of state resources in subsidies (programmes 209 and 110) and two-thirds of AFD subsidies (not including funds earmarked for project preparation)
- **Africa and the Mediterranean**: accounting for 75% of state resources in subsidies and loans (not including debt cancellation), and at least 85% of AFD subsidies.[2]
- **countries in crisis** or a post-crisis phase, or in a fragile situation
- **major developing countries.**

The choice of priority countries rests on the following three criteria (the countries on the list are not required to satisfy all criteria):

(1) least-developed countries, often fragile or in a post-crisis phase
(2) countries in sub-Saharan Africa
(3) countries possessing close cultural and linguistic links with France.

France's list of 17 priority countries (annexed to LOP-DSI of July 2014) includes Benin, Burkina Faso, Burundi, the Central African Republic, Chad, the Comoros, the Democratic Republic of Congo, Djibouti, Ethiopia, Guinea, Haiti, Madagascar, Mali, Mauritania, Niger, Senegal and Togo. In February 2018, the CICID added two further countries, the Gambia and Liberia, bringing the total to 19. The list of priority countries has changed slightly since the last peer review, but for no obvious reason – Ethiopia and Haiti replaced Ghana in 2014. All countries on the list are least-developed, all are African (except for Haiti) and most are francophone (except for Ethiopia, the Gambia and Liberia) (MEAE, 2018a).[3]

Although the LOP-DSI presents a clear vision of France's co-operation policy priorities, the French Administration has not implemented them. While more than two-thirds of AFD subsidies are allocated to priority countries (MEAE, 2018b),[4] the 10 largest beneficiaries of French ODA are all middle-income countries (see Table B.4). Furthermore, even though these indicators concerning AFD subsidies are detailed in the biannual report to parliament, this financial effort by the state[5], together with the complexity of the budget structure, do not provide an overall measure of the support France provides to developing countries (Section 5.1). Thus, these indicators provide little transparency to the public or parliament.

Thematic and geographical strategies are patchy, and the AFD programming model does not pursue thematic priorities

Several strategies to underpin French efforts in priority areas of action have already been defined or are currently being worked on by the Ministry for Europe and Foreign Affairs (MEAE) and AFD (Figure 2.1).[6] However, where strategies have been developed by the MEAE and AFD for the same areas, they are not always synchronised. Six priority areas still lack a dedicated strategy: the private sector, development of the territories, water and sanitation, environment and energy, mobility, migration and development, trade and regional integration. This reduces the transparency of France's objectives and hampers any corresponding co-operation. In addition, civil society consultation held to help identify AFD's sectoral strategies often takes place after the strategy has already been worked out. Finally, strategies only rarely linked to a budget.

AFD, which is the principal actor for implementing French ODA, does not follow geographical or thematic allocations in providing its development finance; instead it takes a "window approach" in which it responds to partner country demand, in line with the aid effectiveness principle of country ownership. As a result, AFD's country and sector strategies are not binding and geographical or thematic targets are difficult to predict (Chapter 3).

Therefore, although the LOP-DSI has many advantages over the earlier French legislation, "the total absence of programming – in terms of ODA allocation and in terms of the timescale and mechanisms for implementing the law – leaves the feeling that this law is likely to remain merely a declaration of good intent" (Coordination SUD, 2017). The February 2018 CICID conclusions outline the trajectory for increasing ODA and the new law due to be developed by 2019 will be an opportunity to remedy these shortcomings (MEAE, 2018a).

Principles and guidance

Peer review indicator: Policy guidance sets out a clear and comprehensive approach, including to poverty and fragility

France's development policy tackles the social, economic and environmental aspects of sustainable development. Its legislation highlights the poorest and least developed of its partner countries. Furthermore, France has significantly consolidated its approach to fragile contexts since the last peer review and now has a comprehensive strategic framework. However, the instruments chosen and the inappropriate procedures used are hindering activities with the most vulnerable populations, especially in fragile contexts.

Programming has taken greater account of gender equality since 2013, but practical implementation could be improved

The last peer review of France considered that French development co-operation had made little progress in promoting gender equality (OECD, 2014). It expressed the view that France should work out a strategic approach which incorporated gender more effectively into its policies, intervention methods and instruments (Annex A). The French Administration has since made progress on the strategic front. The implementation of MEAE's Gender and Development Strategy 2013-2017 (MEAE, 2013) and AFD's Cross-cutting Framework for Action on Gender and the Reduction of Gender Inequality (AFD, 2013) have undergone a final assessment by the High Council for Gender Equality (HCE, 2017). A new strategy was unveiled in March 2018 (MEAE, 2018c); it takes on board the conclusions of the assessment and also the recommendations of civil society (Coordination SUD, 2018).

MEAE officials and agencies are much more aware than in the past of the "gender and development" issue. On the other hand, commitments by France that have had a positive effect on gender equality are below average[7] (Section 3.2). AFD has created sectoral "gender toolkits" which promote a cross-cutting approach and provide a resource for technical experts and project leaders. Similarly, Expertise France has included the gender issue among its priority objectives in its first contract of objectives and means (COM) for 2016-2018. In view of the political priority given by President Macron to the promotion of gender equality, and the needs in that field at national and global level, it will be necessary to strengthen the commitment of embassies, increase investment and monitor operations throughout the project cycle (Chapters 3 and 6).

Tackling poverty and inequality is a central theme of legislation and project management, but less visible in practice

The LOP-DSI stipulates that the goal of French development policy is sustainable development in developing countries, based on three pillars (economic, social and environmental), and the main purpose of the law is to combat poverty and inequality. Within AFD, these three pillars are split into six operational areas: economic development; social welfare and the reduction of social imbalances; gender equality; preservation of biodiversity and natural resource management; the fight against climate change; and governance. Therefore, throughout the project cycle, an assessment is made

of the degree to which objectives associated with these six operational areas are being achieved.

While country or sectoral strategies do not explicitly mention the need to leave no one behind, AFD aims to reduce inequality in its partner countries, support least-developed countries and establish a research facility on inequality. AFD has also worked to ensure that all its actions strengthen – or at least do not weaken – social bonds. Once new AFD projects have been identified, they are subject to a "sustainable development opinion" in the context of which the "social welfare and reduction of imbalances" element examines the extent to which individuals enjoy decent living conditions; a "stronger", more fair and equitable society; and institutions that protect economic and social rights[8] (AFD, 2014). A social link co-benefits marker will soon be developed with a view to determining more effectively whether projects are benefitting the most fragile populations.[9] The new humanitarian strategy (section 7.1) aims to enhance efforts to include the most vulnerable, especially people with disabilities.

Nonetheless, in both Morocco and Niger, the peer review team was not convinced that France has a global approach for targeting the most deprived people in its partner countries, or that it had made sufficient efforts in that direction (Annex C). France could provide more support to vulnerable populations who often live in remote locations where access is difficult.

There are still obstacles to France becoming a benchmark donor in fragile situations

France has significantly consolidated its approach to fragile contexts since the last peer review and now has a comprehensive policy framework (AFD, 2018; MEAE, 2017a) and clear priorities (MEAE, 2018a). A stronger link has been forged between the MEAE and AFD for the purpose of examining fragilities and vulnerabilities. Likewise, capabilities have been developed and new instruments created in order to implement the support strategy for fragile states. The remits of the MEAE Crisis and Support Centre have been expanded; the centre receives targeted funds, including the Stabilisation Fund, which has a capital input of EUR 15 million per annum. In 2016, AFD and the Ministry for Armed Forces signed a framework agreement on consultation and mutual support (Ministry of Armed Forces, 2016).

France's ambition to be a benchmark donor in fragile and crisis contexts is based on its long history of intervention and an expanded range of financial instruments. In conflict situations, civil and military actors alike acknowledge the importance of the link between security and development, which points to the need for a joint analysis of fragility factors. However, there are still obstacles to be overcome before France can achieve this:

- **Ill-adapted procedures**: one year after setting up the Vulnerability Mitigation Facility, the French Government decided to double its allocation: the facility is now set to receive EUR 200 million per annum until 2020 (MEAE, 2018a). However, this facility, which is managed by AFD, uses project identification and formulation procedures that are inappropriate for fragile situations. For example, AFD relies on its expertise and network to determine needs, but it takes more than one year to start implementing and disbursing project funds. This makes it impossible to respond to the needs of populations or to anticipate and stabilise risk zones (especially in the priority Sahel region) in co-ordination with the Stabilisation Fund of the Crisis and Support Centre.

- **Insufficient emphasis on preventing crises**: owing to its strong presence in priority fragile countries, France has a network that could identify the early signs of a crisis. Similarly, the Crisis and Support Centre established an early warning system in 2014. That system would benefit from closer links with France's crisis prevention mechanisms (such as the Stability Fund, whose operations in Niger have demonstrated its relevance[10], and which could be reinforced – Annex C) and AFD's Vulnerability Mitigation Facility.
- **The Sahel Alliance model is still unclear**: this model was designed to improve the effectiveness of development co-operation in this highly vulnerable region. However, the Sahel receives a wide variety of aid (security assistance, development assistance and humanitarian aid) and has a significant number of donors and operators, all with different procedures and approaches[11], and limited national capacity for absorbing and co-ordinating this huge influx. The result is an enormous bureaucratic complexity and a large degree of inefficiency in allocating and using aid. If the Sahel Alliance wants to enhance the co-ordination of its partners in order to deliver aid more swiftly, effectively and in a more targeted manner (MEAE, 2017), France should make clear to its partners in what way the alliance differs from existing initiatives and mechanisms.
- **Imbalance in the global approach**: as the mission to Niger demonstrated, military aspects can rapidly take over the intervention portfolio, depending on the urgency of the challenges faced (Annex C). This can cause an imbalance, to the detriment of less visible but nonetheless important structural aspects of development co-operation, such as justice and domestic security. Staff from the civil ministries interviewed by the examiners noted a clear tendency by France to support national military initiatives, so France should be aware of the risk of development assistance being used for security objectives.

Basis for decision making

Peer review indicator: Policy provides sufficient guidance for decisions on channels and engagements

France relies on various partners and recognises their strengths for the purpose of implementing its development policy. However, the scattered nature of budget allocations makes it impossible to judge between and select partners using clear criteria. The new multilateral strategy emphasises France's priorities. It will need to prove its worth when reallocating multilateral aid in the future.

France is adopting a clear partnerships approach, but it is impossible to determine whether allocations match partners' strengths

In line with its cross-cutting policy, France's development spending is spread over 24 budget programmes. The cross-cutting policy document annexed to the finance law aims to provide an overview of these different funding streams (MEAE, 2018b). The clarity of France's commitments at the various levels (sub-national, national, regional or global) could nonetheless be improved, together with the capacity to assess them using clearly defined criteria. For example, solidarity taxes levied on air tickets and financial transaction taxes earmarked for development are paid into a separate fund to support global public goods (Box 3.1); they are not subject to a specific parliamentary debate or vote regarding their use, unlike activities that feature directly in the state's budget.

France has entered into several partnerships with various agencies at different levels. It recognises the essential role played by non-government stakeholders, including civil society, regional authorities, the private sector, and research and educational institutes (Chapter 5).

Following recommendations made as part of an assessment of the contribution of civil society to development co-operation (MEAE, 2016), the MEAE – in conjunction with civil society organisations (CSOs) – has drawn up a policy paper clarifying its CSO partnership rationale (MEAE, 2017b). The paper recognises the specific contributions of civil society, including acting as a "spur" for unleashing ideas and actions which are crucial for achieving global development; its educational function and ability to mobilise citizens; and its ability to act when the state is unable to do so.

The LOP-DSI of 2014 recognises in legislative form the importance of overseas action by French local governments. The White Paper *Diplomatie et territoires* (Diplomacy and territories) outlines 21 proposals for a partnership between the state and local authorities and outlines the comparative advantage of French local governments, including: their technical expertise; their tried-and-tested methodological know-how in terms of the geography of a region of comparable size; and the increasing professionalism of regional officials and of local public and private institutions (MEAE and CNCD, 2017). AFD partnerships with French local governments take the form of project co-financing, parallel financing or technical information exchange (National Assembly, 2017).

The MEAE collaborates with the private sector on matters concerning the social and solidarity economy, especially through the working group *Innover Ensemble* (Innovating Together). AFD also encourages active partnerships with the private sector, which is the

main employment creator in developing countries. AFD considers that the private sector will play an increasingly important role in financing major transitions – which will require new resources – and that it will drive innovation and technical progress.

In 2015, France launched a debate on the role of partnerships with research institutes. Two of France's objectives for such partnerships are to support developing countries through research and training and to strengthen the capacities of least-developed countries. In practice, there is a focus on climate issues, which seems logical given France's expertise and its priority challenges (Chapter 3).

The new multilateral strategy would be a good opportunity for more structured dialogue with multilateral partners

France has drawn up a French Multilateral Aid Strategy 2017-2021 (MEAE and MINEFI, 2017), in response to the 2013 peer review recommendation (Annex A). The strategy highlights the ten thematic and geographical priorities (Figure 2.1) that France has been successfully advocating to boards of financial institutions. This enables it to channel funds towards the poorest, most fragile countries, or towards climate-related activities. However, the strategy does not outline clear and precise allocation criteria for future multilateral aid allocations.

France focuses its multilateral aid on a few priority agencies, such as the European Development Fund of the European Union; the International Development Association of the World Bank; the Global Fund to Fight AIDS, Tuberculosis and Malaria; and the African Development Fund of the African Development Bank. According to the conclusions of the last CICID (MEAE, 2018a), France is intending to increase its voluntary contributions to the United Nations. However, this will be a challenge given France's limited margin for manœuvre in increasing its multilateral contributions beyond its priority agencies, combined with its intention to increase the bilateral ODA component (Chapter 3).

Apart from pledges made at the time of replenishing the development banks and thematic funds, its participation in the Utstein Group[12] and annual consultations with the United Nations Development Programme (UNDP), France has not made any multiannual commitment or embarked upon any structural dialogue with multilateral agencies about its objectives or the possible repercussions of a more structured partnership. Similarly, there was no dialogue with multilateral partners when France was working on its multilateral strategy. This situation has been compounded by the fact that each multilateral agency has several counterparts in France (AFD, MEAE, Expertise France, sectoral ministries) who do not systematically co-ordinate among themselves and do not necessarily have the same priorities or objectives.[13]

In addition to the evaluations it conducts as part of the Multilateral Organisation Performance Assessment Network (MOPAN),[14] France only undertakes detailed evaluations of multilateral agencies in terms of its contributions to international funds and financial institutions. It includes the results in its "Biennial report on the implementation of French development aid policy" addressed to parliament and civil society. France is a longstanding member of MOPAN and uses the reports produced by the network. However, it could improve co-ordination of the various entities that decide multilateral allocations in order to make the most of its participation in MOPAN and to reflect France's specific priorities.

Notes

[1] The G5 Sahel is an institutional framework for coordination of regional cooperation in development policies and security matters in West Africa. It was formed in February 2014 at a summit of five Sahel countries: Burkina Faso, Chad, Mali, Mauritania, and Niger.

[2] According to the conclusions of the 2016 CICID, which replace the 2013 CICID's conclusions, "The Government has decided to dedicate at least 85% of the state's financial effort to sub-Saharan Africa and neighbouring countries in the southern and eastern Mediterranean region."

[3] In Liberia, a grants portfolio of EUR 10 million will be unblocked to support initial development projects. France has also pledged to support Liberia in its negotiations with the International Monetary Fund and to plead its case in Europe in order to obtain funding (Châtelot, 2018).

[4] On average, USD 96.5 million per annum has been paid to the 17 priority countries all combined in 2015-16.

[5] These indicators include the cost to the state of development aid loans made by AFD and concessionary loans made by the Treasury, in addition to the cost of debt cancellations granted in the context of the Paris Club (Chapter 3).

[6] In addition to these strategies, AFD has prepared a digital technology strategy which encourages it to plan activities to support innovative ecosystems in developing countries.

[7] Taking all French ODA into account, 84% of allocable bilateral activities were examined (OECD, 2018).

[8] The following is an example of how social well-being and imbalance mitigation factors affect the scoring of the sustainable development opinion: "The project might involve job creation for port personnel, civil engineering and industries processing fish products. However, it might also entail movements of civil populations, requiring a comprehensive relocation and land purchasing plan. Proposed score: 0" (AFD, 2014).

[9] AFD has attempted to determine to what extent its operations target less wealthy people, thereby helping to reduce inequalities in the country in question, in line with SDG 10. However, it has not yet pursued this exercise.

[10] In Niger, the Stabilisation Fund has been activated to carry out swift operations to strengthen state presence in the most security-sensitive areas, to monitor community radios and to help the Niger Ministry of Justice to speed up inquiries into Boko Haram prisoners in the Diffa region.

[11] For example, 19 members of the DAC mobilised aid in 2016 for Niger alone (Creditor Reporting System, consulted on 15 February 2018); 20 United Nations agencies are involved in the UN Development Assistance Framework in Niger (United Nations, 2017) and 175 humanitarian bodies take part in the humanitarian response plan for Niger (UNOCHA, 2017).

[12] The Utstein Group allows its member states to maintain dialogue with United Nations agencies, funds and programmes on their strategic directions and internal organisation.

[13] French multilateral aid is split principally between two budget programmes: programme 209 (managed by the MEAE), which feeds into the European Development Fund, the Global Fund and UN agencies; and programme 110, which contributes to financial institutions (and this excludes off-budget funds).

[14] Multilateral Organisation Performance Assessment Network http://www.mopanonline.org.

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Chapter 3. Financing for development

Over the period 2012-2016, French ODA fell from 0.45% to 0.38% of gross national income (GNI), and its geographical allocations did not reflect its stated priority countries for co-operation. Furthermore, French humanitarian aid, action in fragile contexts, support for NGOs and gender equality still do not inadequately reflect France's stated ambitions. On the other hand, France has focused its multilateral assistance on a few agencies through which it pursues its priorities, it has successfully developed innovative development financing mechanisms, and it now has a wide range of instruments capable of catalysing private sector development. France has pledged to devote 0.55% of its GNI to ODA in 2022. In order to achieve this target whilst still ensuring coherence with its geographical and thematic priorities, it will need to increase its donor-driven bilateral aid significantly, and has planned to do so.

Overall ODA volume

Peer review indicator: The member makes every effort to achieve ODA domestic and international targets

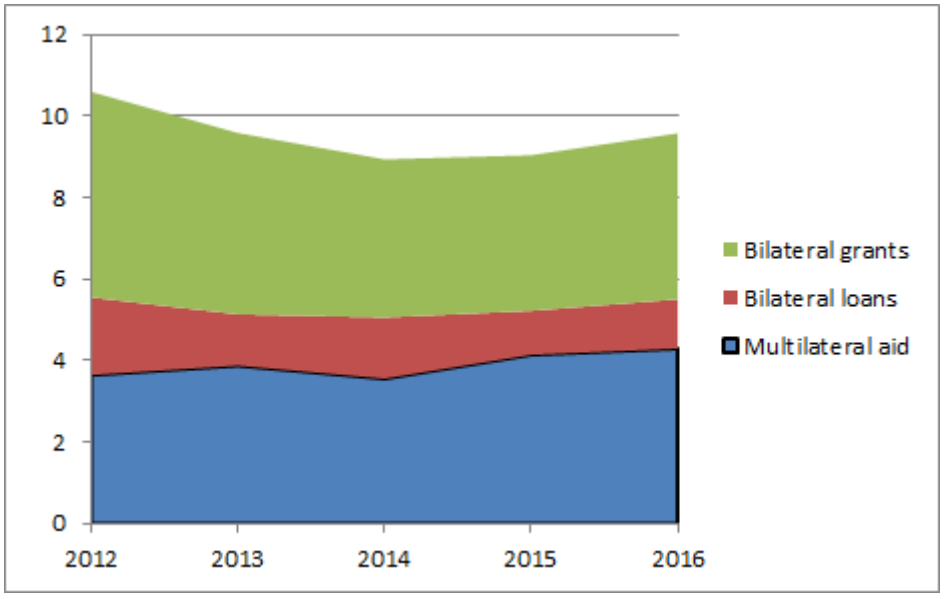
Over the period 2012-2016, French ODA fell from 0.45% to 0.38% of its gross national income (GNI), and its geographical allocations did not reflect its stated priority countries for co-operation. France has pledged to spend 0.55% of its GNI on ODA between now and 2022, which is an increase in ODA of almost EUR 6 billion compared with 2016. In order to achieve this target whilst still ensuring coherence with its geographical and thematic priorities, it has planned and will need to increase its donor-driven bilateral aid significantly and issue the necessary commitment authorisations by 2020 at the latest.

The volume and distribution of ODA between 2012 and 2016 do not reflect France's commitments

Over the review period (2012-2016), the amount and distribution of ODA did not reflect French pledges and priorities, especially as regards the total amount, least-developed countries, priority countries and humanitarian aid. As Figure 3.1shows, the decrease in total French ODA from USD 10.6 billion to USD 9.6 billion over the period is principally due to the decrease in bilateral grants (OECD, 2018a). The ODA/GNI ratio also decreased from 0.45% to 0.38% over the same period, even though it recovered in 2016 as compared with 2014 and 2015 (0.37%, its lowest level since 2001). In 2016, France was ranked fifth among DAC countries in terms of total ODA and in 12th place in terms of ODA/GNI ratio (Figure B.1).

Figure 3.1. Evolution of the make-up of French ODA, 2012-16

In net ODA payments, billions of USD, constant 2015 prices and exchange rates



Source: OECD (2018a), DAC statistics, www.oecd.org/dac/stats (accessed 27 February 2018)

France relies heavily on its loan instrument, which accounted for 28% of total gross ODA (and 45% of gross bilateral ODA) in 2016, compared to 12% of total gross ODA (and 16% of gross bilateral ODA) for the whole of the DAC (Annex B, Table B.2). Each year during the period 2012-16, the grant element of French ODA loans remained below the threshold of 90%, which is the DAC recommended grant element for loans to LDCs. In fact, the grant element actually decreased from one year to the next even though this was already identified as a weakness of French co-operation during the last peer review (OECD, 2014). The AFD growth model is loan-based; in 2016, 64% of the agency's ODA portfolio consisted of loans. This model encourages it to invest in middle-income countries to the detriment of less-developed countries, and in potentially profitable sectors to the detriment of social sectors. This goes some way towards explaining the difference between the stated priorities and actual allocations of French ODA. In order to reverse this tendency, AFD could significantly increase the grant element of its portfolio (Section 3.2) (National Assembly, 2017b; Coordination SUD, 2017b).

