

KEY QUESTIONS

the big six

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How does France spend its ODA?

France channels most of its ODA bilaterally, but is also a strong supporter of multilaterals

According to OECD data, France delivered 63% of its ODA bilaterally in 2017. This was slightly above the average of 60% among members of the OECD Development Assistance Committee (DAC). Debt relief used to account for a large part of French bilateral ODA but has sharply declined in recent years, to reach 2% in 2017 from 14% in 2013. However, the Ministry of the Economy and Finance (Finance Ministry) and the French Development Agency (AFD) still implement programs called Debt-Reduction Development Contracts (C2D) with some partner countries: a portion of the debt relieved is allocated to sectors related to development, such as health and agriculture. For example, in June 2016, Côte d'Ivoire and the AFD signed a new C2D agreement for a new maternal, newborn, and child health program amounting to €68 million (US\$77 million).

France's largest funding area bilaterally is education; general budget support is strongly increasing

In 2017, France's bilateral ODA stood at US\$8.6 billion, a 13% increase from 2016. The largest share goes to education: in 2017, education constituted 15% of French bilateral ODA (US\$1.2 billion). However, 69% (US\$864 million) of this comprises costs of students from partner countries studying in France, which can be reported as ODA. Thus, the vast share of France's education ODA does not go to projects in partner countries.

In 2017, general budget support became France's second-largest sector of its bilateral ODA, reaching US\$816 million (9% of bilateral ODA), a significant increase from 2016 levels (US\$179 million). General budget support is financing that contributes directly to partner countries' budgets with the aim of better aligning support with the country's policies and reducing parallel programming. In line with France's commitment to spend €2 billion (US\$2.3 billion) in Africa on renewable energies, financing for energy-related projects went up by 50% between 2015 and 2017, reaching US\$802 million and making it the third-largest sector of French bilateral ODA. Infrastructure comes fourth, at 9% of bilateral ODA (US\$799 million), followed by water and sanitation (US\$682 million, or 8%).

France provides much of its bilateral ODA as loans. This is because they provide a relatively easy way to increase

overall ODA while minimizing the impact on actual budget transfers. In 2017, loans represented almost half of France's bilateral ODA (50%, far higher than the DAC average of 9%). The government has, however, committed to increasing the share of grants within its ODA, especially for its 19 priority countries. As part of the AFD's overall funding increases, it plans to increase the proportion of grants within its portfolio. Currently, AFD provides the vast share of its funding as loans (79% in 2017) and also takes part in equity investments/financial guarantees (6%). In 2017, grants made up 15% of AFD's commitments, including debt-relief operations and budget support.

It is worth noting that figures on bilateral ODA reported by France, in line with OECD reporting practices, also include a range of other items categorized as grants that do not represent actual cash transfers from France to a recipient country. The best example is imputed costs for students from middle- and low-income countries studying in France (US\$864 million in 2017).

Who are France's ODA recipients?

France focuses its grants on sub-Saharan Africa and its loans on MICs; increased focus on Sahel region

France places a strong focus on sub-Saharan Africa: between 2015 and 2017, it allocated almost a third of its bilateral ODA to the region (29%). This focus is likely to continue, particularly as France increasingly focuses on the Sahel region through its Sahel Alliance (for more details, see question two: 'What are France's strategic priorities for development?').

France takes a differentiated approach to ODA depending on the partner country's level of income: loans focus largely on emerging economies, whereas grants are primarily allocated to low-income economies.

For ODA grants, France has identified 19 fragile and least-developed countries to focus on ('Pays Pauvres Prioritaires', also known as 'PPPs'), almost all in sub-Saharan Africa: Benin, Burkina Faso, Burundi, the Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Djibouti, Gambia, Guinea, Madagascar, Mali, Mauritania, Niger, Senegal, and Togo. With the exception of Gambia, they are all francophone. France seeks to allocate at least half of all grants and two-thirds of AFD grants to these countries.

France’s ODA loans focus on emerging economies. Because of France’s emphasis on loans to deliver ODA, middle-income countries (MICs) receive the largest share of France’s bilateral ODA, amounting to 60% between 2015 and 2017. All top-10 recipients of France’s bilateral ODA are middle-income countries (see figure).

For a deeper understanding of funding at the recipient level, please consult data from the International Aid Transparency Initiative (IATI). IATI is a reporting standard and platform on which organizations and governments voluntarily publish data on their development cooperation, including more recent activity than is available through OECD data.

Data can be searched by recipient country, the ‘publisher’ (including funders that do not report to the OECD), and other filters. Click here for more information on IATI’s data. Click here to go directly to IATI’s ‘d-portal’, a user-friendly interface for data searches.

France is a strong contributor to multilaterals, with a focus on health.

