

## KEY QUESTIONS

### the big six

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## Who are the main actors in France's 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 ('La République en Marche'; LRM), determines overall guidelines and engages in development issues through high-level commitments. The Prime Minister, Edouard Philippe since May 2017, chairs the Interministerial Committee for International Cooperation and Development (CICID), which sets long-term strategic priorities and meets on an ad-hoc basis (approximately every two years since 1998). According to a report submitted to the Prime Minister on the modernization of France's development aid from August 2018, France will establish a new coordination body, the Development Council, to possibly replace CICID. Unlike CICID, the French President will supervise the Development Council, which is expected to meet at least twice a year to take strategic decisions on France's development policy.

Within the government, two ministries jointly manage French development policy: the Ministry for Europe and Foreign Affairs (MAE), led by Foreign Minister Jean-Yves Le Drian, and the Ministry of the Economy and Finance (Finance Ministry), under Bruno Lemaire's leadership. Since 2018, the MAE is in charge of coordinating a yearly report to the President and Prime Minister on the implementation of the planned ODA increases, liaising with other ministries concerned.

**The French Development Agency (AFD)**, currently headed by Director-General Rémy Rioux, is France's implementing agency. AFD has a dual status as a public development agency and a development bank, with 85 country offices and 2,400 employees. AFD develops projects according to partner-country demands. It is responsible for the formulation, management, and supervision of projects. The MAE is consulted on and involved in various stages of policy development and project monitoring. In practice, AFD benefits from a large degree of autonomy to allocate funding to specific sectors depending on recipient countries' requests. It receives funds through the MAE and the Ministry of Finance, but over half of its resources stem from bonds issued on international capital markets.

In 2017, AFD made a record €10.4 billion (US\$11.6 billion) in new commitments, a 10% increase compared to 2016.

The government plans to further expand the agency's financing capacity. According to the February 2018 CICID meeting, two-thirds of the ODA increase planned until 2022 will be channeled through AFD. The 2019 budget law allows the agency to develop projects mobilizing up to a total of €1 billion, paving the way for a strong increase in disbursements in the coming years.

In parallel, in 2016 AFD signed a partnership convention with the Deposits and Consignments Fund (CDC), France's main public-investment institution. It aims to bring French policy and actions related to reaching the Sustainable Development Goals (SDGs) in France and abroad under a single umbrella. The agreement foresees strengthened financing capacity for both institutions. To this end, an investment facility has been set up focusing on infrastructure. Initial financing from the CDC to the investment facility amounts to €500 million (US\$564 million), topped up with €100 million contributed by the AFD.

Bilateral programming is steered by the supervision of the MAE and the Ministry of Economy and Finance and in collaboration with partner countries, embassies develop 'Partnership Framework Documents' ('Documents Cadre de Partenariat', or 'DCPs'), detailing the work of all French actors involved in development programs in the partner country. They provide overall guidance for French cooperation over a period of three years for up to three priority sectors per country. Since 2011, DCPs are only mandatory for France's 19 priority countries.

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 draft budget to increase proceeds of the financial transaction tax allocated to development assistance. Similar proposals were put forward for the 2018 and 2019 budgets but were rejected by the majority of MPs.

**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 directors 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. CSOs currently play a relatively minor role in implementing French ODA: they channeled 3% of bilateral ODA in 2017, well below the average among OECD donor countries (17%). However, this is likely to change: In the 2018 CICID conclusions, the government committed to double funding channeled through NGOs between 2017 and 2022.

FRANCE'S DEVELOPMENT COOPERATION SYSTEM