France has pledged to commit 0.55% of its GNI as ODA by 2022

In July 2017, President Emmanuel Macron pledged that France would commit 0.55% of its GNI as ODA by 2022. That would increase French ODA from EUR 8.5 billion (0.38% of GNI) in 2016 to around EUR 14.5 billion by 2022 – in other words by nearly EUR 6 billion (MEAE, 2018b; National Assembly, 2017a). That commitment was reiterated at the meeting of the Interministerial Committee on International Co-operation and Development (CICID) on 8 February 2018. This is the first step towards achieving the target of increasing ODA to 0.7% of GNI by 2030 – a target to which France recommitted itself in connection with the 2030 Sustainable Development Agenda. In order to achieve the intermediate target of 0.55%, whilst ensuring coherence with its geographical and thematic priorities, France will need to increase its state-driven bilateral aid.[1]

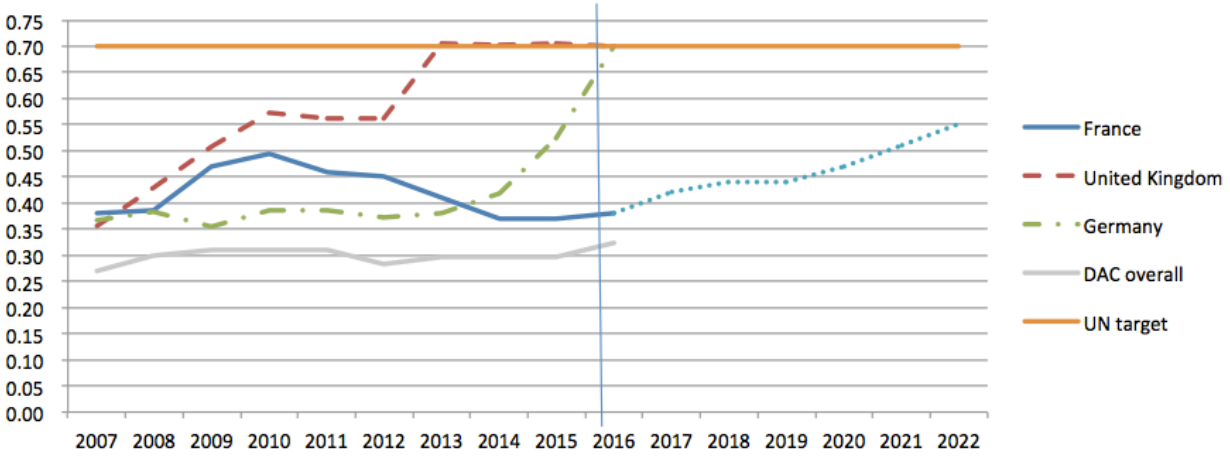
France has set itself clear targets in this area: it has decreed, *inter alia*, that two-thirds of the cumulative rise in ODA commitment authorisations between now and 2022 will be allocated to bilateral aid (MEAE, 2018a). As a corollary to the increase in state-driven bilateral aid, the amount of grants making up bilateral aid will also increase. Although France has presented an overall budget trajectory (annual change in the ODA/GNI ratio between 2018 and 2022) which allows these targets to be achieved, it has not published a detailed roadmap by sector, instrument, region or country. Drawing up the French roadmap is complicated by the fact that it is difficult to establish a link between budgets approved and the ODA amounts ultimately accounted for (Chapter 5).

The increase in ODA has already been implemented since 2017, and the ODA/GNI ratio was due to reach 0.43% in 2017 (OECD, 2018a) and 0.44% in 2018 (MEAE, 2018a). Figure 3.2 illustrates the efforts that France will need to make to achieve its target in the coming years, and compares them to those recently made by Germany and the United Kingdom to achieve their ambitious ODA targets.

As the French Development Agency (AFD) is now in charge of the majority of French aid, it is vital to issue commitment authorisations in 2019 and 2020 at the latest so that the corresponding disbursements can reach the intended target (which is measured as disbursements) in 2022. Achieving the 2022 target will be difficult because it means that it will be necessary to start monitoring the corresponding projects very swiftly, in countries where the capacity to absorb assistance is weak. Speeding up disbursements will also entail a change of methodology, in particular shortening distribution channels and targeting beneficiaries directly. Increasing aid that is channelled through NGOs, humanitarian aid and local governments, plus greater use of revenue from the financial transaction tax (FTT) in favour of development, are all means of achieving the desired target.

Figure 3.2. Growth of French ODA compared with Germany and the United Kingdom

As a percentage of GNI, 2007-22



Note: Dotted line represents forecasts for France
Source: for the period 2007-17, OECD (2018a), OECD-DAC statistics, www.oecd.org/dac/stats (accessed 27 February 2018); for French 2018-22 data MEAE (2018a), « Comité interministériel de la coopération internationale et du développement (CICID) 8 février 2018 Relevé de conclusions », www.diplomatie.gouv.fr/IMG/pdf/releve_de_conclusions_du_comite_interministeriel_de_cooperation_internationale_et_du_developpement_-_08.02.2018_cle4ea6e2-2.pdf

In terms of geographical allocation, France recommitted to paying 0.15% of its GNI in ODA to least-developed countries as part of the Istanbul Declaration (United Nations, 2011). Yet in 2016, French ODA to least-developed countries was only 0.08% of GNI, i.e. well below target, and slightly below the average of the other members of the OECD Development Assistance Committee (DAC) (0.09%).[2]

France's ODA reporting to the DAC has improved

Reporting of French ODA to the DAC has improved in recent years. Data for 2016 have been reported in full, although the quality of certain information (commitment dates, loan terms, aid type, activity descriptions and aid channels) could still be improved.

Bilateral ODA allocations

Peer review indicator: Aid is allocated according to the statement of intent and international commitments

In the review period, France's priority countries were not among the main beneficiaries of its aid. It allocated a significant share of bilateral aid to economic infrastructure, imputed student costs and grants for higher education in France. Almost half its activities were carried out with a climate co-benefit. Moreover, its humanitarian aid, activities in fragile contexts, support for non-government organisations (NGOs) and gender equality aid are still lower than its stated ambitions. In its partner countries, French aid is spread over more than three sectors, which is at odds with the objectives of general French co-operation policy.

France does not provide sufficient aid for its priority countries

Over the review period, the geographical allocation of French bilateral aid did not reflect its priorities (aid for least-developed and priority countries). Neither has France achieved its regional objective in terms of financial effort[3] for Africa and the Mediterranean since 2012 (MEAE, 2018b, and provisional 2016 data provided by the MEAE).[4] Furthermore, that objective does not cover the entire loan component of ODA and does not distinguish between countries according to their wealth and means.[5] In practice, the majority of French ODA to Africa and the Mediterranean was allocated to middle-income countries: with Morocco, Côte d'Ivoire, Cameroon, Egypt and South Africa featuring among the top ten recipients of French aid in 2015-16 (Table B.4).

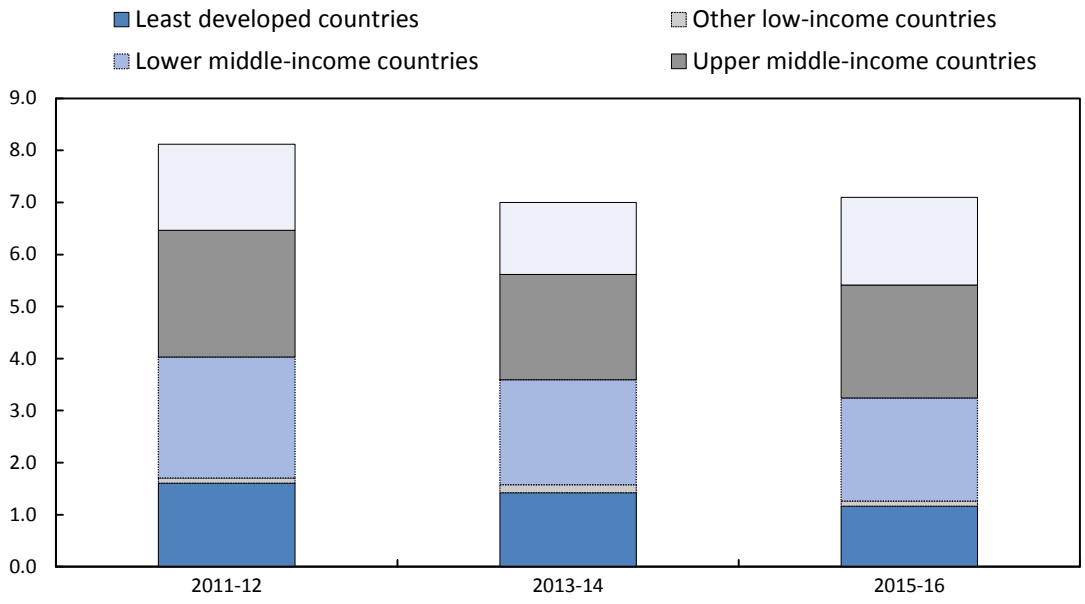
At the same time, none of the 17 priority countries ranked among its top 10 beneficiaries in 2016, and only one ranked in the top 20. In 2016, only 14% of French bilateral ODA was allocated to the 17 priority countries. It is worth noting that in 2016 only 25% of bilateral ODA grants were allocated to those countries[6] (OECD, 2018a). In that year least-developed countries accounted for only 19% of allocable French bilateral aid, compared to 37% on average for the DAC. French ODA for least-developed countries has decreased in volume over the review period, falling from USD 1.26 billion in 2012 to USD 1.05 billion in 2016 (Figure 3.3; Table B.3).

The considerable increase in ODA predicted by France for the next five years will enable it to significantly increase its actual commitment to the poorest countries, and especially its priority countries. France determines its priorities according to the added value that it

can contribute: this is good practice. In February 2018, the CICID reaffirmed France's 19 priority countries (section 2.1), (MEAE, 2018a). The Sahel is a priority region, due to its security situation, migratory flows and historical and linguistic links with France. The new doctrine of engagement in fragile situations will be put to the test in this region.

Figure 3.3. Gross bilateral ODA by income group, 2011-16

Billion USD, constant 2015 prices



Source: OECD (2018a), OECD-DAC statistics, www.oecd.org/dac/stats (accessed 27 February 2018)

Bilateral ODA is too fragmented; too little goes to basic education, gender equality and NGOs

The 2014 LOP-DSI lists France's principal co-operation action areas (Chapter 2). Although the share of aid allocated to education is relatively large (16% of bilateral commitments in 2015-16), it is mostly earmarked for imputed student costs and scholarships for developing country students in French higher education (70% of commitments in the education sector), whereas a very small share (5%) has been allocated to basic education in developing countries themselves. The bilateral aid component earmarked for health is tiny (2%), but only because France uses the multilateral channel to support that sector (Section 3.3). The governance sector received 4% of French bilateral ODA. Aid for water distribution and sanitation rose from 6% to 10% of bilateral commitments between 2011-12 and 2015-16 (Annex B, Table B.5).

The economic infrastructure sector receives a large portion of French bilateral ODA. This is particularly evident for energy (14%) and transport (7%), involving AFD loans mainly in middle-income countries, such as Morocco (Annex C). Agriculture receives 6% of bilateral aid. On the other hand, the low level of humanitarian aid (USD 153 million in 2016, or 1% of ODA, compared to an 11% average for the DAC) is inconsistent with French strategic objectives. In 2016, France committed USD 2 billion to fragile situations, in other words 27% of its bilateral aid. This is lower than the DAC average

(33%) (Annex B, Table B.3). France is therefore devoting only modest amounts despite its renewed pledges to fragile contexts.

Country programmable aid represents 66.4% of total French ODA, which is higher than the DAC average (46.4%). In terms of cross-cutting priorities, 45% of bilateral ODA commitments targeted climate change mitigation and/or adaptation objectives, while only 22% of commitments[7] target gender equality (compared with an average of 40% for the DAC) (OECD, 2018b). The ratio of grants to loans, and the lack of emphasis on priority countries, explains the discrepancy between stated priorities and actual ODA flows. The only exception is climate change, the alleviation of which is indeed a priority sector for France's allocations to middle-income countries. Moreover, while France has doubled its assistance to and via NGOs since 2012, the level (3% of bilateral ODA) is still very low compared to the DAC average (15% of bilateral ODA) (OECD, 2018a).

The allocation of aid in the field largely reflects the demands of the country in question, and as a result, aid aligns to national priorities, reflecting partner country ownership. However, this can lead to aid being spread over too many sectors, which conflicts with France's co-operation policy objectives of choosing three priority sectors for each country (Chapter 2). During its field visits, the review team noted that, despite official priorities, France tended to be active in all sectors. This was particularly noticeable in Niger, but also to a lesser extent in Morocco (Annex C). This fragmentation can also complicate the channelling of aid and the identification of suitable technical expertise by embassies and local AFD agencies, which do not have the capability to lead projects in all fields.

Multilateral ODA allocations

Peer review indicator: The member uses the multilateral aid channel effectively

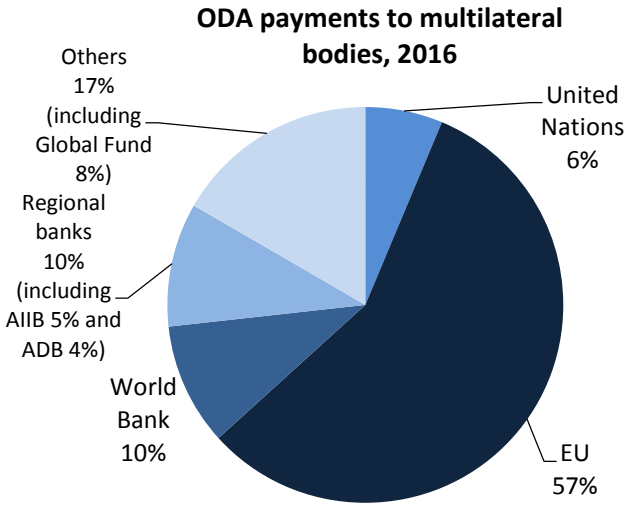
French multilateral ODA is targeted towards just a few agencies, through which it furthers its geographical and thematic priorities, with the exception of gender equality. In particular, France uses the multilateral channel to support its efforts in the health field. French contributions fund the core budgets of multilateral agencies, thereby strengthening the multilateral system.

French multilateral ODA targets just a few multilateral agencies and reflects its regional and thematic priorities

The share of multilateral aid in gross French ODA rose from 31% to 37% between 2012 and 2016, mainly due to a reduction in bilateral aid. The volume of multilateral aid rose slightly, and its distribution remained stable over the review period. France concentrates its assistance on a few priority multilateral agencies, which it uses to further its geographical and thematic priorities. The recipient agencies are the institutions of the European Union (USD 2.56 billion, or 57% of France's multilateral ODA in 2016); the World Bank (10%); the Global Fund (8%); and the African Development Bank (4%) (Figure 3.4and Annex B, Table B.2). In 2016, France reported contributions for the first time to the new Asian Infrastructure Investment Bank, set up in 2014 by China, and which France joined in 2016 (Chapter 5, Box 5.1). These contributions amounted to USD 234 million, or 5% of French multilateral ODA (OECD, 2018a).

France hopes that its multilateral funding will complement its bilateral funding and is calling on multilateral banks to take greater account of climate issues in their financing decisions (Chapter 2). From a geographical perspective, France prioritises those institutions that are committed to the least-developed countries, fragile states and sub-Saharan Africa. This is certainly the case for the International Development Association of the World Bank, the African Development Bank, the Global Fund and, to a lesser extent, the European Union (OECD, 2018a). The vast majority of French contributions finance the core budget of multilateral agencies, thereby ensuring the financial sustainability and independence of the multilateral system (Chapter 2).

Figure 3.4. Distribution of French multilateral aid



Note: ADB: African Development Bank; AIIB: Asian Infrastructure Investment Bank
Source: OECD (2018a), OECD-DAC statistics, www.oecd.org/dac/stats (accessed 27 February 2018)

France relies very heavily on the multilateral channel to deliver its aid in the health sector: it is the second largest donor to the Global Fund since the creation of the fund, and contributed EUR 300-350 million every year between 2012 and 2017. France also contributes to Unitaid (EUR 100 million in 2015, making it the largest donor); to the International Finance Facility for Immunisations (with a commitment of EUR 1.4 billion up until 2026); and to the Vaccine Alliance (GAVI), to which it is the fourth highest sovereign donor (MEAE, 2017). France also uses the multilateral channel and thematic funds (Global Environment Fund and Green Climate Fund) to complement its activities in connection with the environment and combatting climate change. In addition, France is now active in the educational field since President Macron announced a steep increase in France's contribution to the Global Partnership for Education at the Financing Conference for the Global Partnership for Education, held in February 2018 in Dakar. That contribution will amount to EUR 200 million for the period 2018-20 (MEAE, 2018a).

On the other hand, France has made less use of the multilateral channel for promoting its gender equality agenda, and the agencies interviewed by the review team did not refer to any systematic pressure from France in that respect. Moreover, France has made only

modest contributions to United Nations Funds and Programmes. In recent years, its margin for manœuvre for increasing and adjusting its allocations has been limited, but it committed at the CICID meeting in February 2018 to increase its contributions to the United Nations, particularly in the humanitarian and food security fields. France would also like to continue to exert influence on the United Nations system in terms of environmental issues (Global Pact for the Environment) and the fight against climate change (Climate Convention).

Financing for development

Peer review indicator: The member promotes and catalyses development finance additional to ODA

France has successfully established some innovative development financing mechanisms, including the financial transaction tax, the solidarity levy on air tickets; the "1% water", "1% waste" and "1% energy" facilities, and debt reduction and development contracts. Continued development of these mechanisms could help to promote their use by other donors and enable France to be a leading protagonist in this field. In addition, France has a broad range of catalysing instruments for supporting private-sector development and reports a large proportion of its non-ODA contributions to the DAC.

France has successfully developed innovative development financing mechanisms

In 2015, France adopted the Addis Ababa Action Agenda and the 2030 Agenda for Sustainable Development. It also played a leading role in the Paris Agreement on climate at the 21st yearly session of the Conference of Parties (COP21), which it hosted. These three action programmes contain very serious commitments to development financing. They recognise the need to mobilise public internal resources, private funding and innovative financing mechanisms in addition to ODA in order to achieve sustainable development objectives in developing countries.

Moreover, France has successfully developed some innovative financing mechanisms: the financial transaction tax (FTT) and the solidarity levy on air tickets (TSBA) together brought in EUR 1 billion for ODA in 2017 and are set to do the same in 2018 (Box 3.1). However, a significant share of FTT revenue has been used for purposes other than development;[8] furthermore, the fact that it is capped and substitutes for – rather than supplements – ODA budget credits in the past few years could harm both its credibility and potential imitation by other countries. Ways of increasing the rate of FTT and increasing its share of revenue assigned to development are currently under study (Coordination SUD, 2017a; National Assembly, 2017b). Their implementation could help France to achieve its ambitions for increasing its ODA volume in the coming years.

France has a broad range of instruments for private-sector development in developing countries

Relying principally on the AFD Group, France has a broad range of instruments (loans, guarantee funds, equity capital investments and technical assistance) to assist private-sector development in

developing countries. Technical assistance can also be provided to support project development for infrastructure construction, intermediation with banks, microfinance, assistance with private-sector regulation, and support for the proliferation of SMEs, as in Morocco and Niger, where such assistance is highly valued. In addition, France grants non-sovereign loans (for example, to Morocco) to support certain projects that are thought to be sufficiently profitable. In 2016, these non-sovereign loans amounted to USD 958.4 million from AFD and USD 924.2 million from Proparco, a subsidiary of AFD.[9] These loans are offered to private or public companies without the guarantee of the state (Annex C).

In middle-income countries, France also uses loans to mobilise other forms of financial support, particularly from national resources. These are used for infrastructure, urban development and the environment and also in the productive sectors. For example, in Morocco they have been used in the fields of renewable energy, water and transport (Annex C). ODA loans go hand in hand with technical assistance and supplement contributions from other partners with major funding capabilities (such as the European Investment Bank, European Bank for Reconstruction and Development, KfW, World Bank, and the African Development Bank), as well as the state's own resources.

Proparco also supports the private-sector by way of loans and equity. It has significantly increased its activities in line with French priorities: its strategy for 2017-21 is to double its 2015 annual commitment of EUR 1.05 billion to EUR 2 billion by 2020. It is also aiming to increase its equity capital investment from 10% to 25% of its activities in order to triple its impact on sustainable development in the areas of employment, climate, innovation, education, health and energy infrastructure (Proparco, 2017). In addition, Proparco wants to increase its activities in Africa and in fragile states. In order to realise that positive ambition, it will need to adjust its procedures, for example by reducing the barrier to entry for loans or by calling on local financial intermediaries.

France is also involved in broader initiatives for developing the private sector. For example, both France and Germany play a key role in the G20 Compact with Africa to promote private investment in Africa (particularly infrastructure). France is an influential supporter of the "cascade" concept, which seeks to create markets and increase private financing (World Bank/IMF, 2017). It is also involved in the future joint investment fund STOA between AFD and the *Caisse des Dépôts et Consignations* (Deposits and Consignments Fund, CDC), for investment in infrastructure, half of which (EUR 300 million over seven years) will be earmarked for Africa.[10] Furthermore, France has taken steps to reduce the cost for migrants of remitting funds to their country of origin,[11] funds which amounted to USD 12.5 billion in 2016[12], higher than France's total ODA. It has drawn up a programme to provide financial backing for members of the diaspora when setting up businesses in their country of origin.[13]

France reports the majority of its non-ODA contributions to the DAC

France reports its non-ODA public-sector contributions, notably Proparco loans, to the DAC. It also took part in the survey carried out by the OECD in 2016 into sums mobilised by the public sector to support the private sector, the results of which showed that it had mobilised USD 2.8 billion over the period 2012-15 (OECD, 2018c). France has also started to include this information in its regular reports to the DAC, thereby complying with the committee's directives.[14] However, it has only partially reported to the DAC the equity investments made by Proparco, and no longer reports any of the publicly-funded export credits (offered by Coface).[15]

Box 3.1. France at the forefront of innovative financing

At the instigation of France and Brazil, the solidarity levy on air tickets (TSBA) was adopted by five countries[1] in September 2005 at the Paris Ministerial Conference on Innovative Financing for Development[2]. The revenue generated by that tax, which is earmarked solely for international development, has been around EUR 210 million per year since 2006.

The financial transaction tax (FTT) was introduced in France on 1 August 2012. The tax is levied on the share transactions of listed French companies with market capitalisation in excess of EUR 1 billion; the initial rate of the tax was 0.2%, raised to 0.3% in 2017.[3] Half of the revenue generated by the FTT is earmarked for development, and the tax is not levied on intraday transactions.[4] Revenue from the FTT allocated to development amounted to EUR 497 million in 2016 and EUR 798 million in 2017; the forecast for 2018 is similar to 2017.

Overall, these innovative funding mechanisms produced EUR 1 008 million per year for ODA in 2017 and 2018. The Solidarity Fund for Development was set up as a dedicated fund for revenue from the FTT and TSBA. For the first time, an annex to the Finance Law 2018 has set out how revenue from innovative development funding mechanisms is to be used. In 2017-18, it is mostly to be earmarked for health (Global Fund, International Finance Facility for Immunisation and Unitaid); climate and environmental issues (Green Climate Fund, bilateral AFD projects, LDC Fund); and the Vulnerability Mitigation and Crisis Response Facility of AFD. France is the Permanent Secretary of the Leading Group on Innovative Financing for Development. At the CICID meeting in February 2017, France reiterated its support for extending the FTT to other EU countries.

