

## KEY QUESTIONS

### the big six

# 3



## Who are the main actors in French development cooperation?

### President has a key role; decision-making is fragmented as several institutions are involved

France's decision-making landscape for development policy is fragmented. The President, since May 2017 Emmanuel Macron ('En marche' movement), determines overall guidelines. He also engages in development issues through high-level commitments. The Prime Minister, Edouard Philippe since May 2017, chairs the Inter-ministerial Committee for International Cooperation and Development (CICID), which sets long-term strategic priorities. The committee last met in November 2016.

Within the government, two ministries jointly manage French development policy: the Ministry for Europe and Foreign Affairs (MAE, previously Ministry of Foreign Affairs and International Development), and the Ministry of the Economy and Finance (Finance Ministry).

The French Development Agency (AFD), currently headed by Director-General Rémy Rioux, is the key implementing agency. AFD has a dual status as a public agency and a development bank. It has 72 country offices and 1,837 employees (as of 2015). In 2016, AFD made a record €9.4 billion in new commitments, a 13% increase compared to 2015. AFD provides the vast share of its funding as loans (84% in 2016), and also takes part in equity investments/guarantee financing (5%). In 2016, grants made up 11% of AFD's commitments. This includes debt-relief operations and budget support (the breakdown is not yet available for 2016; in 2015, they accounted together for 8% of AFD's funding). AFD currently provides only small shares of its funding as grants for bilateral projects (around 3% in 2015) and funding for civil society organizations (CSOs; around 2%). Over half of AFD's resources stem from bonds issued on international capital markets.

The government plans to further expand the agency's financing capacity to meet its pledge to increase ODA loans by €4 billion by 2020. AFD commitments are expected to grow further to €12.7 billion per year by 2020. In addition, AFD plans to increase the volume of grants (currently around €200 million per year) provided for development projects by €400 million, by 2020. From this perspective, the government increased the AFD's own funds by €2.4 billion in 2016.

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In addition, the AFD signed a partnership convention with the Deposits and Consignments Fund (CDC), France's main public-investment institution, in December 2016. The 'Strategic Alliance Charter' paves the way for strengthened cooperation between the two institutions, with the aim of bringing French policy and actions related to the sustainable development goals (SDGs) in France and abroad under a single umbrella. The Charter foresees strengthened intervention and financing capacity of both institutions for sustainable development, including in developing countries. To this end, an investment facility has been set up, focused on infrastructure for sustainable development, particularly in Africa. Initial financing from the CDC to the investment facility amounts to €500 million, topped up with €100 million contributed from by the AFD. The focus will be on renewable energies; water, sanitation, and hygiene (WASH), telecommunications and digital infrastructure; waste treatment; transport; territorial development; and health and education.

The French parliament's two chambers, the National Assembly (Assemblée Nationale) and the Senate (Sénat), scrutinize, propose amendments to, and vote on the budget. Members of Parliament (MPs) can reallocate spending within budget lines but cannot change the budget lines' overall amounts. They usually receive information on individual budget lines shortly before the vote, which limits their influence. However, MPs can influence overall ODA levels by allocating high amounts of extra-budgetary resources (resources that are not integrated within ministries' budget lines) to development cooperation. This happened in the negotiations on the 2016 and on the 2017 budget: MPs amended the government's budget draft to increase proceeds of the financial transaction tax allocated to development assistance.

In 2014, Parliament adopted France's first-ever law on development cooperation. It aims to increase transparency and accountability, and foresees a review process of de-

development policies by parliament every two years. However, it is not likely to simplify the way decisions on development policy and allocations are made, as the high number of actors involved remains unchanged (the President, the Prime Minister, the MAE, the Finance Ministry, and the AFD).

Civil society organizations (CSOs) play an influential role in France's development policy as advisory bodies. Coordination SUD is the biggest CSO umbrella organization, gathering 140 French development NGOs. Its board of di-

rectors meets annually with AFD's director. In 2013, the government created a 'National Council for Development and International Solidarity' (CNDSI) gathering representatives of CSOs, labor unions, local authorities, research institutes, and MPs. The Council is chaired by the MAE and meets twice a year to debate issues regarding French development policy. However, CSOs play a relatively minor role in implementing French ODA: they channeled only 3% of bilateral ODA in 2015, well below the average channeled by CSOs in other donor countries (17%).

FRANCE'S DEVELOPMENT COOPERATION SYSTEM