France has also devised other innovative development funding mechanisms:

- Since 2015, the "1% water", "1% waste" and "1% energy" facilities have enabled French local authorities to finance appropriate projects in developing countries.
- Debt reduction and development contracts (C2Ds), which refinance ODA credits in the form of grants and are then reassigned to financing poverty-reduction projects and programmes, or to issuing "climate" bonds. Since 2001, France has signed 33 C2Ds with 18 countries; by the end of 2014, almost EUR 1.7 billion had already been re-financed in the form of grants to recipient countries.

Notes :[1] Brazil, Chile, France, Norway and the United Kingdom.
[2]. The levy applies to all tickets for flights departing from the participating country; in France, it amounts to EUR 1.13 to EUR 45.07 per ticket, depending on the flight type and travel class
[3]. It also includes two other mechanisms: a tax on cancelled orders in connection with high-frequency trading and a tax on credit default swaps
[4]. In 2016, parliament had voted to extend the FTT to intraday trades as from 1 January 2018, but that provision was annulled by the new parliament in 2017 (Coordination SUD, 2017a).
Sources: AFD (2017), "Revue de la politique du contrat de desendettement et de développement (C2D)", (in French), French Development Agency, Paris, www.afd.fr/fr/revue-de-la-politique-du-contrat-de-desendettement-et-de-developpement-c2d; MEAE (2018b),), "Politique française en faveur du développement", Document de politique transversale (in French), MEAE, Paris, www.performance-publique.budget.gouv.fr/sites/performance_publique/files/farandole/ressources/2018/pap/pdf/DPT/DPT2018_politique_developpement.pdf; MEAE (2017), "Mémorandum de la France sur ses politiques de coopération : Comité d'aide au développement, OCDE", (in French) MEAE, Paris ; MEAE (2016), "Revue de la politique du contrat de désendettement et de développement" (in French), MEAE, Paris, www.tresor.economie.gouv.fr/Ressources/13827_revue-de-la-politique-du-contrat-de-desendettement-et-de-developpement (consulted 27 February 2018); Toustou, E. (2014), "Prendre les airs coûte plus cher", L'Express, 3 April 2014 (in French), https://votreargent.lexpress.fr/consommation/prendre-les-airs-coute-plus-cher_1583837.html (consulted 13 March 2018).

Notes

[1] By their very nature, France's bilateral loans mainly benefit middle-income countries, but these are not its priority countries. Moreover, a large proportion of French grants are earmarked for tuition fees and grants (11% of gross bilateral ODA in 2016), and for refugee reception in France (6%) (Annex B, Table B.2). Furthermore, France has limited control over the allocations of its multilateral aid to its priorities.

[2] These figures include imputed bilateral and multilateral inputs (Annex B, Table B.7).

[3] ODA subsidies plus cost to the state of ODA loans by AFD and concessional loans by the Treasury plus cost of debt cancellations granted in the context of the Paris Club (MEAE, 2018b, page 16).

[4] The State's financial outlay and targets were as follows:

	2012	2013	2014	2015	2016
Effort Financier Etat – Afrique + Méditerranée	88%	73%	68%	76%	67%
Cible	80%	85%	85%	85%	75%

[5] A Senate report on the AFD contract of objectives and means 2014-2016 also draws attention to the problem in terms of measuring aid to priority countries (Senate, 2014).

[6] Data from 2016 as a proportion of gross bilateral ODA, excluding unspecified bilateral aid.

[7] This percentage is calculated solely on activities screened against the gender marker (82% of France's aid activities); this differs from the percentage (19%) given in Table B.5 (Annex B), which is calculated on the basis of total allocable bilateral aid.

[8] Although initially the FTT was not wholly intended to finance development, numerous advocates – including President Macron, in his speech of 26 September 2017 at the Sorbonne (Macron, 2017) – have called for a larger proportion – if not all of it – to be used for development.

[9] Almost all non-sovereign loans extended by AFD are counted as ODA, whereas those provided by Proparco are "other official flows".

[10] The STOA fund is intended to promote investment that is compatible with the Paris Agreement and to have a leveraging effect on private funds (Lemmet and Ducret, 2017).

[11] Including, for example, by setting up a website for comparing the prices quoted by money transfer services (www.envoidargent.fr).

[12] Voir le site de la Banque mondiale : www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data

[13] The Franco-German programme "MEETAfrica" – European mobilisation for entrepreneurship in Africa (http://meetafrica.fr).

[14] France has played a leading role in this notification, especially in the context of the Change Expert Group and private financing mobilised in favour of climate and development.

[15] France does report export credits that benefit from public support from Bpi-France international, but only reports to the Export Credit Group.

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Chapter 4. Structure and systems

France has streamlined its central co-operation machinery, adopting an Orientation and Programming Law on Development and International Solidarity Policy; creating a forum for consultation and accountability to parliament and civil society; increasing the frequency of CICID meetings; and setting up Expertise France, which brought together six technical assistance agencies. But the institutional structure of the French co-operation system remains complex and fragmented. This complicates the oversight, co-ordination and coherence of its activities and can result in duplication of efforts, especially between the MEAE and AFD. France has put in place mechanisms that allow cross-cutting themes to be taken into account, and it has robust systems for procurement and risk management, but it needs to take care to better tailor its procedures to least-developed countries, including those which are fragile. AFD has further strengthened its human resources, but the MEAE needs to ensure that it can retain its ability to oversee aid operations, and the role and economic model of Expertise France need to be clarified.

Authority, mandate and co-ordination

Peer review indicator: Responsibility for development co-operation is clearly defined, with the capacity to make a positive contribution to sustainable development outcomes

France has streamlined its central co-operation machinery. It has adopted the Orientation and Programming Law on Development and International Solidarity Policy and created a forum for consultation with civil society and parliament. It has also increased the frequency of meetings of the Interministerial Committee on International Co-operation and Development (CICID). Nonetheless the institutional structure of the French co-operation system remains complex and fragmented, with many different actors directly involved in co-operation. This complicates the oversight, co-ordination and coherence of its activities and can result in duplicated effort, especially by the MEAE and AFD.

France has streamlined its central co-operation machinery, acting on the recommendations made in the 2013 peer review (OECD, 2014). In 2014, it enacted the first Orientation and Programming Law on Development and International Solidarity Policy (LOP-DSI) (JORF, 2014). The LOP-DSI sets the objectives and guidelines for French international co-operation policy over five years and defines the principles which will ensure that co-operation is effective (Chapter 2). The law also seeks to improve the monitoring and control of development aid. Finally, the law provides more transparency, consultation and accountability with non-state actors through a new National Council for Development and International Solidarity (CNDSI) (Chapter 1).

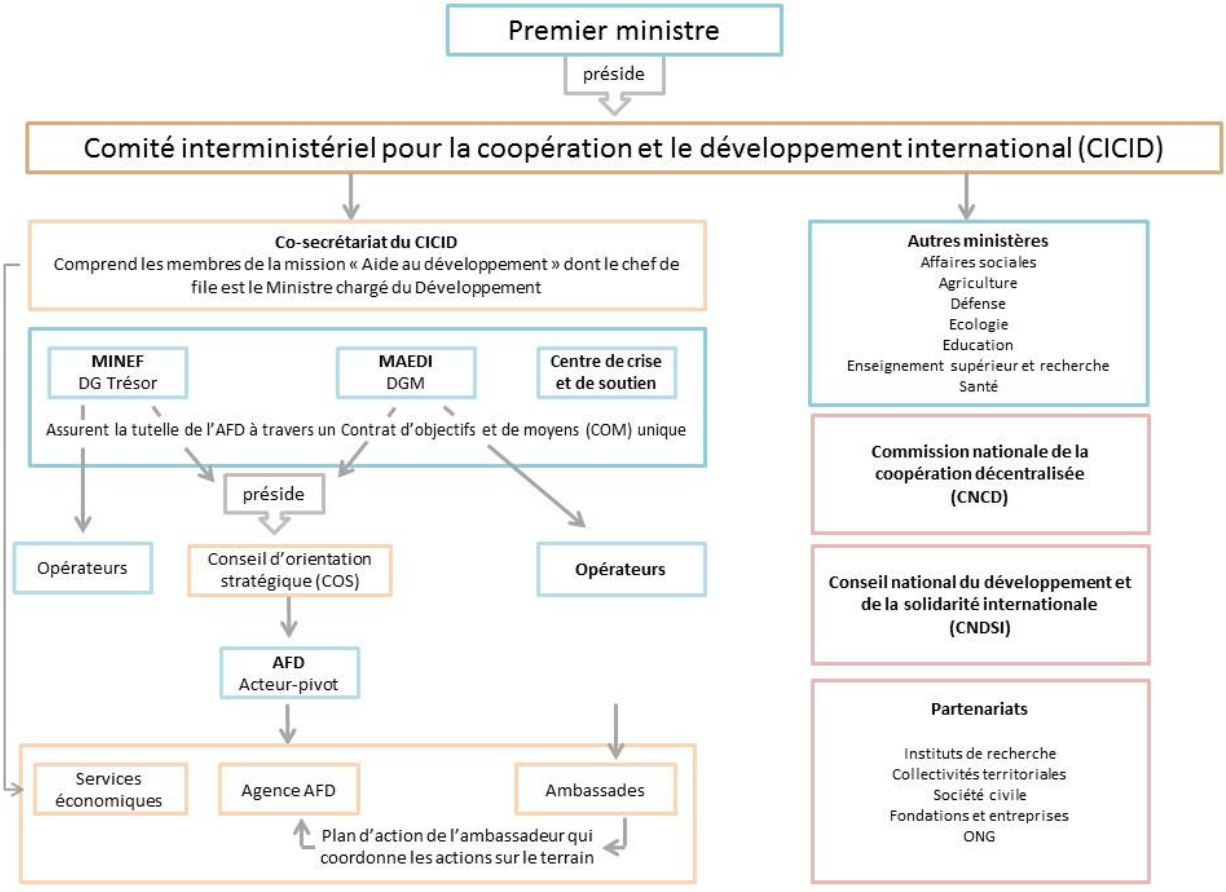
The institutional machinery is being streamlined, but remains complex and fragmented

The institutional machinery of the French co-operation system is still complex. It consists of a chief co-ordinating body (CICID) and three main actors – the Ministry for Europe and Foreign Affairs (MEAE), the Ministry of the Economy and Finance (MINEFI) and the French Development Agency (AFD) – plus 10 or so other groupings (ministries, a number of operators, and several specialist bodies and partnerships) (Figure 4.1and Annex D).

Under the chairmanship of the Prime Minister, the CICID defines the main strategy directions of French co-operation policy, the countries it will target and the sectors it will prioritise. It also ensures consistency in the geographical and sectoral priorities of the various elements of co-operation. Though CICID meets more frequently than it used to (in 2013, in 2016 and most recently in February 2018), it does not meet at least once a year as stipulated by the decree that enacted it (JORF, 1998). On the other hand, the CICID secretariat, made up of the MEAE and MINEFI officials, meets three or four times a year.

Within the MEAE, the General Directorate for Globalisation, Culture, Education and International Development is responsible for the strategic oversight of co-operation. Within the MINEFI, the General Directorate of the Treasury (DGT) manages relations with the international financial institutions, matters of indebtedness, and reporting official development assistance data (ODA). AFD, supervised by the two aforementioned ministries, is the key operator and delivers most of France's ODA.

Figure 4.1. Institutional machinery of development co-operation



Source: France Diplomatie (2013), "French institutional assistance mechanism", In French only - webpage, https://www.diplomatie.gouv.fr/en/french-foreign-policy/development-assistance/french-assistance-institutional/french-institutional-assistance/

In theory, the MEAE and the MINEFI are both responsible for the strategic oversight of co-operation, whilst its practical implementation is handled by the operators (of which AFD is one). In reality, the boundaries between these two functions are blurred. Issues of leadership and the division of work – between the MEAE and AFD for example, or concerning partnerships with non-government organisations (NGOs) or governance – are not always made clear, leading sometimes to duplication of effort between the institutions. In addition, the MEAE's capability for strategic oversight is weakened by its high turnover of technical staff, whereas AFD has strengthened its strategic capability in recent years (Section 4.3). Since 2015, AFD has been associated with the *Caisse des Dépôts et Consignations* (CDC), a group which provides funding for state investment throughout France,[1] and which is helping to create a larger development agency better tailored to the country's ambitions.

France is looking at ways to improve its development co-operation oversight machinery, however. In February 2018, the CICID decided to create a Development Council, chaired

by the President of the Republic.[2] In addition, AFD's Strategic Orientation Council will now meet at least once a year, and an AFD strategic review is to be held every year[3] (MEAE, 2018). These decisions to improve the political oversight of aid are to be commended. France must ensure that they are followed through, and that the relevant bodies do indeed meet at fairly regular intervals. Recent experience reveals an inadequacy here: the CICID has not so far been meeting as often as it is supposed to; and the Development Policy Observatory, created in 2015, only met formally for the first time in 2018 (Chapter 6). It is important that France indicates how – and at what levels – it assesses the efficacy of its oversight of ODA.

Co-ordination in the field is complex

A large number of organisations are involved in implementing French co-operation policy in the field. Firstly, there are the three chief actors: (1) the MEAE, operating through the Co-operation and Cultural Action Office (SCAC), which manages scientific and cultural co-operation, and PISCCA (Innovative Projects of Civil Societies and Other Stakeholder Coalitions), which supports local NGOs; (2) the MINEFI, which manages the economic co-operation instruments; and (3) AFD, operating through its network of agencies and offices abroad. Other actors are also directly involved in co-operation, such as the French National Research Institute for Sustainable Development (IRD), which has its own offices in a large number of countries; Expertise France, which also has offices in a number of countries; Campus France; the *Alliance Française* centres; and *France Volontaires*.

The French ambassador co-ordinates all co-operation activity in each country. He or she examines and approves projects at a number of stages and can veto any project, including AFD projects. The ambassador does not, however, have any authority over the staff of local AFD agencies – even though AFD implements most of France's aid projects, many decisions relating to direction and implementing these projects are taken at the AFD head office in Paris. The ambassador is therefore unable to fully play his or her role of co-ordinator. France sometimes signs a framework partnership agreement with the beneficiary country though this does not, as a rule, name specific sums of money or list indicators. In some countries (Morocco, for instance), AFD has its own framework for specific interventions (Chapter 5).

This situation can lead to duplication of effort between the MEAE and AFD. Collaboration often occurs through informal contacts between staff of the two institutions rather than an effective overall framework,[4] and this can lead to conflicts in certain situations. A clearer division of roles (for example, oversight by the SCAC and implementation by AFD) might make oversight and activities in the field more effective.

Systems

Peer review indicator: The member has clear and relevant processes and mechanisms in place

France has put in place mechanisms that allow cross-cutting themes to be taken into account. It has made progress on the transparency of aid, and this progress must continue. Thanks to AFD, France has robust systems for procurement and risk management. But it needs to take care to tailor its procedures better to least-developed countries and fragile contexts – areas where France has promised a significant increase in the volume of its aid over the next few years.

Mechanisms for policy/programme approval are tailored to the French system

The co-secretariat of the CICID, co-chaired by the MEAE and the MINEFI, discusses the strategic direction of French development assistance and implementation modalities and approves strategic orientations, including those relating to AFD's geographical footprint. The minutes of these meetings are not made public. AFD signs multiannual "contracts of objectives and means" (COMs) with the state, which are also not made public, but which are presented before parliament in draft form. AFD's next COM will set out the roles and resources for enabling the agency to fulfil France's new development co-operation ambitions. Expertise France[5] and the other co-operation operators also sign COMs with the French state.

Sustainable development and gender are well integrated

The MEAE and AFD have introduced quality assurance mechanisms to ensure that cross-cutting themes are taken into account in advance. For example, in 2013, AFD introduced a "sustainable development opinion mechanism" aimed at ensuring that sustainable development, including action against climate change, is integrated into all projects funded by the agency. Since 2015, it has also devised sectoral "gender toolkits" to improve the embedding of gender in its operations (Section 2.2). There are, however, few arrangements for ensuring that cross-cutting themes are properly taken into account in project implementation and monitoring. Nor is there any mechanism for co-ordination and exchange between the MEAE and AFD on quality assurance and the consideration of cross-cutting themes.

Transparency is progressing, but room for improvement remains

The French Government provides comprehensive answers to questions about ODA from parliament and the senate. Annual performance reports give an account, for each programme, of the execution of commitments entered into at the time the draft budget act is examined. Since ODA is made up of multiple budget programmes, no single report covers the whole of it.[6] This makes it difficult to gain an overall view of French ODA, and consequently complicates the work of monitoring and control by the *Cour des Comptes* (National Audit Office) and parliament. And whilst these reports are, in theory, a useful tool, in practice they vary very little from year to year and are sometimes viewed as an administrative formality rather than a true financial audit instrument.

Accountability for innovative funding operations (which are off-budget) has improved since 2017 as details of the use made of various tax receipts – from the financial transaction tax (TTF) and the solidarity levy on air tickets (TSBA) – are now appended to the budget act (Section 3.4). NGOs, however, would like to see the financial statements of the Solidarity Fund for Development (FSD) published, so that information on the assistance given to organisations financed by the fund can be accessible. Moreover, AFD's COM does not include the activities of its subsidiary Proparco – which does not have a COM of its own. This means it is harder to ensure that its activities are transparent and to scrutinise them (see Section 3.4 for more on the activities of Proparco).

And finally, France complies with its commitments to transparency in funding (Section 5.1).

AFD has robust procurement and risk management systems, but needs better procedures for grants and fragile contexts

AFD's procurement systems are robust: most of the projects it funds are commissioned by local contracting authorities and come with technical assistance and enhanced capacities for the authority in question. The agency also has a body of rules to guarantee fair procurement and the quality of its assistance (certificate of non-objection at various stages, untying of aid, social and environmental imperatives, action against corruption). As seen in Niger, however, insufficient delegation of operational authority and inadequate human resources on the ground mean that projects are mostly prepared at head office, and there is not always sufficient co-ordination with opposite numbers at national level (Annex C). Also, since AFD is subject to banking regulations, its procedures are not always suitable for dealing with grants and fragile contexts, which would require them to be faster and more flexible.[7] That said, AFD's status changed on 30 June 2017 from that of a credit institution to a "financing company". This change of status subjects the agency to scrutiny by France[8] rather than the European Central Bank, which should allow it greater flexibility in its investment choices (Agence Ecofin, 2017).

France has expanded its legislation in an effort to counter the risks of corruption (Chapter 1). Given its dual status as a public agency and a finance company (and thus subject to the Basel III rules), AFD has put in place robust risk management systems which are also used by Proparco.[9] These include a general anti-corruption policy; a Group Risks Committee; risk mapping, provided by units responsible for risk monitoring; a database of incidents logged; and training programmes on corruption and fraud prevention which are mandatory for all staff. The General Directorate of the Treasury (DGT), for its part, analyses risks to debt sustainability as part of its remit.

In fragile contexts, AFD's Crisis and Conflict Unit takes a risk management approach throughout the duration of a project, analysing the various risks from the moment they are identified. In order to build on and share experience gained from programmes implemented in these contexts, the agency is currently preparing a toolkit for project leaders and *chargés de mission* which covers the different stages of the project cycle; this is good practice and should be followed systematically (AFD, 2017).

The commitment to innovation could be fleshed out in the field

At the CICID's 2018 meeting, France undertook "to promote technological, financial and operational innovation in its development and international solidarity policy" (MEAE, 2018). French co-operation actors are now institutionalising the search for innovation. In 2017, the MEAE set up a "digital taskforce" and AFD set up a special innovation unit

within its Innovation, Research and Knowledge Directorate. It also broadened its ties with other development institutions (notably the KfW) to share practical experience and innovation. It will be interesting to see what form this activity takes in the field.

Capabilities throughout the system

Peer review indicator: The member has appropriate skills and knowledge to manage and deliver its development co-operation, and ensures these are located in the right places

The past 20 years of reform, aimed at giving AFD the prime responsibility for implementing French assistance, have seen the agency strengthen its human resources and their management. In contrast, staff numbers in the MEAE have fallen and turnover is high. The MEAE will need to resolve this problem if it is to retain its ability to oversee assistance effectively. The MINEFI, for its part, has set up a special ODA office to strengthen its strategic oversight. The creation of Expertise France has helped to streamline French technical assistance, but its role and economic model need to be clarified.

The MEAE must ensure that it has the necessary capabilities to play its oversight role to full effect

In 2017, the MEAE had a total staff of 1 693[10] working on development co-operation, 23% fewer than in 2012.[11] These staff members, the overwhelming majority of whom were serving abroad (83%), were either diplomats or contract staff with specialist knowledge of various areas of development, and they accounted for over 70% of total staff (MEAE, 2017). This high percentage of contract staff means that staff turnover is high, and this is a problem for the MEAE in terms of knowledge retention and institutional memory. The General Directorate for Globalisation is keen to create more development expertise amongst its staff. If the MEAE is to play its oversight role to full effect it must clarify the level of development expertise required for policy making. For example, it might introduce systems to retain development professionals and create career pathways for them.

The MINEFI has set up a special ODA office

The MINEFI has 65 staff in its General Directorate of the Treasury (DGT) working directly on development co-operation (55 are in the central administration and 10 in the development banks). The DGT employs another 639 people in its departments overseas, working on specific French development policy remits. Acting on the recommendations of the previous peer review (Annex A), the DGT has set up a special ODA office to strengthen its strategic oversight. It has recruited new staff to manage its climate finance portfolio and is working more closely with academic specialists and NGOs to enhance its skills. It is also mobilising its network of administrators on the boards of international financial institutions to enable the institutions to be closer to the realities in the field.

AFD has strengthened its human resources and their management

AFD has recruited 400 new staff since 2016 and plans to recruit a further 400 by 2020 in response to the recommendations of the previous peer review and the organisation's

expanded activities. It now has a staff of 2 350, 60% of whom are employed at headquarters and 40% in the field. The latter, which is higher than in 2012, is also a response to the recommendations of the previous peer review (Annex A). AFD is keen to maintain this balance. The agency has little difficulty in finding good candidates because the employment terms it offers are attractive; the resignation rate is also very low.[12] Of AFD's employees, 85% are executive-level staff, 40% of whom are female (compared to 53% for agency staff overall). The likelihood of a sharp increase in the share of grants in AFD's portfolio over the next few years – going chiefly to priority countries and fragile contexts – might prompt AFD to increase its staff numbers in the field so that responsibility for preparing and managing projects can increasingly be delegated to them.

AFD has strengthened its human resource management systems: it has introduced new training policies, an innovative programme for integrating new recruits ("onboarding"), a staff dispute resolution system, and a system for internal mobility (between headquarters and the field) and within the French Administration (now including the *Caisse des Dépôts et Consignations*). It has also forged partnerships with foreign development institutions. There has also been progress on performance management, though this could be improved to provide better rewards for merit. Moreover, as seen in Morocco, AFD has strengthened its policy for local staff management: it makes greater use of local staff, and ensures they have pathways for career advancement, access to training in Paris and can move around between countries.

The technical co-operation architecture must be streamlined further

France intends that Expertise France, formed in January 2015 as a grouping of six agencies and supervised jointly by the MEAE and the MINEFI, will become France's main provider of technical expertise. It has expanded rapidly. In 2016, its volume of activity was worth EUR 121 million, 64% of which was multilateral in origin whilst 25% came from French Government orders and from AFD[13] (Expertise France, 2017). Expertise France aims to be self-financing by 2020, but this economic model is sometimes difficult to sustain. It currently has 270 salaried employees and over 200 experts in the field, and manages around 400 projects. But, its grouping of agencies from varied sectors, its spread of activities over a large number of sectors, the lack of clarity around its economic model, and its ties to other French co-operation actors in Paris and in the field are exerting strong economic pressure on the organisation and leading to a degree of staff discontent (CFDT et al., 2017).

The plan to enlarge Expertise France further by adding more agencies has been put on hold, but agreements between the agency and those ministries with agencies not yet part of Expertise France are likely to be finalised soon, so that it can mobilise the technical expertise it needs more easily (MEAE, 2018). Expertise France will join the AFD Group in 2019. Expertise France's economic model needs to be more clearly defined, as well as its role and relationships within the French co-operation system – both in Paris and in the field (French Senate, 2018).

Notes

[1] By forging this link, AFD aims to increase its capabilities by gaining access to CDC funds and acquiring additional, diversified expertise on local and regional issues.

[2] The council will hold ad-hoc meetings to take strategic decisions on the implementation of assistance and will report annually on the directions taken by ODA.

[3] France also plans to introduce "impact and financing plans" for target sectors such as education. These plans will identify proposed measures and the means of funding them over a period of several years.

[4] In Morocco, for example, the MEAE/SCAC and AFD are both involved in governance and support for Moroccan NGOs.

[5] For example, see https://www.senat.fr/rap/r15-675/r15-675.html.

[6] The document on cross-cutting themes (DPT) provides an overview of development co-operation activities and budgets each year.

[7] In recognising this problem, AFD has started to think about how to implement the Sahel Alliance, as well as its four initiatives (Sahel, Central African Republic, Lake Chad region and the Syria/Iraq region) funded by the Peace and Resilience Fund.

[8] More specifically, scrutiny by the French banking and insurance regulator.

[9] See https://acpr.banque-france.fr/accords-de-bale.

[10] Full-time equivalents.

[11] Figures provided by the MEAE in March 2018.

[12] About 15 resignations per year.

[13] The remaining 11% came from other French and foreign donors.

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Chapter 5. Delivery modalities and partnerships, globally, regionally and at country level

France is developing a variety of partnerships with a large number of actors, including emerging countries, and it delivers its aid jointly with other donors, in particular those from Europe. French aid is almost completely untied; it has become more transparent in recent years; and France performs well on development effectiveness, except for medium-term predictability. French co-operation is also appreciated by partner countries for the added value brought by its historical and cultural ties, its technical expertise and the range of instruments it has at its disposal. However, France does not draw up detailed partnership agreements with these countries that show all the activities funded and all anticipated outcomes. This makes overseeing co-operation, and monitoring and evaluation, difficult. France could also deploy its skills better in fragile contexts, do more to simplify its budgetary architecture and make its programming more flexible.

Partnering

Peer review indicator: The member's approach to partnerships for development co-operation with a range of actors (national and local government, UN agencies, development banks, CSOs, foundations, knowledge institutions, media, private sector) reflects good practice

France is developing a variety of partnerships with a large number of actors, including emerging countries. It delivers its assistance jointly with other donors, European donors in particular. French assistance is almost completely untied, and it has become more transparent in recent years. But there is still room to simplify the budgetary architecture and to make its programming more flexible.

Partnerships are numerous and varied

France is developing numerous co-operation partnerships, with multilateral agencies, development banks (in emerging countries too), civil society, local authorities, the private sector and the academic community.

French multilateral assistance goes chiefly to the institutions of the European Union, to special-purpose funds in the fields of health, climate and education, to a number of UN agencies (chiefly in the form of statutory contributions), and to development banks (Section 3.3). France has a share in the capital of these banks, and co-finances joint funds and projects with them through the French Development Agency (AFD). For example in Morocco it does so with the World Bank, the European Investment Bank, the European Bank for Reconstruction and Development and the African Development Bank. It also shares know-how and produces joint studies with the other financial institutions.

Positive steps have recently been taken to support civil society actors. An example is the creation of the National Council for Development and International Solidarity (CNDSI) in 2013 (Chapters 1 and 2). In terms of civil society more specifically, the fact that France has been a member of the Open Government Partnership since 2014, the aim of which is to strengthen consultation and co-operation between governments and civil society organisations, gives a positive signal. In addition, since 2015, AFD has contributed to the capital resources of a number of French and international non-government organisations (NGOs), thus enabling them to improve the predictability of their programmes and the independence of their activity. France has also launched the PISCCA programme (Innovative Projects of Civil Societies and Other Stakeholder Coalitions). This fund replaces the Social Development Fund in the countries concerned. Its objective is to encourage the emergence of organisations likely to operate effectively in the field, and to co-ordinate their work with government departments, local authorities and external actors. In Morocco and Niger, however, medium-sized NGOs report that they cannot access AFD funding managed from Paris, because the financial envelope administered by the French embassy in each country is modest and tailored more towards very small local NGOs (Annex C). Increasing the aid channelled through NGOs would be a good way of putting their know-how and capabilities to better use in their interaction with civil society. It would also be a route to helping the poorest in society – one of France's commitments in the context of the 2030 Agenda for Sustainable Development. The 2018 commitment by the Interministerial Committee on International Co-operation and

Development (CICID) to double the assistance channelled through NGOs and local authorities is thus a step in the right direction (MEAE, 2018a).

France has forged numerous partnerships with the private sector, chiefly through AFD and its subsidiary Proparco (Chapter 3). It has also created partnerships with emerging donors and developing countries through triangular co-operation, for example in a number of areas in Morocco (climate, infrastructure, environment, voluntary work, education). It also co-operates with financial institutions in emerging countries (Box 5.1).

Box 5.1. Enhanced co-operation with financial institutions in emerging countries

In 2011, AFD was a founder member of the International Development Finance Club (IDFC). AFD's CEO, Rémy Rioux, was appointed Chairperson of the IDFC in 2017. The IDFC is a global network of 23 public development financing institutions, 19 of which are in emerging or developing countries. With total assets of USD 3 500 billion and over USD 780 billion in annual funding, the IDFC is five times bigger than all the multilateral banks put together.

The objectives of the IDFC are to influence major international debates on development and climate finance through common positions, to identify and develop common business opportunities, and to pool know-how and good practice for mutual learning. For example, the IDFC commits USD 100 billion every year in "green" and climate finance and has devised common accounting methods for climate finance. Some IDFC members, including emerging countries, will be implementing Green Climate Fund projects.

AFD hopes to use its presidency to increase the club's influence in matters of climate finance, by implementing the Paris Agreement, exploring innovative opportunities in relation to the Sustainable Development Goals (governance, inequalities, urban development) and strengthening the IDFC's position as the third pillar of development financing alongside the multilateral banks and the private sector.

The Sino-French Third-Countries Investment Fund, with funding of EUR 300 million, is another example of France's desire to co-operate with financial institutions in emerging countries. The fund hopes to grow to EUR 2 billion in the years ahead, drawing on the complementary capabilities of French and Chinese enterprises to invest in the developing world.

In June 2016, France (along with other European countries but without the USA, Canada and Japan) joined the Asian Infrastructure Investment Bank set up by China in 2014. This is a further indication of its desire to strengthen its co-operation with and capability for investment in emerging markets.

Sources: Drif, A. (2016), « La France et la Chine s'allient pour investir à l'international » Les Échos, www.lesechos.fr/14/11/2016/lesechos.fr/0211491747052_la-france-et-la-chine-s-allient-pour-investir-a-l-international.htm; Nodé-Langlois, F (2015) « Pourquoi la France rejoint la nouvelle banque chinoise de développement » *Le Figaro*, www.lefigaro.fr/conjoncture/2015/03/17/20002-20150317ARTFIG00309-pourquoi-la-france-rejoint-la-nouvelle-banque-chinoise-de-developpement.php.

The French State has also strengthened its partnerships with local authorities, following adoption of the White Paper *Diplomatie et territoires* (Section 2.3) and AFD's creation of the French Local Authorities Financing Facility (FICOL) in 2014. This facility allows AFD to directly finance projects that are initiated and then implemented by French local authorities.[1] Elsewhere, the alliance between AFD and the *Caisse des Dépôts et*

Consignations (CDC) should enable the AFD to strengthen its links with local authorities. Lastly, the CICID gave a commitment in 2018 that by 2022 France would double its financial support to overseas action by local authorities (MEAE, 2018a).[2]

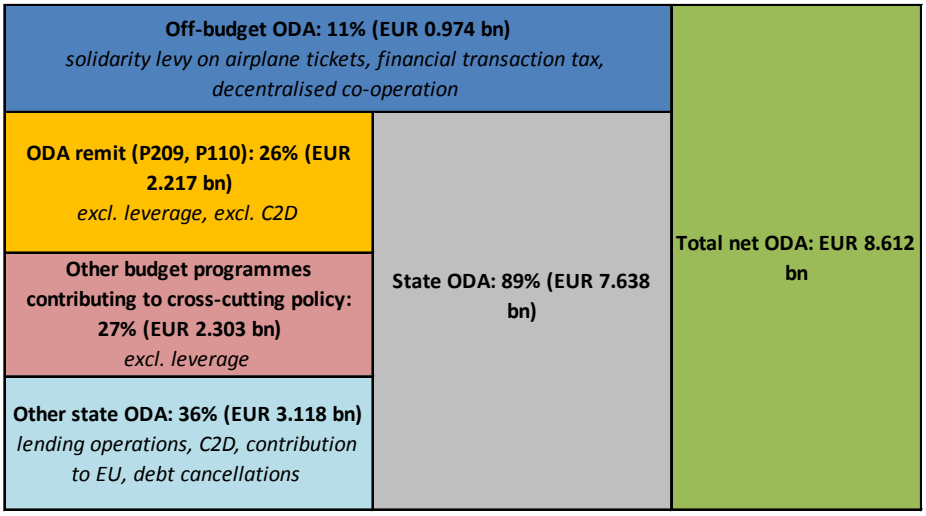
France is also developing numerous partnerships with research centres and universities. It does this through its own establishments – the French National Research Institute for Sustainable Development (IRD), the French Agricultural Research Centre for International Development (CIRAD), French National Institute for Agricultural Research (INRA) and the *Institut Pasteur* – all of which have offices in many developing countries and have been helping to strengthen the scientific community in those countries for years. It also does this through its institutes specialising in international development – the Foundation for Studies and Research on International Development (FERDI) and the Institute for Sustainable Development and International Relations (IDDRI) – and through co-operative projects with research establishments in France and abroad (MEAE, 2017). France is also developing its cultural co-operation, drawing on its network of 96 branches of the *Institut Français* and over 800 branches of the *Alliance Française*.

ODA budget programming remains complex and inflexible

The budgetary structure of French ODA is complex. There are 24 separate budget programmes; spread over 13 remits ("missions") managed by 14 ministries, plus off-budget loans that have been increasing in recent years. The two main budget programmes are programme 209 – "Solidarity with developing countries" – managed by the Ministry for Europe and Foreign Affairs (MEAE) – and programme 110 – "Economic and financial aid to development" – managed by the Ministry of the Economy and Finance (MINEFI). Together they make up less than one-third of total French ODA (Figure 5.1).

This means that two-thirds of French ODA are managed as part of remits (1) whose main objective is not development – some of them represent sizeable sums, such as "Research and higher education", worth EUR 1.07 billion in 2017 and made up chiefly of tuition fees and grants for higher education in France (MEAE, 2018b); or (2) which represent off-budget funds (mainly the financial transaction tax and solidarity levy on air tickets, and assistance to local authorities; see Section 3.4). The complexity of the budget structure makes it difficult to understand the relationship between budgets that are approved and what is ultimately recorded in the accounts as ODA.

Figure 5.1. France's ODA architecture (2016)



Note: C2D: Debt reduction and development contracts
Source: MEAE (2018b), « La Politique Transversale: Politique française en faveur du développement », www.performance-publique.budget.gouv.fr/sites/performance_publique/files/farandole/ressources/2018/pap/pdf/DPT/DPT2018_politique_developpement.pdf

Budgets are drawn up annually, and France does not share medium-term budget forecasts with its bilateral and multilateral partners. This has undermines the predictability of its aid. For example, as was seen in Morocco and Niger, the annual planning of the Solidarity Fund for Innovative Projects for local NGOs prevents them from planning their own future measures (Annex C).

France delivers its aid jointly with other European donors

The Orientation and Programming Law on Development and International Solidarity Policy (LOP-DSI), enacted in 2014, commits France to delivering its aid to beneficiary countries, where relevant, through joint European programming. In total, 56 countries, including 12 of France's 17 priority countries,[3] are part of this process. For these countries, France no longer produces a bilateral programming document and is looking to bring its programme cycles into line with those of the joint programming system. It will still seek to highlight the three priority sectors for French assistance (chosen from the 10 priority sectors defined in the LOP-DSI) and the two cross-cutting priorities, though it will have to show a measure of flexibility (Chapter 2). In Niger, for example, France took part in a joint diagnosis procedure and is waiting for the joint European programming to be finished before it decides which sectors will receive its assistance. This joint programming, if effective, will enable France to make its assistance less fragmented (Annex C).

France plays an active part in the aid co-ordination mechanisms in various countries, such as the Common Sectoral Fund for Education in Niger. It is the lead partner in some sectors, where it brings considerable added value, for example in water and sanitation in Morocco. It also uses delegated co-operation – for example in Morocco between AFD, the European Investment Bank and KfW in water, sanitation and electricity (Annex C). In 2016, the European Union delegated the management of EUR 541.2 million to AFD and EUR 63.3 million to Expertise France (MEAE, 2017).

Further progress needed on the transparency of assistance

France has increased the transparency of its assistance. Between 2012 and 2016, it continued to report satisfactorily to the Creditor Reporting System (Section 3.4). It has also improved its responses to the OECD's Forward Spending Survey, even if the scope of the information provided could be increased (OECD, 2017b). It also joined the International Aid Transparency Initiative (IATI) in 2016, but needs to improve its reporting[4] (OECD/UNDP, 2016). The MEAE and AFD publish information on the projects they fund on a single platform;[5] AFD is getting ready to publish its projected disbursements for each project. Information on projects funded by AFD and Proparco is published online in map form,[6] and AFD also publishes this on data.gouv.fr, the website for official French data.[7] AFD is also keen to increase the transparency of its non-sovereign funding and funding by Proparco and the French Global Environment Facility (FFEM), along with publishing decentralised ex-post evaluations (Chapter 6).[8] France is also pursuing efforts in the context of the Open Government Partnership, with a specific commitment to aid transparency.[9]

France's ODA is almost completely untied

The share of France's tied aid has steadily declined since 2013. In 2016, 96.3% of French bilateral aid was untied (Annex B, Table B.6), meaning that France outperformed the membership of the Development Assistance Committee (DAC) as a whole (whose share of untied aid was 81.3%; OECD, 2017a). France's ODA to least-developed countries (LDCs) and to non-LDC heavily indebted poor countries is almost totally untied (98.9% in 2016, compared with 88.3% for the DAC membership as a whole). It should be noted that, in 2014, 40% of contracts awarded by French co-operation ultimately went to French suppliers, slightly below the share for the DAC membership as a whole (42% of contracts awarded to suppliers in the donor country). In volume terms, 38% of the total value of contracts awarded by France went to French suppliers – well below the DAC overall figure of 46% (OECD, 2017a).

Country-level engagement

Peer review indicator: The member's engagement in partner countries is consistent with its domestic and international commitments, including those specific to fragile states

The fact that France does not draw up detailed partnership agreements with beneficiary countries that show all the activities funded and all anticipated outcomes makes overseeing co-operation, and monitoring and evaluation, difficult. France performs well on the effectiveness of its development aid, apart from its medium-term predictability. French co-operation is appreciated in its partner countries for the added value brought by its historical and cultural ties, its technical expertise and the range of instruments available to it. France could usefully deploy its skills better in fragile contexts.

The lack of an overall co-operation framework in partner countries makes it difficult to oversee and monitor co-operation

In the interest of harmonisation, France decided to stop drawing up bilateral programming documents in countries for which joint European programming is done (Section 5.1). In other countries it sometimes signs a framework partnership agreement with the beneficiary country. The form of this policy document may vary, but it does not, as a rule, name specific sums of money or indicators, and sometimes AFD does not feature prominently enough, as was apparent in Niger (Annex C). AFD has its own special strategy in some countries – such as Morocco – but these strategies do not include detailed sums of money or indicators either, and are concerned only with AFD projects, and only the broad lines of intervention are discussed with partner countries. The General Directorate of the Treasury also has a number of country strategies, but it does not share them with the countries concerned. The ministries for various sectors and establishments working in the area of co-operation sometimes have their own country strategies too.

It would be useful if France could prepare partnership frameworks covering all of France's development co-operation activities with each partner country to which it gives aid. Doing so would make it easier for the embassy to oversee co-operation, and would assist with dialogue with the national authorities. By including the financing amounts, objectives and indicators for all activities, they would also help to create an overall picture of France's co-operation in each country and make it easier to monitor the outcomes. For those countries where joint European programming occurs, these frameworks could be prepared once the joint programmes have been finalised.

France's development is effective, but crisis responses are limited by overly inflexible procedures

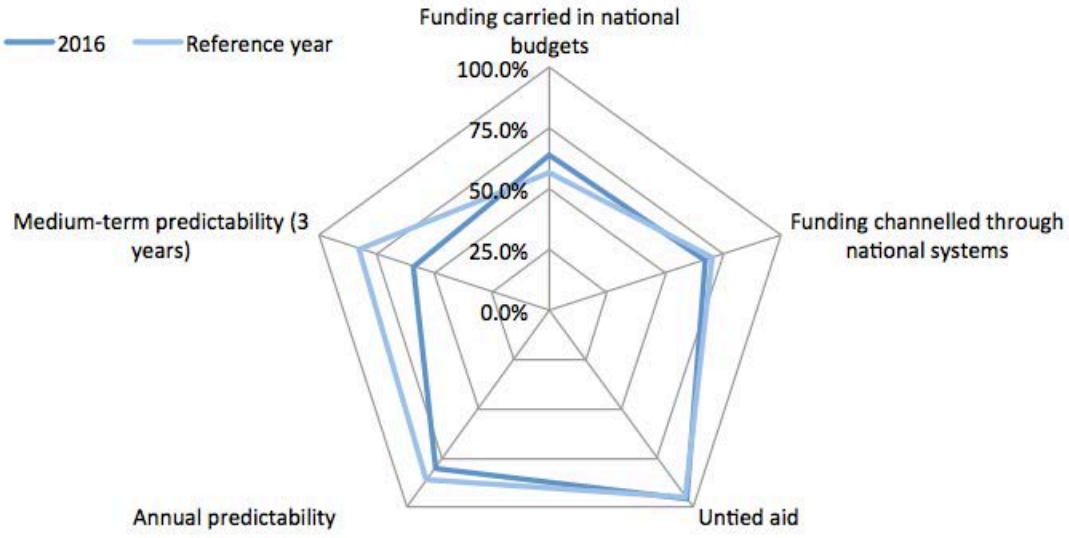
France has taken part in all the surveys of the implementation of the Paris Declaration and undertakings given at the Busan Forum on effective development.[10] The MEAE is responsible for co-ordinating and checking the quality and coherence of the data provided. France's performance on untying aid is highly satisfactory (Section 5.1), and it is making headway on transparency (Section 5.1). France is also doing well on ownership and alignment: it has increased the proportion of its funding that is allocated to national budgets from 57.1% in 2010 to 63.9% in 2016, and it channels a large part of its funding

through national systems (67.3% in 2016) – well above the DAC member average of 47.2% (Figure 5.2). France makes very extensive use of beneficiary countries' budgetary and procurement systems (OECD/UNDP, 2016).

AFD's projects are systematically carried out through local contracting authorities and in line with the beneficiary countries' procedures. Interviews with government representatives and other donors during visits to Morocco and Niger confirmed France's willingness for its aid to be owned by the partner countries and to use national systems (Annex C). However, the medium-term predictability of France's aid has worsened, slipping from 82.2% in 2013 to 58.7% in 2016;[11] this fall reflects the lack of a multiannual envelope in country partnership agreements (Section 5.1).

The Crisis and Support Centre (CDCS) has a clear structure, allowing a rapid response to crises and good co-ordination with the embassies concerned. Liaison with AFD's Crisis and Conflict Unit works smoothly in Paris, though the decision-making circuit is not flexible enough to provide an effective link between emergency aid or support and development. CICID's decision in 2018 to double the sums allocated to the Vulnerability Mitigation Facility (MEAE, 2018a) will require a revision of administrative procedures. Likewise, systemic introduction of multidisciplinary teams might help with the operational implementation of strategies, fostering a global and consistent approach to crises.

Figure 5.2. France's development effectiveness performance



Source: OECD/UNDP (2016), *Making Development Co-operation More Effective : 2016 Progress Report, OECD Publishing, Paris,* http://dx.doi.org/10.1787/9789264266261-en.

Beneficiary countries value the technical expertise, range of instruments and clearly stated terms of French aid

France's added value stems from its historical and linguistic links with most of its priority countries, and from its technical expertise and long-term engagement. These factors allow actors in the field to adjust to changes in the economic and social climate and to be alert to the needs voiced by their opposite numbers at national level. The range of instruments available - notably the arrangements for loans grants, and technical assistance projects – gives AFD the edge over other donors. This was seen in Morocco and Niger where the agency's strength in technical assistance leads the national authorities to choose AFD over other development banks, even if its financing terms are not always the most advantageous. The absorption of Expertise France into AFD will further increase the technical assistance available to projects, especially in areas that are new to AFD, such as governance.

Political conditions are attached chiefly to bilateral budgetary assistance, which makes up only a small part of French ODA. The conditions attached to aid delivered to local NGOs out of the Solidarity Fund for Innovative Projects are clear, but are sometimes too complex and unwieldy for the size of the sums allocated.[12] AFD does not attach political conditions to its projects, but they must respect certain principles (ethics, corporate responsibility, environmental safeguards and human rights). They must also meet techno-economic conditions and comply with banking regulations on corruption, money laundering or the financing of terrorism (MEAE, 2017) (Chapter 1). Nevertheless, France could make its aid more results-based (Chapter 6), in line with its undertakings at Busan. In Niger, for example, NGOs funded by AFD feel that the agency's projects focus too much on financial management and not enough on impacts (Annex C).

Global analysis of fragilities is needed to improve crisis prevention

France takes into account the multifaceted nature of fragility; it extends this also to the macroeconomic level, where it can exert an influence in its priority countries.[13] Assessment by region or crisis context is another positive factor, making it possible to gain a regional view of crisis factors. Fragility analysis is conducted by both the MEAE and AFD, and their capacities are expanding. There is good co-ordination between the two entities and with the Ministry of the Armed Forces (Ministère des Armées, 2016). Even so, AFD's Vulnerability Mitigation Facility is not yet sufficiently flexible, and the Crisis and Support Centre's modest Stabilisation Unit remains the only instrument able to quickly commit funds to prevent crises from escalating.

Notes

[1] For details see https://www.afd.fr/fr/la-ficol-un-tremplin-pour-laction-exterieure-des-territoires-francais.

[2] ODA delivered by local authorities totalled USD 91 million in 2016 (OECD, 2018).

[3] According to the list drawn up by the CICID in 2016 – see Section 3.2.1.

[4] In the 2016 Aid Transparency Index published by Publish What You Fund, AFD, the MEAE and the MINEFI are rated respectively as fair, poor and very poor (http://www.publishwhatyoufund.org/the-index/comparison-chart/).

[5] See https://opendata.afd.fr.

[6] See http://carte.afd.fr and http://carte.proparco.fr.

[7] See www.data.gouv.fr.

[8] In 2017, AFD introduced a mechanism for handling environmental and social complaints about its projects, and a policy of corporate responsibility including a section on transparency aimed at staff. It has, since 2012, published an annual corporate responsibility report as part of the Global Reporting Initiative (AFD, 2017).

[9] For the MEAE, this means extending the publication of ODA figures to include new geographical zones by 2019.

[10] Surveys conducted in 2005, 2007, 2011, 2013 and 2016.

[11] In total, 22 countries supplied data for this indicator in 2013 and 29 in 2016. Taking into account the 18 countries which replied to both surveys, the decline in performance is similar (from 83.0% in 2013 to 61.8% in 2016).

[12] Less than EUR 10 000 for most projects.

[13] For example, budgetary support for the Central African Republic enabled: (1) civil service salaries to be paid, with a preventive and stabilising effect; and (2) elections to be held (MEAE, 2015).

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Chapter 6. Results, evaluation and learning

All of France's official development assistance (ODA) is aligned with aggregate indicators, but even so, results-based management is not mainstreamed across ministries or their agencies. Moreover, the growing importance of the French Development Agency (AFD) will require it to be even more transparent and better at communicating the results it seeks and achieves. Evaluations of French aid are done by the three main providers of French aid, and are in line with DAC principles. But projects are not systematically screened for their ability to be evaluated or the quality of their support frameworks. This can make project quality assurance difficult. Nor does France invest as much as it could in strengthening the evaluation capacity of the authorities in partner countries; yet this approach would allow it to delegate more. A database and communities of practice make it easier to search for information on evaluation findings, but France has no formal mechanism for systematically disseminating evaluation results or the lessons learned.

Management for development results

Peer review indicator: A results-based management system is being applied

All of France's ODA is aligned with aggregate indicators, but even so, the approach to results-based management is not uniform across ministries and their agencies. Updating the various performance indicators and revising the 2014 Orientation and Programming Law on Development and International Solidarity Policy (LOP-DSI) are opportunities to better align the various indicators with the Sustainable Development Goals (SDGs). Moreover, the growing power of AFD will require a more transparent approach and better communication of the outcomes sought and achieved.

France has introduced a list of common indicators for its ODA

Since 2013, France has reported its overall results using 31 indicators aggregated ex-post and listed in the annex to the 2014 LOP-DSI law, which constitutes the framework for French development policy. Of these indicators, 17 measure bilateral aid and 14 multilateral aid (JORF, 2014); they cover France's thematic and cross-cutting priorities and are used in the twice-yearly reports to parliament.

All ministries and agencies use some of these indicators, all of which describe the output more than the result or impact – such as the number of agricultural businesses or holdings that receive AFD funding, or the reductions in greenhouse gas emissions brought about by AFD-funded projects. The multilateral indicators are broken down by sector and by multilateral agency, and are collected by the Ministry for Europe and Foreign Affairs (MEAE) and the General Directorate of the Treasury (DGT). The bilateral indicators are collected for the most part by AFD.

Whilst these indicators have the benefit of providing an overall picture of France's activity, they are not yet in step with the SDGs. Nor are they aligned with the performance indicators defined for each budget programme and appended to the draft budget act (two examples of performance indicators include: the proportion of AFD's commitment authorisations with a gender objective or a climate-related co-benefit). Exercises to align the various indicators with the SDGs are currently under way. This would be a good time to review and harmonise these different exercises. Even within AFD – an agency that is at the forefront of aid financing and growing in importance globally – monitoring and results are seen as mechanisms of control and accountability rather than as tools for improving project implementation or learning. For them to be used in this way will mean strengthening the human and logistical resources allocated to monitoring and results management.

The focus of results is on projects, not countries

France aligns its goals with those of its partner countries. As far as possible, it adopts results frameworks based on their national or sectoral plans, and that concentrate on France's contribution rather than attributing results to French actions. This is a good thing. AFD is embarking on a large-scale exercise to streamline project indicators and devise a set of standard sector indicators for projects that align to the SDGs. For example, in the urban planning sector, which originally had 200 or so indicators, AFD now has 7 key indicators from which project leaders can choose the most appropriate (2 of these 7

indicators[1] are on the list of the aggregate indicators appended to the LOP-DSI). This good practice makes it easier to evaluate projects. But AFD could also compare and harmonise its indicators with those of other donors. Choosing common indicators would have the benefit of strengthening the coherence of projects within AFD.

On the other hand, France has devised very few country strategies. Even the strategies developed by AFD lack a performance framework to collect the data and results from the various projects and match these with the partner country's desired results. This makes it hard to know how France's interventions within a country overall are consistent with partner countries' results frameworks. Likewise, it is impossible to have an overall picture of the outcomes to which France has contributed in each partner country. In reality, apart from the 17 aggregate indicators and information collected at project level, France has not identified the outcomes it seeks to achieve at country, programme or thematic level. That makes results-based management all the harder and means that France cannot assess the year-on-year changes in its development aid programme or measure the true impact of its financial support.

Results-based management is not streamlined across the administration, although there are steps in the right direction

AFD project leaders announce the indicators for each bilateral aid project at the start of each year. A single sector may have up to 200 indicators, collected manually by the agency's head office in Paris and grouped under 10-20 indicators according to sector or thematic priority. In turn, these go to make up the 17 "meta-indicators" which must be reported to parliament. Thus the data collected are far more detailed than the 17 aggregate bilateral indicators, but AFD does not as yet systematically use these data to improve its management, programming or learning. AFD's annual reports talk about the agency's various co-benefit targets and report on 12 of the 17 aggregate indicators for bilateral aid. Nevertheless, there is still much to be done to show how far French co-operation furthers the development goals of its partners as well as its own. This need is even greater given the agency's plans to increase the volume of its activities (Sections 3.1 and 4.3).

Evaluation system

Peer review indicator: The evaluation system is in line with the DAC evaluation principles

Evaluations are important for learning and now play a more strategic role. They are commissioned by the three main providers of French aid, and are in line with DAC principles. Nonetheless, projects are not systematically assessed for their ease of evaluation or the quality of their support frameworks. This can make project quality assurance difficult. France could conduct more joint evaluation and could invest more in strengthening the evaluation services of the authorities in partner countries, an approach that would allow it greater freedom to delegate project and programme evaluation and to take on more of an advisory role.

The evaluation service is spread over three institutions, but is well co-ordinated

The evaluation of French development assistance reflects its institutional architecture consisting of three separate entities: the MEAE, the General Directorate of the Treasury and AFD. The LOP-DSI of 2014 provided for the creation of an Observatory for Development Policy and International Solidarity. This independent body was supposed to have access to all the information of the evaluation services and comprises 11 members: 4 members of parliament and 7 representatives from each group in the National Council for Development and International Solidarity (CNDSI). The Observatory only formally met for the first time in April 2018. This does not appear to have been problematic, given that the three evaluation services work closely together and meet more often than the required four times a year to plan evaluations, monitor and consider recommendations and conduct joint interministerial evaluations (DGT, 2017). The two ministries represent the state on AFD's Evaluations Committee.

The evaluation systems for French co-operation all follow the evaluation principles of the Development Assistance Committee (DAC), namely: impartiality and independence, credibility and utility, donor and beneficiary participation, and co-ordination among donors (OECD, 2010). Even so, these last two principles could be further strengthened. Every evaluation, whether commissioned centrally or not, is done by outside experts selected on a competitive basis. The evaluation is guided by a Reference Group consisting of French government officials, representatives of the project oversight structure in the partner country, sectoral researchers and experts, operators and non-government organisations (NGOs). This was the case, for example, for the Irrigation Evaluation Reference Group and the French Muskoka Fund.[2] The Reference Group advises and monitors the terms of reference, the implementation of the evaluation and the reports produced by the consultant.

Lastly, the *Cour des Comptes* analyses the execution of the national budget for each remit and programme, including those relating to ODA, and conducts its own investigations into thematic issues, such as official assistance to health in 2018. While the budget execution notes are made public, the thematic reports are rarely made public.[3]

Evaluations are more strategic, with an eye to future projects

Following the recommendation of the 2013 Peer Review (Annex A) France now conducts more strategic programming of evaluations, and they are better co-ordinated among the

MEAE, AFD and the DGT. The MEAE conducts three to four new "strategic" evaluations per year, after consulting geographic and sectoral services. AFD programmes evaluations on the basis of four criteria: (1) knowledge deficit; (2) AFD's strategy priorities; (3) evaluability; and (4) the added value brought by evaluation. AFD carries out 30-35 evaluations a year, 25 of which are (decentralised) project evaluations. Historical records for a number of decentralised evaluations are now available to the public.[4] The DGT evaluates France's contributions to banks and multilateral funds (such as the World Bank, regional development banks and sectoral funds) before these funds are replenished; it also evaluates bilateral aid it finances under budget programme 110 for grants and programme 851 for loans.[5]

AFD is increasingly conducting mid-term evaluations in order to learn lessons that will guide the next stages of projects; this more strategic approach was noted in its work with Morocco. Similarly, an impact evaluation of drinking water infrastructure in Uvira, Democratic Republic of the Congo,[6] allowed the project to change direction (AFD, 2018).

Analysis of a "cluster" of projects takes the form of meta-evaluations which yield more cross-cutting conclusions, on climate for example. This very positive development could usefully be taken further. AFD has also experimented with videoed evaluations which allow more contextualised conclusions to be drawn; but these are very expensive.

Project evaluability is not systematic, and the robustness of support frameworks is not guaranteed

AFD's evaluation team is currently analysing the ease of evaluation and the robustness of project support frameworks – this is to be commended. However, it lacks both the mandate and resources to determine the evaluability of all the logical frameworks and arrangements for all the agency's projects[7], and there is no other means of ensuring that indicators and project objectives match. At the same time, MEAE's evaluation department is also working to improve the ease of evaluation of the projects it funds (Solidarity Fund for Innovative Projects, civil society, the *francophonie* and human development and PISCCA). Project managers at AFD are not obliged to read earlier evaluations of similar projects before submitting a new project document. Consequently, many projects are hard to evaluate, because no harmonised in-depth work exists on logical frameworks and indicators, despite the fact that the evaluation service holds twice-yearly training events on logical frameworks for project leaders and technical staff. In other DAC countries, this work is done by operational entities as part of project and programme monitoring.

The *Cour des Comptes* has also pointed to the lack of external evaluation of French ODA. It recommends that a greater number of projects be evaluated and reported on more often and in more detail – to AFD's Board of Directors in particular – given that the agency's volume of activity is set to increase considerably. In fact, AFD is in the process of reviewing its procedures to improve evaluability, manage expectations and provide quality assurance through its team of 15 evaluators. Hopefully, this will mean that project completion reports – almost mere "box ticking" at the moment – play a part in ex-post accountability, enabling project leaders to appraise projects at both the end stage and the initial stage of preparing loans or grants.

Proparco, the AFD subsidiary for the private sector, carries out ex-ante evaluations of the impact of aid financing on the number of jobs created, carbon dioxide emissions avoided, and taxes paid by the corporate sector. With the help of consultants, it conducts around

four ex-post studies a year on dedicated lines of financing (for agriculture, for example) or on investment funds. These studies are accessible to shareholders, including the subsidiary's supervisory bodies, but they are not made public.

France does not prioritise building evaluation capacity in countries and delegates few evaluations to government

AFD plans to delegate more evaluations to in-house staff or experts, or to peers, as currently done by KfW. It also plans to start participatory evaluations. The agency does not delegate evaluation contracts to national authorities in partner countries, who only participate through the Reference Group. Neither does France support the evaluation functions in partner country governments. It does, however, support national statistical institutes, especially in French-speaking Africa. Decentralised, or project, evaluations are not tied to strategic evaluations but are programmed on demand. Consequently, there is no real strategic oversight allowing project requests and planning from head office to be grouped according to strategic themes. The evaluation service is keen that a team based at head office should conduct one-third of all decentralised evaluations, to promote the sharing of experience gained in the field and improve the quality of project evaluation.

Institutional learning

Peer review indicator: Evaluations and appropriate knowledge management systems are used as management tools

France has no formal mechanism for systematically disseminating evaluation results and lessons learned; however, a database and communities of practice make it easier to search for information on evaluation findings. In addition, AFD and the Interministerial Committee on International Co-operation and Development (CICID) are studying ways of improving knowledge management.

There is no proper link between evaluations, capitalising on experience and knowledge management

France has no formal system for ensuring that recommendations are acted on or that evaluation findings are used and any lessons arising learned. Whilst evaluations are targeted and tailored to the requirements of operational staff, the results are not systematically used when new phases or new projects are being prepared. Greater effort by embassies and AFD to capitalise on the knowledge arising from evaluations would strengthen the strategic importance of decentralised evaluations, which are rarely disseminated within or across the agency's departments, to partners or the general public.

It should be noted, however, that progress has been made on institutional learning. The communities of practice in AFD's social network ("*La Ruche*", or "The Hive") now share information and lessons gained from evaluations, and AFD staff can do keyword searches of a database that contains some 450 evaluations. But it is not possible to ascertain how far these instruments are helpful in the preparation of new projects.

AFD is considering making information sharing more widespread, for example by providing summaries of decentralised evaluations or sectoral memos detailing evaluation findings. The MEAE and AFD are working closely here with F3E (Evaluate, Exchange,

Explain), a network of NGOs and local authorities which organises a number of spaces for knowledge sharing. AFD assists the work of the F3E network as part of its support for NGO initiatives and for organising workshops.[8] The DG Treasury, together with F3E, moderates a group of the French Society of Evaluation specialising in development evaluation.

The conclusions of the CICID meeting in February 2018 (MEAE, 2018) state that evaluation results will be reported annually to the National Development and International Solidarity Council (CNDSI). Up until now, the three evaluation departments published a summary of their evaluations to complement the biannual report to parliament on the French development strategy. Reporting directly to the CNDSI will allow for further assessment of the effectiveness of France's commitments to development co-operation (MEAE, 2018).

The implementation of an internal communication system and communities of practice within AFD's social network ("*La Ruche*") are significant steps towards a culture of knowledge management. AFD has also worked on the sharing and exchange of knowledge through measures to capitalise on experience. A culture of more structured knowledge capitalisation, plus mechanisms for sharing experience among the various actors making up the AFD Group, would enable the MEAE and the DGT to improve internal learning in the French co-operation system.

Notes

[1] (1) Number of passengers using public transport on routes funded; and (2) number of residents in disadvantaged districts whose living environment is improved or made safer.

[2] The French Muskoka Fund (FFM) aims to reduce maternal, newborn and infant mortality by reinforcing healthcare systems in 10 French-speaking countries in Africa and Haiti.

[3] The budget execution notes from 2014 to 2016 are available on the website of the *Cour des Comptes*. The 2016 note can be found here: https://www.ccomptes.fr/sites/default/files/EzPublish/NEB-2016-Aide-publique-au-developpement.pdf

[4] See https://opendata.afd.fr/explore/dataset/evaluations-retrospectives-publiques-projet/table.

[5] Such as the French Global Environment Facility and the debt reduction and development contract (C2D).

[6] This evaluation showed that almost a quarter of all cholera cases reported in this city during the period 2009-14 were directly attributable to regular malfunctions of the drinking water treatment plant.

[7] Although the "sustainable development opinion mechanism" is studying this issue, it is not able to monitor the follow-up to its recommendations.

[8] Through its co-operation with F3E, which is a member of the Barefoot Guide Alliance, AFD is involved in the Alliance's workshops – for example those on transformative evaluation (BGC, 2018).

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Chapter 7. Humanitarian aid

France's humanitarian aid budget over this review period was not generous enough to achieve the country's objectives or sustain its increased level of engagement in crisis zones. Its new humanitarian strategy contains renewed ambitions that are part of its overall approach to crisis management. The plan to increase annual humanitarian aid spending to EUR 500 million between now and 2022 should substantially strengthen France's humanitarian role through its well-established partnerships and clear, though complex, decision-making and budgeting mechanisms. The overall approach, involving greater commitment of ODA in crisis zones and more structural dialogue with actors in the military sphere, will require continual vigilance to safeguard the mandates and added value of every actor.

Strategic framework

Peer review indicator: Clear political directives and strategies for resilience, response and recovery

France's humanitarian aid budget during this review period was not generous enough to achieve the country's objectives and sustain its greater engagement in crisis zones. By joining the Grand Bargain initiative in late 2017, France placed its humanitarian aid within a broader overall approach to crisis management. With French humanitarian aid set to increase to EUR 500 million by 2022, it could be made more coherent by simplifying the way in which the humanitarian aid budget is managed.

Renewed ambitions require a more generous budget

At the 4th National Humanitarian Conference on 22 March 2018, France adopted a new humanitarian strategy (MEAE, 2018b) for the next four years. This seeks to align humanitarian aid with France's overall approach to crisis contexts and the undertakings it gave at the World Humanitarian Summit – the Grand Bargain (GB, 2016) – which France joined in 2017. The previous strategy for French humanitarian aid, which was in force during the review period (MEAE, 2012), enabled France to strengthen partnerships, but budgetary constraints prevented it from achieving some of its objectives, notably on disaster prevention and preparation.

Indeed, the principal weakness of France's humanitarian aid continues to be the low level of resources allocated to it (OECD, 2013). In 2016, France's humanitarian aid totalled USD 153 million,[1] or 1.3% of its official development assistance (ODA), which was the lowest rate of all members of the OECD Development Assistance Committee (DAC).[2] In the absence of any credible increase in its (bilateral) contribution, France is depriving itself of the coherence it needs in crisis settings – especially in the Sahel region, where humanitarian emergencies are virtually permanent and are not necessarily caused by migration or security issues (UNOCHA, 2017). France's latest budget plans, as announced by the CICID in February 2018, are encouraging in this regard (MEAE, 2018a).

The global approach is coherent, but crisis tools need to be adapted

France has a wide range of instruments for intervening in crisis contexts; these could usefully be adapted and simplified. The 2018 meeting of the Interministerial Committee on International Co-operation and Development (CICID) confirmed the importance which France attaches to a global approach that uses political, military and development co-operation instruments (MEAE, 2018a). France has underlined its capacity for analysing the factors contributing to a crisis, as well as its willingness to prevent them from escalating. This model would be more coherent if humanitarian action was both more ambitious and followed simplified procedures designed to meet the needs of populations in priority contexts, where France also deploys other crisis response instruments. As part of this overall approach, the French Development Agency (AFD) set up a special facility in 2016 for financing in fragile contexts, the budget for which will double by 2020 (MEAE, 2018a). This facility's potential will be tapped using procedures that make sure programmes meet urgent needs of the regions concerned.[3]

Effective programme design

Peer review indicator: Programmes target the highest risk to life and livelihood

The mechanisms for allocating humanitarian aid reflect the overall crisis response, underpinned by a very sound understanding of operational contexts. But the political priority given to dealing with migration eats significantly into humanitarian aid allocations, which are not based solely on need. In addition, budgetary constraints and the dispersal of the budget across three different directorates have fragmented humanitarian aid.

Funds are allocated in response to crises and French priorities

Like most DAC members, France shapes its humanitarian responses from information and appeals received from its humanitarian partners and from its own network, which is fed by an extensive diplomatic presence.[4] A look at the sums earmarked by France shows that the country spreads its modest humanitarian aid budget over a large number of crises. As a result, it is thinly spread, made worse by the fact that responsibility for humanitarian aid is shared by three directorates within the MEAE (see Section 7.4). France responds to these crises according to its political priorities and international commitments. In 2016, most of its aid went to the EU Facility for Refugees in Turkey.[5] Thus, the Middle East has become the main beneficiary of French humanitarian aid, well ahead of the Sahel region, even though the Sahel is a stated priority in the overall approach linking development and security. Lastly, an increasing number of stabilisation and development programmes are being designated as humanitarian. This shows how hard it is to apply a strict definition of humanitarian aid in the context of a wider approach to crisis management.[6]

Localisation of aid is a future aspect to be built

Through the embassies, the Co-operation and Cultural Action Office (SCAC) maintains a network of local partners, some of which could build their capacity for humanitarian crisis response. This would increase the localisation of French humanitarian aid, in line with the Grand Bargain.

Effective delivery, partnerships and instruments

Peer review indicator: Delivery modalities and partnerships help deliver quality assistance

France's humanitarian partnerships and mechanisms were strengthened during the review period. The MEAE's Crisis and Support Centre is an effective mechanism for crisis response. However, a humanitarian budget closer to the DAC average would earn France credibility in the eyes of its partners and help it to balance its crisis response within its overall approach.

Crisis support involves a range of tools

Despite its tradition of a strong humanitarian identity amongst civil society, humanitarian aid is not a major feature of France's crisis response. Humanitarian partnerships constitute business as usual, and multilateral and bilateral actors find it regrettable that the funds committed do not match the quality of their dialogue with France. France prefers to participate in the emergency trust funds managed by multilateral organisations. Thus, it contributes chiefly to programmes and funds managed by the World Bank and European Union, which receive the majority of French multilateral humanitarian aid.[7] By participating in these funds it is able to contribute to graduated responses – from emergency aid to long-term aid – and is part of an overall approach that seeks to foster resilience among vulnerable populations. However, France could consider analysing the cost-effectiveness of each fund and recipient before allocating new humanitarian budgets. AFD also benefits from these trust funds as an implementing agency; whilst this allows it to make the most of its own funds and improve project coherence, the down-side is that operations are subject to the twofold procedures of the European Union and AFD, doubling transaction costs.

France's crisis response system is effective

The Crisis and Support Centre is the focal point of France's crisis response system. It co-ordinates the various response tools and liaises with the armed forces, civil protection and all other departments involved in crisis response, whether the crisis is humanitarian or not. This centralisation makes for a more coherent response and clear decision making.

Mobilisation of France's civil protection teams, especially when part of co-ordinated operations by the European Union, remains rapid and effective.

Strengthening the Emergency Humanitarian Fund will create stronger ties with NGOs

France recently joined the Grand Bargain, which will enable it to align some of its procedures with those of its humanitarian partners. That said, the Emergency Humanitarian Fund is already viewed positively by its beneficiaries for being fast and reactive, and for its light reporting requirements. Nevertheless, the fund's modest and unpredictable budget,[8] which is topped up as and when crises demand, limits its action to only the highest-profile crises.

Dialogue with non-government organisations (NGOs) has been reinforced in this review period. The Humanitarian Consultation Group, formed in 2013, brings together humanitarian actors and the MEAE in meetings every two months. This frequency allows for discussion of fairly technical and operational issues, which are not necessarily appropriate for the high level participation in this dialogue. France could adapt the format of the dialogue in order to draw greater benefit from it.

The lack of a sizeable humanitarian aid budget limits the scope for co-ordination

France takes part in joint European Union programming for the Sahel region. However, the constraints on France's budget for bilateral humanitarian aid, including in its priority zones, prevent any proper co-ordination of France's aid. Through the Alliance for the Sahel, France co-operates most closely with Germany, a key partner in development and security (Conseil des Ministres, 2017). But co-ordination here does not cover humanitarian aid, even though Germany has become a major player in that field in the space of just a few years.

Organisation fit for purpose

Peer review indicator: Systems, structures, processes and people work together effectively and efficiently

Already fragmented at the time of the last review, France's humanitarian aid machinery remains complex. Its desired overall approach, necessitating greater commitment by AFD in crisis zones and enhanced structural dialogue with actors in the military sphere, will require changes to the machinery of humanitarian aid while safeguarding the responsibilities and added-value of each actor.

The Emergency Humanitarian Fund could be better used

The MEAE has three different sections handling humanitarian aid: the General Directorate for Globalisation manages programmed food aid; its United Nations Directorate manages contributions to the UN agencies; and the Crisis and Support Centre manages the Emergency Humanitarian Fund. Whilst this latter body is the most flexible and responsive when a crisis arises or escalates (alongside the other units of the Crisis and Support Centre), it is also the humanitarian section with the smallest budget at the start of each year, and the least predictable. Co-ordination among the three bodies is good. Nevertheless, France might rethink the workings of its aid machinery and could improve its coherence by forming a single unit capable of taking humanitarian funding decisions according to how much added value each instrument brings to each specific context.

The global approach requires vigilance to safeguard responsibilities and skills

France deploys its armed forces in numerous settings of crisis or tension.[9] France's global approach to crisis response means that there is increasing interaction between military and civilian elements, including humanitarian actors. In order to comply with the humanitarian principles by which France sets great store, it has long had guidelines for its armed forces in their dealings with civilians (Ministry of the Armed Forces, 2012). Even so, the closer link between peace, security, development and humanitarian aid inherent in

the global approach requires greater vigilance to safeguard the responsibilities of each actor and preserve their distinctiveness and credibility: i.e. the security role of armed forces personnel, the role of development actors in fighting poverty and inequalities in pursuit of the Sustainable Development Goals, and the role of humanitarian actors in providing an emergency response to preserve lives and livelihoods.

Humanitarian advisers are vehicles of effective aid

France is one of the few DAC members able to deploy humanitarian advisers in a crisis; they ensure that the scale of the need is matched by an adequate response. This added value enhances the effectiveness of partnerships and the pertinence of analyses. Even so, the modest level of humanitarian aid does not allow these advisers to maximise their influence or to ensure the global co-ordination of the humanitarian response, and their work is limited mainly to co-ordinating the French response to a crisis.

Results, learning and accountability

Peer review indicator: Results are measured and communicated, and lessons learnt

Humanitarian programmes are evaluated regularly. Evaluations have a direct influence on shaping new avenues for intervention. Monitoring tools are being strengthened, which will be useful given the budget increases announced at the CICID's 2018 meeting.

Monitoring tools are already in place

Humanitarian goals remain fairly general, and measurement of humanitarian aid is largely qualitative. A number of studies, including one mid-term evaluation (URD, 2015), added to the debate which culminated in a new French humanitarian strategy. The MEAE is keen to introduce a field audit mechanism for the Emergency Humanitarian Fund; this would be a good practice if the fund gets bigger. Likewise, joint evaluation by AFD, the MEAE and the General Directorate of the Treasury of French participation in multi-donor crisis and post-crisis trust funds (including European trust funds) will allow better appraisal of the operational benefits and procedure timeframes of these mechanisms. Finally, deploying humanitarian experts to crises is the best way to monitor activities. It also enriches the partnership with actors in the field by introducing dialogue and scrutiny over and above activity reports alone.

Clear messaging is still needed

France's modest humanitarian budget in relation to its ambitions, and its fragmented administrative architecture, create less-than-ideal conditions for clear messaging to stimulate public support – at a time when the migration crisis and conflicts in France's priority zones are dominating the headlines. Disseminating the new humanitarian strategy and the new strategy on fragility would be an opportunity to define a clear public message on France's humanitarian action.

Notes

[1] Creditor Reporting System, consulted 28 February 2018, http://stats.oecd.org/Index.aspx?datasetcode=CRS1.

[2] OECD Aid at a Glance table, https://public.tableau.com/views/AidAtAGlance/DACmembers?:embed=y&:display_count=no?&:showVizHome=no#1.

[3] For example, development programmes in primary healthcare or education have to take account of the various difficulties faced by the populations in question (access, security, purchasing power), which often mean that a combination of humanitarian and development response is required (OECD, 2017).

[4] France, with its 163 embassies, is the world's third largest diplomatic network. Each embassy has a humanitarian contact. In crisis zones, France also deploys humanitarian experts.

[5] In 2016, France reported contributions of USD 98.2 million to the EU Facility for Refugees in Turkey (http://stats.oecd.org/Index.aspx?datasetcode=CRS1). France's contribution for 2017 was EUR 136 million; its total share for the period 2016-18 is EUR 309 million (French Senate, 2016).

[6] For example, regional stabilisation projects around Lake Chad that included elements of justice and peace; projects to reform the security sector in the Central African Republic; and environment projects in South America and Asia were all reported as French humanitarian aid in 2017 (http://stats.oecd.org/Index.aspx?datasetcode=CRS1).

[7] French participation in trust funds managed by multilateral organisations accounted for 75% of France's multilateral humanitarian aid (implemented chiefly by the World Bank) in 2014 and 80% in 2015. In 2016, France's contribution to the EU Facility for Refugees in Turkey was USD 98.2 million, or 97% of all France's multilateral humanitarian aid and 64% of French humanitarian aid (http://stats.oecd.org/Index.aspx?datasetcode=CRS1).

[8] The Emergency Humanitarian Fund has an envelope of approximately EUR 15 million a year.

[9] In November 2017, the Ministry of the Armed Forces had 11 050 personnel on operational deployment, divided between external operations (including naval) and forces stationed abroad (Ministry for the Armed Forces, 2018).

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Annex A. Progress made in implementing the recommendations of the 2013 peer review

Development beyond aid

Recommendations in 2013	Progress since 2013
• France should establish an appropriate policy mechanism to promote and monitor progress in ensuring that its policies support development objectives in the six priority sectors it has identified.	Recommendation partially implemented

Strategic orientations

Recommendations in 2013	Progress since 2013
• France should specify the criteria for selecting priority countries and for allocating resources via either bilateral or multilateral channels.	Recommendation partially implemented
• France should clearly identify a long-term strategic approach to capacity-building and build the gender approach more effectively into its policies, forms of intervention and mechanisms.	Recommendation partially implemented
• France should translate the updated strategy for fragile States into an action plan and tangible realistic tools, and within this framework indicate its approach to post-crisis situations.	Recommendation implemented

Aid volume, channels and allocations

Recommendations in 2013	Progress since 2013
• France should establish a realistic trajectory for achieving the 0.7% ODA/GNI ratio as soon as possible.	Recommendation partially implemented
• France should more closely align the objectives of its co-operation with the resources allocated, taking special care to ensure that the extension of the geographical area for cooperation does not compromise its ability to help reduce poverty in poor and fragile countries. At the same time, it should ensure an appropriate balance between grants and loans.	Recommendation not implemented
• France could adopt a more strategic approach to its multilateral co-operation, by both clarifying the principles for distributing resources among institutions and specifying how they complement bilateral aid.	Recommendation partially implemented

Organisation and management

Recommendations in 2013	Progress since 2013
• France must continue to improve its development policy management by restoring operational strategic co-ordination and creating a permanent forum for dialogue with civil society.	Recommendation partially implemented
• France should continue to consider means of rationalising the central system and the co-operation network in order to reduce transaction costs, and plan human resources so as to anticipate needs in terms of expertise at headquarters and in partner countries.	Recommendation implemented
• AFD should consolidate its human resources and optimise their management, while adjusting its financial model in accordance with changes in the international context and in its role as a development agency.	Recommendation implemented

Delivery and partnerships

Recommendations in 2013	Progress since 2013
• France should ensure that the resources allocated to embassies for co-operation programmes match the level of authorised commitments.	Recommendation partially implemented
• France should target fewer strategic sectors in partner countries so as to strengthen the efficiency and impact of its co-operation programmes.	Recommendation not implemented
• AFD should continue to adjust its procedures and resources to adapt them to its assignments, partners and operational contexts, especially in regards to fragile States and civil society organisations.	Recommendation partially implemented

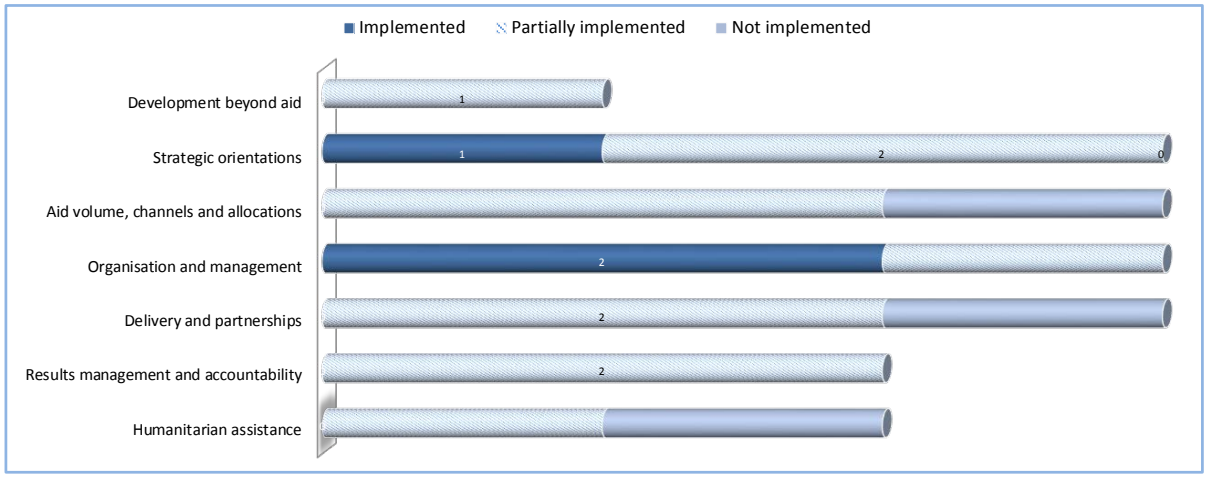
Results-based management and accountability

Recommendations in 2013	Progress since 2013
• In order to better steer the programme and be accountable to the public for the results achieved, France should consolidate a single set of indicators reflecting its development objectives, and include results frameworks in the strategic documents that guide its cooperation in partner countries.	Recommendation partially implemented
• France should ensure that it programmes its evaluations strategically, and improve the recommendations' monitoring system, so as to better use evaluations as a strategic management tool.	Recommendation partially implemented

Humanitarian assistance

Recommendations in 2013	Progress since 2013
• In order to meet its burden-sharing commitment and implement its new humanitarian strategy, France should significantly increase its humanitarian aid budget.	Recommendation not implemented
• France should establish clear criteria for identifying where, what and who to fund, and spell out clear terms concerning the use of military means or staff.	Recommendation partially implemented

Figure A.1. Implementation of recommendations made after the 2013 peer review, by theme



Annex B. OECD/DAC standard suite of tables

Table B.1. Total financial flows

USD million at current prices and exchange rates

Net disbursements

France	2002-06	2007-11	2012	2013	2014	2015	2016
Total official flows	**8 927**	**12 291**	**12 720**	**12 128**	**11 300**	**9 459**	**9 744**
Official development assistance	**8 368**	**11 861**	**12 028**	**11 339**	**10 620**	**9 039**	**9 622**
Bilateral	5 911	7 333	7 929	6 801	6 514	5 157	5 642
Grants	6 093	6 096	5 624	5 168	4 526	3 755	4 030
Non-grants	- 182	1 237	2 305	1 632	1 987	1 402	1 611
Multilateral	2 457	4 528	4 099	4 538	4 107	3 882	3 980
Other official flows	**559**	**430**	**692**	**789**	**680**	**420**	**122**
Bilateral: *of which*	559	430	692	789	680	420	122
Investment-related transactions	115	430	692	789	680	420	- 23
Multilateral	-	-	-	-	-	-	-
Officially guaranteed export credits	**-1 706**	**332**	**-1 220**	**- 119**	**- 2**	**- 27**	**-**
Net Private Grants	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Private flows at market terms	**5 247**	**25 697**	**18 078**	**-1 486**	**7 924**	**-8 198**	**12 219**
Bilateral: *of which*	5 247	**25 697**	18 078	-1 486	7 924	-8 198	12 219
Direct investment	4 515	15 526	9 589	9 652	7 531	-3 958	1 747
Multilateral	-	-	-	-	-	-	-
Total flows	**12 467**	**38 320**	**29 578**	**10 523**	**19 222**	**1 234**	**21 963**
for reference:							
ODA (at constant 2015 USD million)	*9 045*	*9 998*	*10 583*	*9 584*	*8 936*	*9 039*	*9 577*
ODA (as a % of GNI)	*0.43*	*0.44*	*0.45*	*0.41*	*0.37*	*0.37*	*0.38*
ODA grant equivalent	-	-	-	-	-	*8 862*	*9 587*
Total flows (as a % of GNI) (a)	*0.64*	*1.41*	*1.11*	*0.38*	*0.67*	*0.05*	*0.88*
ODA to and channelled through NGOs - In USD million	43	29	122	111	269	198	207
ODA to and channelled through multilaterals - In USD million	2 469	4 552	4 220	4 686	4 225	3 995	4 087

a. To countries eligible for ODA.

ODA net disbursements
At constant 2015 prices and exchange rates and as a share of GNI

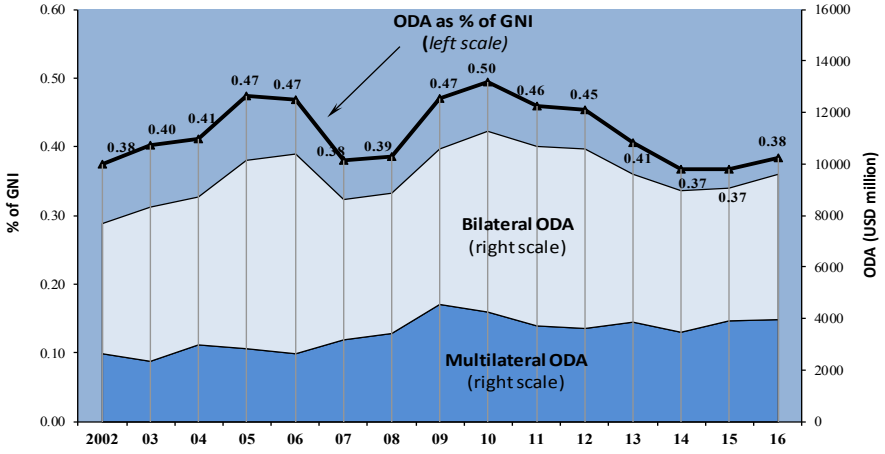
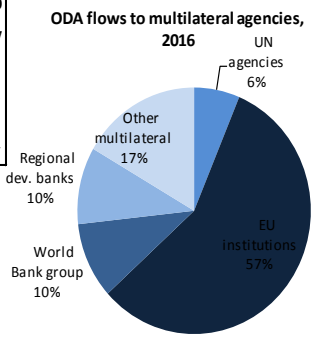
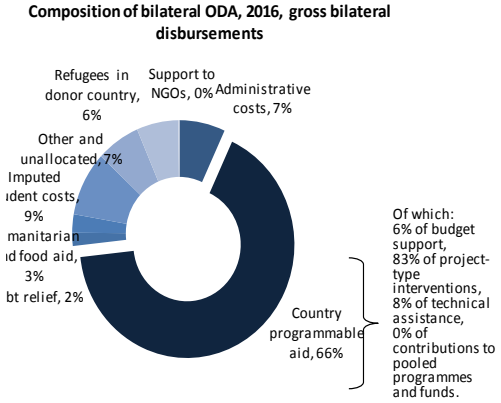


Table B.2. ODA by main categories

Disbursements

France	Constant 2015 USD million					Per cent share of gross disbursements					Total DAC
	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016	2016 %
Gross Bilateral ODA	**8 277**	**7 007**	**6 991**	**6 799**	**7 392**	**69**	**64**	**66**	**62**	**63**	**73**
Budget support	230	253	240	260	300	2	2	2	2	3	2
of which: General budget support	230	212	182	231	173	2	2	2	2	1	1
Core contributions & pooled prog.& funds	51	100	59	58	173	0	1	1	1	1	13
of which: Core support to national NGOs	-	-	-	-	2	-	-	-	-	0	1
Core support to international NGOs	-	2	-	13	11	-	0	-	0	0	1
Core support to PPPs	-	0	0	1	1	-	0	0	0	0	0
Project-type interventions	3 896	3 393	4 023	3 845	4 199	33	31	38	35	36	37
of which: Investment projects	232	2 605	3 200	3 096	3 288	2	24	30	28	28	12
Experts and other technical assistance	939	878	819	779	753	8	8	8	7	6	3
Scholarships and student costs in donor countries	892	894	884	822	843	7	8	8	8	7	2
of which: Imputed student costs	819	828	724	658	680	7	8	7	6	6	1
Debt relief grants	1 261	660	91	198	138	11	6	1	2	1	2
Administrative costs	434	435	461	470	509	4	4	4	4	4	4
Other in-donor expenditures	454	386	412	368	476	4	4	4	3	4	10
of which: refugees in donor countries	446	383	408	363	464	4	4	4	3	4	10
Gross Multilateral ODA	**3 650**	**3 880**	**3 560**	**4 145**	**4 296**	**31**	**36**	**34**	**38**	**37**	**27**
UN agencies	186	213	183	238	271	2	2	2	2	2	4
EU institutions	1 845	1 920	1 977	1 942	2 446	15	18	19	18	21	9
World Bank group	506	476	519	908	429	4	4	5	8	4	6
Regional development banks	229	274	186	255	435	2	3	2	2	4	3
Other multilateral	885	997	696	802	714	7	9	7	7	6	6
Total gross ODA	**11 928**	**10 887**	**10 551**	**10 944**	**11 688**	**100**	**100**	**100**	**100**	**100**	**100**
of which: Gross ODA loans	3 365	2 741	3 115	3 459	3 319	28	25	30	32	28	12
Bilateral	3 245	2 557	3 115	2 982	3 319	27	23	30	27	28	10
Multilateral	121	184	-	477	-	1	2	-	4	-	1
Repayments and debt cancellation	**-1 345**	**-1 302**	**-1 615**	**-1 904**	**-2 110**						
Total net ODA	**10 583**	**9 584**	**8 936**	**9 039**	**9 577**						
For reference:											
Country programmable aid	*4 434*	*4 164*	*4 820*	*4 595*	*4 904*						
Free standing technical co-operation	*1 836*	*1 580*	*1 759*	*1 610*	*1 612*						
Net debt relief	*1 297*	*588*	*25*	*139*	*87*						





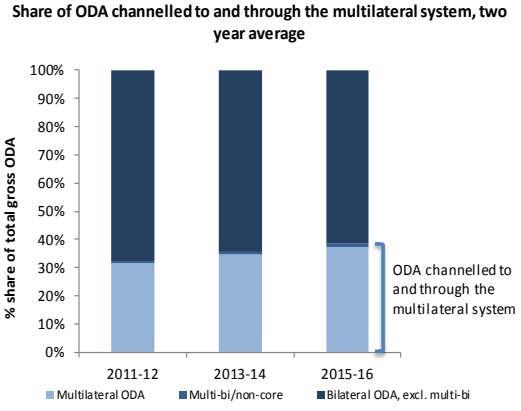


Table B.3. Bilateral ODA allocable1 by region and income groups

Gross disbursements

France	Constant 2015 USD million					% share					Total DAC
	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016	2016%
Africa	4 422	3 449	3 218	3 097	3 207	61	56	55	55	54	**39**
Sub-Saharan Africa	3 125	2 240	2 203	2 266	2 134	43	37	38	40	36	**33**
North Africa	1 207	1 118	945	724	992	17	18	16	13	17	**4**
Asia	938	1 387	1 016	840	954	13	23	17	15	16	**29**
South and Central Asia	306	847	268	195	369	4	14	5	3	6	**17**
Far East	632	539	745	643	582	9	9	13	11	10	**11**
America	1 290	727	991	1 232	1 013	18	12	17	22	17	**12**
North and Central America	329	337	299	279	392	5	6	5	5	7	**7**
South America	961	389	692	953	621	13	6	12	17	10	**4**
Middle East	333	260	189	258	441	5	4	3	5	7	**13**
Oceania	121	106	104	124	98	2	2	2	2	2	**2**
Europe	173	185	291	81	264	2	3	5	1	4	**5**
Total bilateral allocable by region	**7 277**	**6 114**	**5 809**	**5 633**	**5 978**	**100**	**100**	**100**	**100**	**100**	**100**
Least developed	1 258	1 607	1 239	1 275	1 053	19	29	22	24	19	**37**
Other low-income	108	170	134	108	91	2	3	2	2	2	**3**
Lower middle-income	2 698	1 910	2 122	1 721	2 242	40	34	38	33	40	**34**
Upper middle-income	2 601	1 908	2 139	2 177	2 163	39	34	38	41	39	**26**
More advanced developing countries	-	-	-	-	-	-	-	-	-	-	**-**
Total bilateral allocable by income	**6 665**	**5 596**	**5 634**	**5 282**	**5 549**	**100**	**100**	**100**	**100**	**100**	**100**
***For reference*[2] :**											
Total bilateral	8 277	7 007	6 991	6 799	7 392	*100*	*100*	*100*	*100*	*100*	***100***
of which: Unallocated by region	*1 000*	*893*	*1 182*	*1 166*	*1 413*	*12*	*13*	*17*	*17*	*19*	***34***
of which: Unallocated by income	*1 612*	*1 411*	*1 357*	*1 516*	*1 843*	*19*	*20*	*19*	*22*	*25*	***41***
Fragile and conflict-affected states (as per DCR of each year)	*2 720*	*2 176*	*1 818*	*1 880*	*1 959*	*33*	*31*	*26*	*28*	*27*	***33***
SIDS (as per data provided to UN)	*334*	*208*	*208*	*340*	*262*	*4*	*3*	*3*	*5*	*4*	***4***
Landlocked developing countries (as per data provided to UN)	*443*	*450*	*488*	*596*	*553*	*5*	*6*	*7*	*9*	*7*	***13***

1. Each region includes regional amounts which cannot be allocated by sub-region. The sum of the sub-regional amounts may therefore fall short of the regional total.
2. 'Fragile and conflict-affected states' group has overlaps with SIDS and Landlocked developing countries and can therefore not be added. For the same reason, these three groups cannot be added to any income group.

Gross bilateral ODA by income group, 2011-16

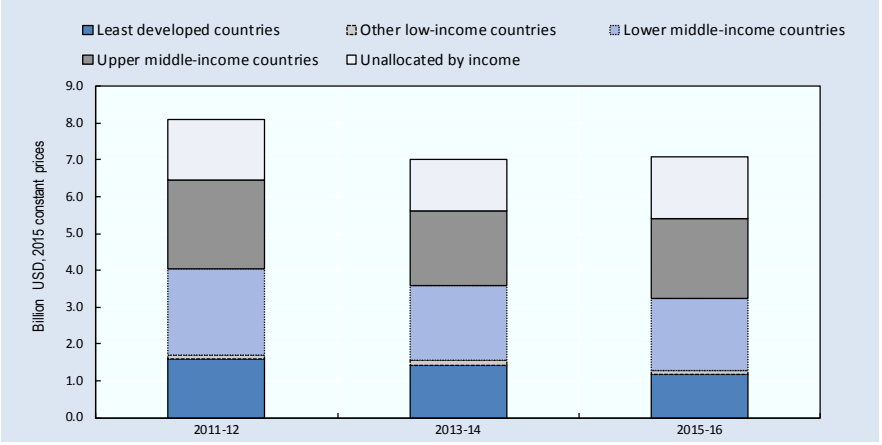


Table B.4. Main recipients of bilateral ODA

Gross disbursements

France	2011-12 average			Memo:		2013-14 average			Memo:		2015-16 average			Memo:
	Current USD million	Constant 2015 USD mln	% share	*DAC countries' average %*		Current USD million	Constant 2015 USD mln	% share	*DAC countries' average %*		Current USD million	Constant 2015 USD mln	% share	*DAC countries average %*
Côte d'Ivoire	1005	868	11		Morocco	786	663	9		Morocco	424	423	6	
Morocco	648	552	7		Colombia	349	294	4		Colombia	345	344	5	
Democratic Republic of the Congo	596	491	6		Myanmar	299	253	4		Côte d'Ivoire	287	286	4	
Brazil	464	406	5		Côte d'Ivoire	285	240	3		Cameroon	215	215	3	
China (People's Republic of)	367	313	4		Senegal	261	220	3		Jordan	212	211	3	
Top 5 recipients	**3 080**	**2 631**	**32**	**30**	**Top 5 recipients**	**1 980**	**1 670**	**24**	**27**	**Top 5 recipients**	**1 483**	**1 479**	**21**	**21**
Tunisia	365	310	4		South Africa	258	218	3		Indonesia	191	191	3	
Mexico	273	228	3		Mexico	255	215	3		Egypt	190	189	3	
Senegal	257	221	3		Viet Nam	240	202	3		China (People's Republic of)	161	160	2	
Viet Nam	241	204	3		China (People's Republic of)	221	186	3		South Africa	160	160	2	
Egypt	189	161	2		Cameroon	202	170	2		Brazil	154	154	2	
Top 10 recipients	**4 405**	**3 754**	**46**	**40**	**Top 10 recipients**	**3 155**	**2 661**	**38**	**39**	**Top 10 recipients**	**2 338**	**2 332**	**33**	**33**
Cameroon	178	150	2		Turkey	176	148	2		Viet Nam	145	145	2	
Turkey	176	146	2		Brazil	174	146	2		Dominican Republic	139	139	2	
Colombia	153	130	2		Tunisia	172	145	2		Tunisia	136	136	2	
South Africa	149	125	2		Kenya	160	135	2		Turkey	131	130	2	
Algeria	141	120	1		India	144	121	2		India	127	126	2	
Top 15 recipients	**5 201**	**4 426**	**55**	**45**	**Top 15 recipients**	**3 980**	**3 357**	**48**	**46**	**Top 15 recipients**	**3 015**	**3 008**	**42**	**40**
Dominican Republic	124	106	1		Algeria	133	112	2		Mali	119	119	2	
Wallis and Futuna	119	101	1		Guinea	121	102	1		Senegal	119	118	2	
Kenya	115	98	1		Indonesia	115	97	1		Mexico	103	103	1	
Mauritius	98	84	1		Egypt	110	93	1		Algeria	101	101	1	
Madagascar	92	78	1		Mali	107	91	1		Wallis and Futuna	96	96	1	
Top 20 recipients	**5 748**	**4 891**	**60**	**49**	**Top 20 recipients**	**4 567**	**3 851**	**55**	**52**	**Top 20 recipients**	**3 553**	**3 545**	**50**	**45**
Total (132 recipients)	**7 591**	**6 462**	**80**		**Total (135 recipients)**	**6 658**	**5 615**	**80**		**Total (137 recipients)**	**5 428**	**5 416**	**76**	
Unallocated	1 948	1 655	20	37	Unallocated	1 641	1 384	20	37	Unallocated	1 684	1 680	24	48
Total bilateral gross	**9 540**	**8 118**	**100**	**100**	**Total bilateral gross**	**8 299**	**6 999**	**100**	**100**	**Total bilateral gross**	**7 112**	**7 095**	**100**	**100**

Table B.5. Bilateral ODA by major purposes

At constant prices and exchange rates

Commitments - Two-year average

France	2011-12 average		2013-14 average		2015-16 average		DAC
	2015 USD million	%	2015 USD million	%	2015 USD million	%	2015-16 %
Social infrastructure & services	**2 541**	**29**	**2 610**	**36**	**2 941**	**37**	**34**
Education	1240	14	1 247	17	1 305	16	7
of which: basic education	99	1	80	1	63	1	2
Health	79	1	310	4	180	2	5
of which: basic health	37	0	67	1	150	2	4
Population & reproductive health	78	1	86	1	57	1	7
Water supply & sanitation	538	6	613	9	834	10	4
Government & civil society	152	2	156	2	314	4	10
of which: Conflict, peace & security	41	0	51	1	38	0	2
Other social infrastructure & services	454	5	197	3	251	3	2
Economic infrastructure & services	**1749**	**20**	**1 725**	**24**	**1 941**	**24**	**18**
Transport & storage	870	10	1 028	14	574	7	8
Communications	4	0	36	1	22	0	0
Energy	800	9	627	9	1 116	14	7
Banking & financial services	63	1	30	0	226	3	2
Business & other services	12	0	4	0	4	0	1
Production sectors	**395**	**5**	**361**	**5**	**699**	**9**	**6**
Agriculture, forestry & fishing	315	4	342	5	486	6	4
Industry, mining & construction	51	1	16	0	205	3	1
Trade & tourism	29	0	3	0	8	0	1
Multisector	**1357**	**16**	**983**	**14**	**1 148**	**14**	**10**
Commodity and programme aid	**522**	**6**	**293**	**4**	**186**	**2**	**2**
Action relating to debt	**1 253**	**14**	**307**	**4**	**113**	**1**	**1**
Humanitarian aid	**55**	**1**	**37**	**1**	**94**	**1**	**12**
Administrative costs of donors	**410**	**5**	**448**	**6**	**487**	**6**	**5**
Refugees in donor countries	**447**	**5**	**395**	**6**	**414**	**5**	**12**
Total bilateral allocable	**8 729**	**100**	**7 159**	**100**	**8 023**	**100**	**100**
For reference:							
Total bilateral	*8 975*	*69*	*7 598*	*65*	*8 498*	*67*	*77*
of which: Unallocated	*246*	*2*	*439*	*4*	*476*	*4*	*0*
Total multilateral	*4 049*	*31*	*4 027*	*35*	*4 147*	*33*	*23*
Total ODA	***13 024***	***100***	***11 625***	***100***	***12 645***	***100***	***100***

Commitments

	2011-2012		2013-2014		2015-2016	
	USD Million	% Bilateral Allocable	USD Million	% Bilateral Allocable	USD Million	% Bilateral Allocable
Gender equality	964	*14*	784	*12*	1,245	*19*
Environment	2,490	*37*	2,490	*39*	2,867	*43*
Rio markers						
Biodiversity	425	*6*	480	*7*	1,752	*26*
Desertification	67	*1*	248	*4*	125	*2*
Climate change Mitigation only	2,427	*36*	1,577	*24*	1,847	*28*
Climate change Adaptation only	308	*5*	510	*8*	731	*11*
Both climate adaptation and mitigation	104	*2*	320	*5*	414	*6*

Table B.6. Comparative aid performance

	Official development assistance			Net disbursements: Share of multilateral aid				Net disbursements: Grant element of ODA commitments	Commitments: Untied aid
	2016		2009-10 to 2014-15 Average annual % change in real terms	2016 % of ODA		2016 % of GNI		2016	2016
	USD million	% of GNI		(b)	(c)	(b)	(c)	% (a)	(d)
Australia	3 278	0.27	-0.4	30.1		0.08		100.0	100.0
Austria	1 635	0.42	7.4	39.7	19.5	0.17	0.08	100.0	51.8
Belgium	2 300	0.55	-3.7	38.0	13.8	0.21	0.08	99.8	95.8
Canada	3 930	0.26	-1.3	32.3		0.08		97.8	95.6
Czech Republic	260	0.14	3.7	72.6	9.8	0.10	0.01	100.0	45.9
Denmark	2 369	0.75	-0.2	30.2	19.1	0.23	0.14	100.0	99.0
Finland	1 060	0.44	-1.1	39.8	19.4	0.17	0.09	100.0	95.3
France	9 622	0.38	-3.2	41.4	15.8	0.16	0.06	83.4	96.3
Germany	24 736	0.70	12.2	20.6	9.6	0.14	0.07	89.3	86.2
Greece	369	0.19	-3.4	56.8	4.9	0.11	0.01	100.0	90.3
Hungary	199	0.17	11.1	72.5	14.9	0.12	0.02	100.0	..
Iceland	59	0.28	9.7	18.8		0.05		100.0	100.0
Ireland	803	0.32	-1.3	46.8	21.7	0.15	0.07	100.0	100.0
Italy	5 087	0.27	7.7	52.4	17.6	0.14	0.05	99.9	95.0
Japan	10 417	0.20	3.6	32.3		0.07		85.7	77.4
Korea	2 246	0.16	9.7	31.1		0.05		93.4	56.0
Luxembourg	391	1.00	1.1	29.7	20.5	0.30	0.20	100.0	98.9
Netherlands	4 966	0.65	-0.1	36.4	25.2	0.24	0.16	100.0	98.8
New Zealand	438	0.25	3.1	18.3		0.05		100.0	84.7
Norway	4 380	1.12	4.8	21.2		0.24		100.0	100.0
Poland	663	0.15	11.3	77.5	17.0	0.11	0.02	97.6	34.5
Portugal	343	0.17	-11.0	63.6	10.0	0.11	0.02	95.2	59.1
Slovak Republic	106	0.12	7.5	75.8	9.4	0.09	0.01	100.0	64.3
Slovenia	81	0.19	7.0	65.7	14.5	0.12	0.03	100.0	53.4
Spain	4 278	0.35	-7.5	39.3	12.6	0.14	0.04	100.0	82.1
Sweden	4 894	0.94	6.6	29.5	23.4	0.28	0.22	100.0	96.3
Switzerland	3 582	0.53	6.6	22.6		0.12		100.0	94.3
United Kingdom	18 053	0.70	6.8	36.2	25.0	0.25	0.17	96.2	100.0
United States	34 412	0.19	-0.1	17.1		0.03		100.0	64.7
Total DAC	**144 956**	**0.32**	**2.9**	**28.8**		**0.09**		**94.2**	**81.3**

Notes:

a. Excluding debt reorganisation.

b. Including EU institutions.

c. Excluding EU institutions.

d. Excluding administrative costs and in-donor refugee costs.

.. Data not available.

Table B.7. Comparative aid performance to LDCs

	Net disbursements						*Commitments*		
	Bilateral ODA to LDCs			**Total ODA to LDCs (Bilateral and through multilateral agencies)**			**Grant element of bilateral ODA commitments[a] to LDCs (two alternative norms)**		
	2016			**2016**			**Annually for all LDCs**		3-year average for each LDC Norm
	USD million	**% bilateral ODA**	**% of GNI**	**USD million**	**% total ODA**	**% of GNI**	**2015**	**2016**	2014-2016
Australia	534	23.3	0.04	839	25.6	0.07	100.0	100.0	c
Austria	43	4.4	0.01	250	15.3	0.06	100.0	100.0	c
Belgium	398	27.9	0.10	638	27.7	0.15	99.3	99.3	n
Canada	830	31.2	0.06	1 343	34.2	0.09	100.0	100.0	c
Czech Republic	10	14.6	0.01	55	21.2	0.03	100.0	100.0	c
Denmark	405	24.5	0.13	652	27.5	0.21	100.0	100.0	c
Finland	195	30.6	0.08	323	30.5	0.13	100.0	100.0	c
France	**886**	**15.7**	**0.04**	**2 103**	**21.9**	**0.08**	**79.8**	**80.9**	**n**
Germany	2 093	10.7	0.06	3 582	14.5	0.10	98.5	95.9	n
Greece	0	0.1	0.00	47	12.8	0.02	100.0	100.0	c
Hungary	5	8.9	0.00	40	20.1	0.03	100.0	100.0	..
Iceland	14	28.7	0.07	18	29.8	0.08	100.0	100.0	c
Ireland	239	55.9	0.09	359	44.7	0.14	100.0	100.0	c
Italy	296	12.2	0.02	981	19.3	0.05	98.9	98.8	c
Japan	2 568	36.4	0.05	3 978	38.2	0.08	91.3	91.5	c
Korea	578	37.3	0.04	758	33.7	0.05	94.5	93.0	c
Luxembourg	127	46.0	0.32	164	42.0	0.42	100.0	100.0	c
Netherlands	507	16.0	0.07	1 185	23.9	0.15	100.0	100.0	c
New Zealand	113	31.7	0.06	136	31.1	0.08	100.0	100.0	c
Norway	659	19.1	0.17	1 035	23.6	0.27	100.0	100.0	c
Poland	72	48.1	0.02	184	27.7	0.04	83.9	80.4	n
Portugal	46	36.8	0.02	100	29.0	0.05	92.0	92.2	n
Slovak Republic	1	4.1	0.00	19	17.9	0.02	100.0	100.0	c
Slovenia	0	1.5	0.00	13	16.4	0.03	100.0	100.0	c
Spain	81	3.1	0.01	567	13.2	0.05	100.0	100.0	c
Sweden	838	24.3	0.16	1 406	28.7	0.27	100.0	100.0	c
Switzerland	574	20.7	0.08	896	25.0	0.13	100.0	100.0	c
United Kingdom	3 176	27.6	0.12	5 625	31.2	0.22	100.0	100.0	c
United States	9 346	32.8	0.05	11 870	34.5	0.06	100.0	100.0	c
Total DAC	**24 634**	**23.9**	**0.05**	**39 165**	**27.0**	**0.09**	**96.9**	**97.0**	**..**

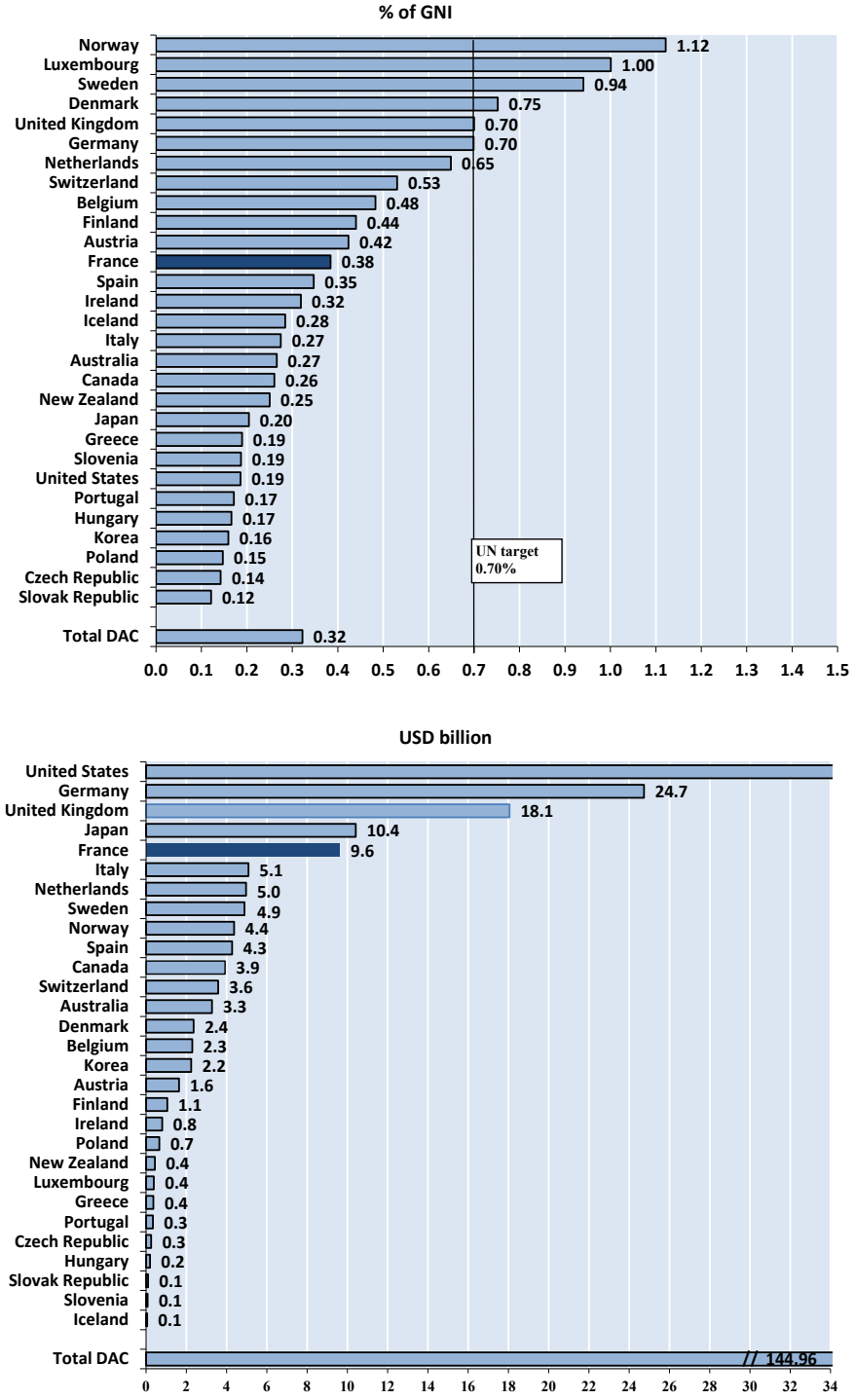
Notes:

a. Excluding debt reorganisation. Equities are treated as having 100% grant element, but are not treated as loans.

b. c = compliance, n = non compliance.

.. Data not available.

Figure B.1. Net ODA from DAC countries in 2016 (preliminary figures)



Annex C. Field visits to Morocco and Niger

As part of the peer review of France, teams of examiners from Luxembourg and the Netherlands, and members of the OECD Secretariat visited Morocco and Niger in January 2018. In each country, the teams met the French Ambassador; the Counsellor for Co-operation and Cultural Affairs; and the head of the local branch of the French Development Agency (AFD), and their teams. They also met French development co-operation professionals, and representatives of the national authorities, civil society organisations, parliament, the private sector and other bilateral and multilateral partners.

Global efforts by France to support sustainable development

Two African countries with very contrasting development situations

Morocco is a middle-income country on the cusp of emergence. In 2016, its gross domestic product (GDP) per capita was USD 2 850 (United States dollars). Morocco's development path over the past 20 years has been stable, thus allowing substantial improvements in the living conditions of Moroccans and a decline in poverty. The country has also successfully entered some key international markets, such as the automotive industry. There has been a significant improvement in its business climate[1] and the country's stability has attracted foreign direct investment. In addition, Morocco has developed major infrastructure (especially in rail transport, public transport, port infrastructure, water, energy and electricity). The country is also demonstrating renewed international ambitions: with its hosting of COP22 in 2016; rejoining the African Union in 2016; applying to join the Economic Community of West African States (ECOWAS); and expanding its economic exchanges and investments, for example in the banking sector and in Sub-Saharan Africa.

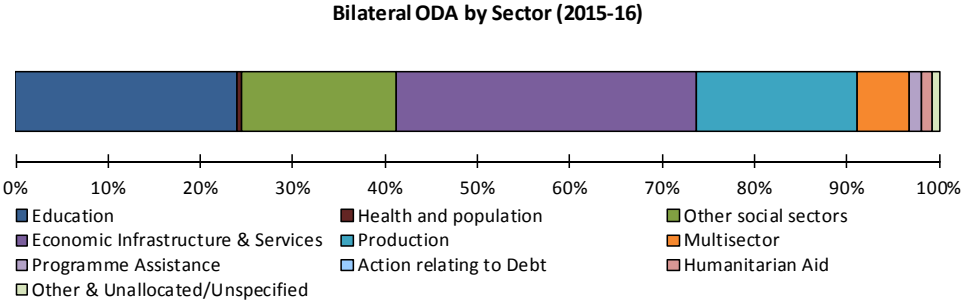
Nevertheless, there are limitations to Morocco's economic model. The country's Human Development Index value is only 0.647, relegating the country to 123th place (out of 188) in the worldwide ranking by the United Nations Development Programme (UNDP, 2016). Morocco's industrial productivity remains weak; there are shortcomings in the education sector, in particular an illiteracy rate of 32% and education of insufficient quality; there are still very significant inequalities between urban and rural areas; the unemployment rate is very high, especially for young graduates; and the trade deficit remains high (MEAE, 2018; AfDB/OECD/UNDP, 2017; OECD, 2017). In 2016, Morocco's net ODA was USD 2 billion, i.e. 2% of its gross national income (GNI). Loans represented 60% of gross ODA (Figure C.1; OECD, 2018).

Figure C.1. ODA to Morocco

Receipts	2014	2015	2016
Net ODA (USD million)	2 240	1 481	1 992
Bilateral share (gross ODA)	70%	59%	68%
Net ODA / GNI	2,1%	1,5%	2,0%
Other Official Flows (USD million)	887	568	867
Net Private flows (USD million)	2 982	415	1 045
Total net receipts (USD million)	6 110	2 464	3 904

For reference	2014	2015	2016
Population (million)	34,3	34,8	35,3
GNI per capita (Atlas USD)	3 040	3 000	2 850

Top Ten Donors of gross ODA (2015-16 average)	(USD m)
1 EU Institutions	534
2 Germany	480
3 France	424
4 Kuwait	197
5 United Arab Emirates	148
6 Arab Fund (AFESD)	129
7 Climate Investment Funds	129
8 Japan	121
9 United States	37
10 Spain	26



Sources: OECD - DAC, World Bank; www.oecd.org/dac/stats

Niger is one of the poorest countries in the world. With a GDP per capita of USD 420, it ranks 187th out of 188 in the UNDP's Human Development Index (UNDP, 2016). Its demographic growth rate of 3.9% is one of the highest in the world, and it ranks 144th out of 190 in the World Bank's *Doing Business* ranking.[2] Niger faces many problems: social and economic indicators are low in all areas, there is chronic food insecurity, the country is particularly vulnerable to the hazards of climate change, and there are serious threats from jihadism and drug trafficking in several regions which are in a state of emergency. Economic growth barely exceeds population growth, entrepreneurship operates mainly in the informal sector, industrialisation remains low and infrastructure (especially electricity) is wholly inadequate. To make matters worse, Niger shares borders with countries in conflict and in crisis, and is currently hosting over 300 000 refugees.

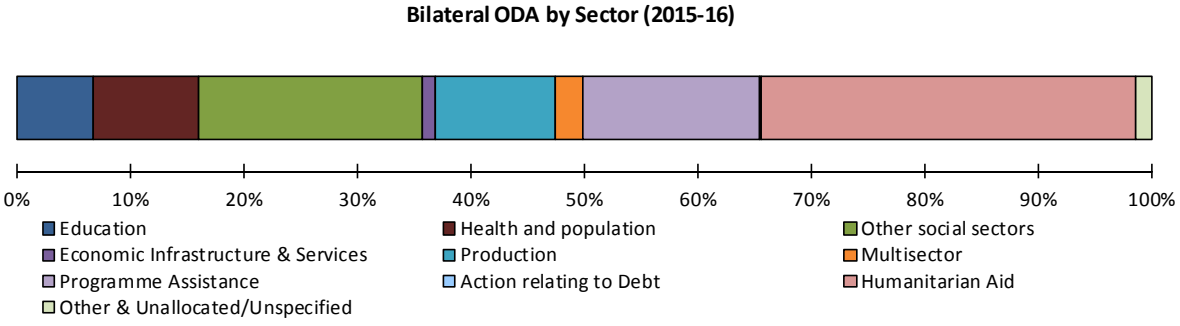
At the political level, Niger has been relatively stable since 2016, and the state, although weak, has not failed. The country receives direct military support from France and the United States, and indirect support from other partners. The international community acknowledges that Niger needs assistance to overcome its many challenges and preserve its stability. To this end, it is a member of the G5 Sahel. In 2016, Niger's net ODA stood at USD 1 billion, i.e. 12.8% of its GNI (Figure C.2). Several donors have recently launched (or relaunched) co-operation with Niger, [3] suggesting an increase in the country's ODA in coming years.

Figure C.2 ODA to Niger

Receipts	2014	2015	2016
Net ODA (USD million)	918	868	951
Bilateral share (gross ODA)	34%	40%	39%
Net ODA / GNI	11,3%	12,3%	12,8%
Other Official Flows (USD million)	4	0	84
Net Private flows (USD million)	91	56	75
Total net receipts (USD million)	1 013	923	1 111

For reference	2014	2015	2016
Population (million)	19,1	19,9	20,7
GNI per capita (Atlas USD)	420	390	370

Top Ten Donors of gross ODA (2015-16 average)		(USD m)
1	EU Institutions	229
2	International Development Association	151
3	United States	109
4	France	66
5	IMF (Concessional Trust Funds)	36
6	Germany	33
7	African Development Fund	33
8	Switzerland	32
9	Global Alliance for Vaccines and Immunization	27
10	Luxembourg	24



Sources: OECD - DAC, World Bank; www.oecd.org/dac/stats

Ties with France are important

Apart from development assistance, Morocco and Niger have many, and varied, ties with France. A shared history and language, similarly structured administrations, and a high number of French and dual nationals living in both countries[4] make France a privileged partner. In Morocco's case, there is also the very high number of both Moroccan nationals based in France (1.5 million) and Franco-Moroccans with dual citizenship.

France is Morocco's second largest trade partner, its leading investor and tourism partner and the third highest ODA donor (the second highest bilateral donor). Morocco is the leading beneficiary of French ODA and among the top three countries for French foreign investment.

As for Niger, France is its leading trade partner and fourth highest ODA donor (but second highest bilateral donor). Both countries are home to French *lycées,* and while Morocco has an *Institut français* (French institute), Niger has a Franco-Nigerian Cultural centre with a branch in Zinder, as well as two *Alliances françaises*. Niger is one of the countries of the West African Economic and Monetary Union whose currency, the CFA franc, is guaranteed by the French Treasury. In addition, France has a significant military presence in Niger within the framework of Operation Barkhane (4 000 soldiers in the Sahel region) and the G5 Sahel.

Vision, strategic guidelines and financing for development

As far as possible, France has aligned its co-operation in both countries with national priorities. Its aid is adapted to circumstances, and it has been considered a trusted partner for many years by all the development actors. French co-operation is characterised by a very good knowledge of both countries and the regional context; it nurtures close and historical ties with many institutions, and has a variety of partnerships, allowing it to build or support programmes appropriate to the local context.

France lacks a global framework for co-operation in the two countries

At the Morocco-France High-level Meeting every two years France signs a partnership agreement between the Heads of Government which outlines plans for co-operation between the two countries. The last meeting was held in Rabat in November 2017 in the presence of a dozen ministers from the two countries. The Statement from the High-level Meeting is a political document, but contains no amounts or indicators. The AFD has developed a 2017-21 strategy for Morocco which specifies the main operational areas and cross-cutting strategic priorities (AFD, 2017). The Statement from the Morocco-France High-level Meeting refers to the AFD's strategy, but does not have exactly the same operational objectives or cross-cutting priorities. The AFD's strategy gives the overall budget for the activities to be financed over 2017-21, but does not provide specific amounts by sector, priority or project, and does not include any performance indicators (AFD, 2017; French Embassy in Morocco, 2017).

In Niger, France has signed a general framework for co-operation with the government for 2017-21. This policy document does not give any details on amounts, activities and indicators either, as France has decided to wait for the implementation of European joint programming to officially decide on sector budget allocations. The general framework establishes four co-operation priorities covering several sectors (governance, security, education, health, private sector, agriculture, environment and culture). The AFD, which does not have a specific strategy for Niger, was only involved at a late stage in the drafting of this document. At present, there is no detailed co-operation framework covering all of France's co-operation activities in Niger, nor a results framework enabling monitoring and assessment.

It would be in France's interest in both counties to put together a co-operation framework containing all the activities, amounts involved and performance indicators. This would make it easier for the embassy to steer operations, support discussions with the national authorities, and contribute to the monitoring and assessment of projects.

France is active in many sectors

France is the second largest bilateral donor in both Morocco and Niger, making it a major ODA actor. In Morocco, France's ODA totalled USD 424 million in 2015-16, mainly distributed over education (38%), transport (24%), energy (11%) and housing (8%). Development assistance in education concerned higher and secondary education (French *lycées* in Morocco, tuition fees and scholarships in France), and vocational training (mainly in the automotive and energy sectors).[5]

In Niger, France's ODA totalled USD 66 million in 2015-2016,[6] and was mainly focused on budget support (38%), education (13%), population programmes (9%), water and sanitation (8%), energy (7%), agriculture (6%) and debt relief (6%). Despite a considerable increase in the budget for French aid to Niger, assistance is distributed over

a very wide range of sectors, thereby preventing France from fully leveraging its added value. The presence of new donors in Niger is an opportunity for France to focus its assistance on the sectors in which it has the greatest added value, and in which it can play a leading role. On the other hand, the implementation of larger scale projects would be better suited to the limited project management capacities of Nigerian institutions.

French co-operation for climate is consistent with the undertakings made in Paris. In Morocco, French renewable energy financing is part of the National Sustainable Development Strategy (including projects for thermodynamic solar power plants, a tram system in Rabat and high-speed trains).

However, while impact assessments on the "gender co-benefits" of French investments are a step in the right direction, the low volume of investment in promoting gender equality does not correspond to the stated priority of French co-operation, or to the very considerable requirements in this field in both Morocco and Niger.[7]

France plays an important role in donor co-ordination

In addition to the volume of its assistance, France also plays an important role in donor co-ordination and collaboration in the two countries.

In Morocco, France is the lead manager in the water sector, guaranteeing good levels of harmonisation and co-ordination among donors for the National Sanitation Programme within the context of co-financing from the European Union's Neighbourhood Investment Facility (NIF) and the European Investment Bank. The authorities appreciate this efficient approach, which is characterised by a common set of instructions, the fungibility of European donors' financing, and collective monitoring as part of sector outputs.[8] In renewable energy, France successfully uses co-financing from development banks, and co-financing and delegated co-operation with its European partners (KfW, European Investment Bank, European Bank for Reconstruction and Development, European Union).

In Niger, France plays a vital and appreciated role by mobilising and co-ordinating its initiatives with the other technical and financial partners. This puts it on a strong footing for integrating its co-operation into future European Union joint programming. The Sahel Alliance is also designed to be a mechanism for strengthening co-ordination between partners. France will have to clarify the Alliance's complementary role to European Union joint programming initiatives in Niger (Chapter 2). In accordance with effective aid commitments made in Busan on ownership, alignment, and harmonisation, France supports the implementation of sector-based policies by using basket funds, such as the education sector basket fund. France also played a key role in setting the President's priorities (such as demographic transition, and the connection between security and development) in Niger's strategic documents. It also helped align partners' assistance with these priorities.

It is still the case however that France, as a strategic donor and a privileged partner of both countries, could do more to share with other technical partners both its expertise and the substantial information at its disposal. It could also do more to leverage its wide range of financial and technical instruments in order to strengthen its catalytic role. It has done so in Morocco, where its investments in vocational and technical training have helped to support the creation of industrial ecosystems.

Structure and systems

The system comprises many actors

The French co-operation system in Morocco and Niger is in line with the model used in most countries. It is complex, involving many actors: the Co-operation and Cultural Action Department (SCAC), the AFD (including Proparco), *Instituts français*, Campus France, research centres, schools, *Alliances françaises* and *France Volontaires*. The ambassador has a role in co-ordination, and while the SCAC and AFD work together pragmatically in both countries, the embassy does not always have the capacities and resources required to play its steering role to the full (Chapter 4). Strategic co-ordination between the embassy and the AFD in particular could be improved to allow their activities to be carried out within a joint framework fully owned by both parties.

Instruments are varied, but the use of grants is insufficient

French co-operation has a range of instruments at its disposal, which it uses depending on the requirements and situations in the two countries. These instruments are donations; concessional and non-concessional loans; debt cancellations (in Niger); project assistance; general budgetary assistance (in Niger); co-financing (mainly in Morocco); technical assistance; equity participation; cultural, scientific and educational co-operation; security and military co-operation (in Niger); subsidies for (international and local) NGOs; and humanitarian assistance (in Niger). In Morocco, the setting up of loan-donation-technical assistance projects gives the AFD an edge over other donors.

In Niger, 51% of ODA in 2016 was in the form of loans (half of which were allocated to general budgetary support). Given the country's poverty levels and fragile situation, this percentage seems high. In Morocco, loans represented 66% of ODA in 2016, which is more in line with the situation for a middle-income country. Also in Morocco, 60% of French grants were used to cover tuition fees and scholarships for Moroccan students in France. Nevertheless, grants could maybe be put to better use by financing interventions in social sectors and for the most deprived populations.

France's response to its commitments to the 2030 Agenda requires it to focus its projects more closely on the most impoverished. It also entails the use in both countries of better adapted financial tools, notably including a greater proportion of grants.

Instruments for fragile contexts exist

For France, the Sahel is a testing ground for its approach to fragility, giving rise to the Sahel Alliance, which represents development issues, in connection with the G5 Sahel, which focuses on military aspects. In Niger, "security" and "development" overlap significantly, and France uses several instruments specifically designed for fragile contexts and crisis conditions, such as the Stabilisation Fund, to deal rapidly with a deteriorating political or security situation, and to deliver humanitarian assistance (Chapter 7). Similarly, France finances initiatives that are part of a global focus on migration control.

Support for private sector development is substantial and varied

When it comes to private sector development, the AFD has an array of instruments at its disposal in both Morocco and Niger, including support for microfinance, guarantee funds, regulatory assistance and supporting business incubation projects for small and medium-sized enterprises. The Morocco-France High-level Meeting provides an opportunity to

organise economic fora with private sector actors from both countries. In addition, Moroccan counterparts appreciate the fact that the AFD has extended its activities to financial intermediation for small and medium enterprises and to granting non-sovereign loans. In addition to ODA, private sector loans granted by Proparco, and remittances sent by immigrants in France, are a driving force of the Moroccan economy.[9]

Proparco's return to Niger in 2016 helped launch investments in the still fledgling private sector. Proparco is expected to further examine ways of adapting its procedures to the private sector in Niger, which mainly comprises relatively small companies.

Some procedures need simplifying and delegating in the field

While the AFD's project appraisal process is heavily centralised, the context in Niger requires the intensive involvement of the agency's teams in the country. By delegating more responsibilities to its agency in Niamey, the AFD would be able to adopt a more flexible way of working, and to better meet the country's requirements within the framework of the Sahel Alliance and European Union joint programming. The AFD should pursue efforts to simplify its procedures so as to speed up project appraisal, and to adapt them better to the capacities of counterparts in Niger. If the Sahel Alliance is to achieve its aim of delivering faster, more effective and better targeted assistance in a country like Niger, the AFD will also have to adapt its procedures for identifying and formulating projects, in order to make them more reactive and flexible in fragile contexts (Chapter 2).

Similarly, against the backdrop of an increase in the volume of its Morocco portfolio in 2016, the AFD should outline ways of further delegating operational implementation to its Rabat office to allow a smoother flow of operations.

Human resources are of high quality, but the new technical assistance structure needs to be clarified

The representatives of government institutions and of other donors in the two countries appreciate the quality and expertise of the people working in French co-operation. France could however clarify its technical assistance structure, as well as the added value of Expertise France, and at the same time making the conditions for mobilising experts in the field faster and more flexible. In Niger, the transfer of the management of French technical assistants from the MEAE to the AFD and Expertise France is an opportunity for France to redefine its capacity-building strategy for the Nigerien administration, in particular with a view to improving its sustainability.

Partnerships, results and learning

Implementation is consistent with Busan commitments

The AFD, which implements the majority of French ODA in Morocco and Niger, uses national systems and local project management for most of its projects. Its very commendable aim is to strengthen the capacities of government institutions, even in Niger's fragile context. In Morocco, the capacities of the institutions are generally good, and procurement and financial management systems are solid, with French co-operation using both.[10] However, the fact that the AFD's projects are mostly designed in Paris (although approved by agencies) can limit the direct involvement of national counterparts in the project formulation process; this situation will have to be improved.

Closer partnerships with NGOs and civil society will better target those most in need

France only provides limited support to civil society organisations (CSOs) in Morocco and Niger, as is the case in most countries. Projects implemented by international NGOs are generally financed by the AFD, which processes requests from Paris. Projects for local NGOs are financed by the Solidarity Fund for innovative projects, civil society, the *francophonie* and human development, and are managed by the embassy. The amounts involved are granted on an annual basis and are very low, and the procedures are relatively cumbersome. The MEAE could examine ways of easing these procedures, which are disproportionate to the low amounts involved, and of making the support given to CSOs more predictable. In Morocco in particular, increased support for NGOs could help build capacities at the local level, which are essential if the most vulnerable populations are to derive greater benefit from domestic development.

Decentralised co-operation is another means of better targeting the most deprived populations, but this tool is not being used to its full potential. Positive steps forward include the promotion of regionalisation, put forward as a cross-cutting aspect of the AFD's new 2017-21 strategy in Morocco, and the signing at the end of 2017 of an agreement to strengthen capacities between the French administrative region of Occitanie and the Association of Moroccan Regions.

Triangular co-operation should continue and be expanded

France has launched triangular co-operation activities with Morocco and some Sub-Saharan countries, especially in solar energy, water, agriculture, vocational training and higher education. The examiners encourage France to continue to develop this type of co-operation and to share good practices in its other partner countries.

Evaluations could be put to better use

Evaluations are organised in a targeted manner and are used during the project appraisal phase. Greater efforts to use evaluation findings assessments, both internally and with partners, would help strengthen their strategic importance.

Notes

[1] In the World Bank's *Doing Business* report, Morocco ranks 69 out of 190 countries, climbing 60 places since 2008 (www.doingbusiness.org/rankings, [accessed 11 May 2018]).

[2] See www.doingbusiness.org/rankings, (accessed 11 May 2018).

[3] Including Denmark, Italy, the Netherlands, Turkey, and the United Kingdom.

[4] 52 700 in Morocco and 1 471 in Niger (https://www.diplomatie.gouv.fr/fr/dossiers-pays/).

[5] France is however going to be much more active in primary education, as in 2017 the AFD signed a EUR 80 million loan (along with a EUR 500 000 donation) to support the 2015-2030 Strategic Vision for the reform of education. Moreover, the choice in terms of co-ordination of European donors and the division of labour is based on the fact that basic primary school teaching is supported by the European Union (EU sector policy support programme "Education II – 2015-2018").

[6] This volume is set to increase: at the Donors' Round Table for Niger in December 2017, France pledged an annual ODA budget of EUR 100 million over four years.

[7] The AFD is however currently appraising a project in Morocco to support gender budgeting, consisting of granting a public policy loan of a maximum of EUR 80 million. Moreover, grants are being channelled into supporting gender equality through a new call for projects by SCAC on "Innovative projects by civil society and stakeholder coalitions". The issue is also being dealt with as a cross-disciplinary theme as it is integrated into the granting of scholarships, invitations and missions, and in the selection of projects to support. In addition, In December 2017, President Macron announced a EUR 10 million commitment to support the school enrolment of young girls in Niger (Khadim Mbaye, 2017).

[8] www.eaudumaroc.com/2016/11/eaux-usees-au-maroc_12.html.

[9] According to World Bank estimates for 2015, France was the primary source of remittances to Morocco (up to USD 2.2 billion, i.e. 31% of the total), reflecting the country distribution of Moroccan migrants (OECD, 2017).

[10] Sometimes under the control of a non-objection opinion by the AFD.

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UNDP (2016), « Rapport sur le développement humain 2016 Le développement humain pour tous », http://hdr.undp.org/sites/default/files/HDR2016_FR_Overview_Web.pdf (accessed 16 March 2018).Organisation Charts

Annex D. Organisational charts

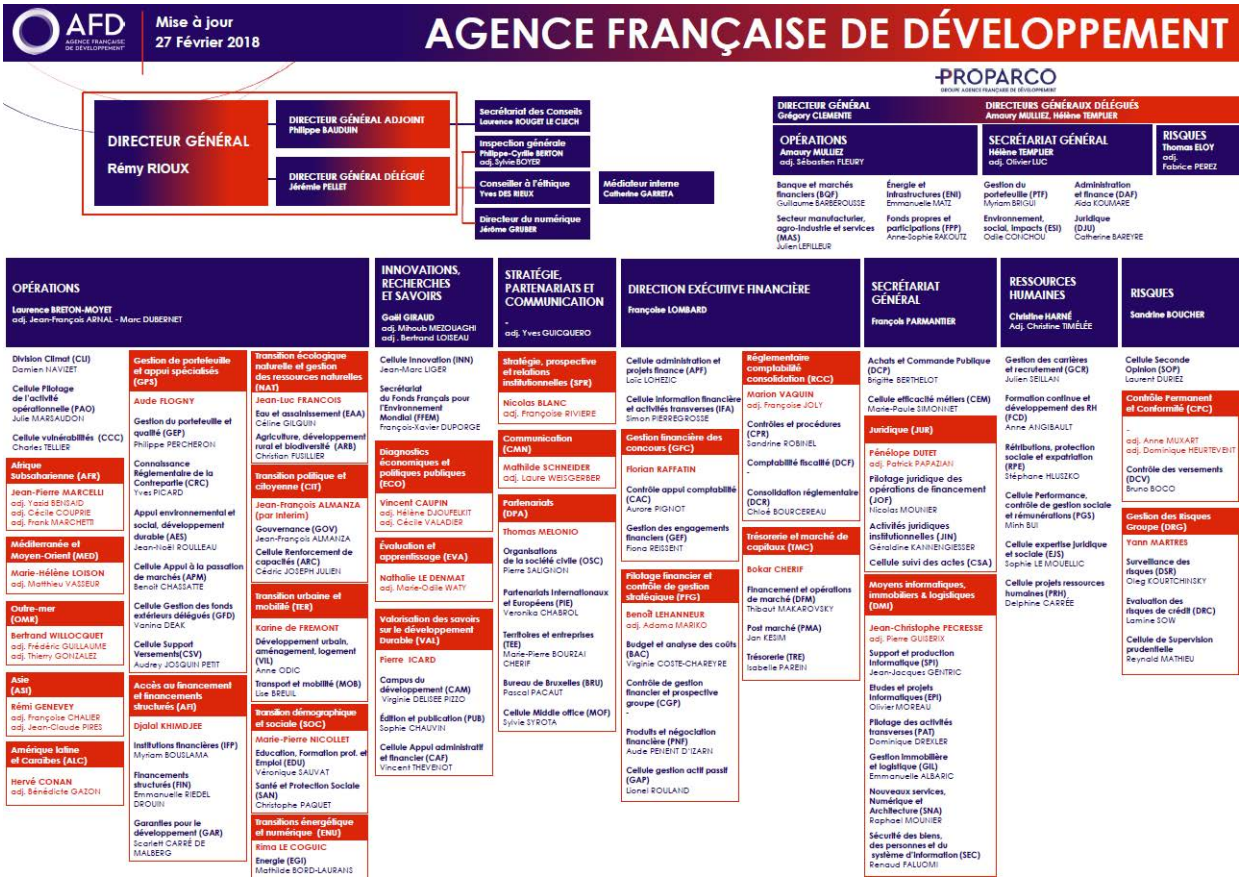
Figure D.1. Ministry of Europe and Foreign Affairs,

Directorate General for Globalisation, Culture, Education and International Development (DGM)



Source: MEAE (2018), https://www.diplomatie.gouv.fr/IMG/pdf/organigramme_dgm_octobre_2017_cle8fe729.pdf.

Figure D.2. Organisational chart of the French Development Agency (AFD)



Source: AFD (2018), https://www.afd.fr/fr/media/download/749

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FRANCE

The OECD's Development Assistance Committee (DAC) conducts periodic reviews of the individual development co-operation efforts of DAC members. The policies and programmes of each DAC member are critically examined approximately once every five years. DAC peer reviews assess the performance of a given member, not just that of its development co-operation agency, and examine both policy and implementation. They take an integrated, system-wide perspective on the development co-operation and humanitarian assistance activities of the member under review.

This review analyses the performance of France, including its efforts towards international stability and climate financing, as well as the impact of the grant-loan composition and the cross-government management of its aid programme.

Consult this publication on line at ***https://doi.org/10.1787/9789264302679-en***.

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