Core contributions to multilaterals account for more than a third of France’s total ODA (37%, or US\$5.0 billion

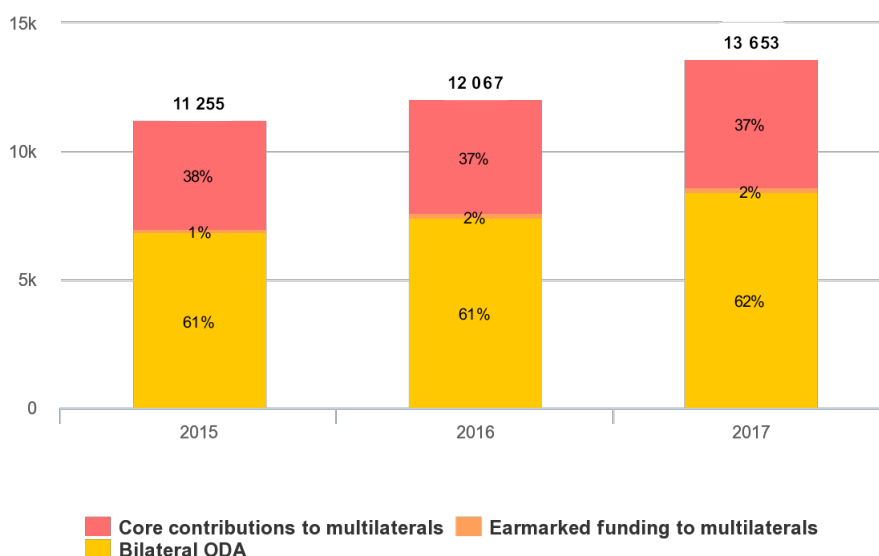
in 2017). Almost half of this consists of binding contributions to the European Union (48% in 2017). France’s multilateral engagement strategy for 2017-2021, ‘For a high-performing development assistance that serves the most vulnerable’, outlines three main objectives: 1) to serve the most vulnerable; 2) to be aligned with the goals of the 2030 global agenda; and 3) to be aligned with France’s vision of sustainable development.

Health is a key sector of France’s multilateral engagement: France provides strong support to the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) and will be hosting it’s 2020-2022 replenishment in October 2019. France is also a strong contributor to Gavi, the Vaccine Alliance (Gavi), and to UNITAID (for more details, see ‘sector: global health’). All three of these organizations are outlined as key partners in France’s 2017-2021 multilateral engagement strategy.

In addition to core contributions, France also provides 2% of its ODA to multilaterals as earmarked funding (US\$208 million), which is reported as bilateral ODA. This is a very low share compared to the average among members of the OECD DAC, which stands at 13%.

FRANCE'S BILATERAL AND MULTILATERAL ODA

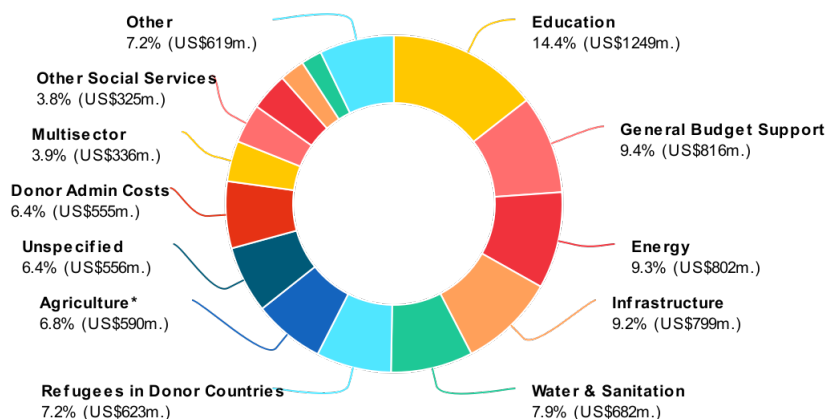
US\$ millions



OECD DAC 1 table. Gross disbursements; in 2017 prices.

FRANCE'S BILATERAL ODA BY SECTOR, 2017

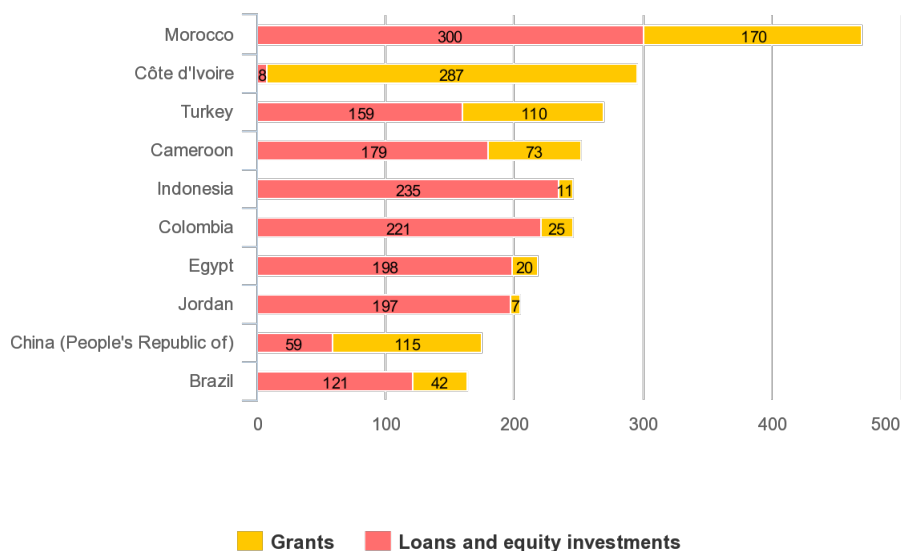
Total: US\$8,646 million



OECD CRS. Gross disbursements. *Includes agriculture, forestry, fishing, and rural development. In 2017 prices.

THE TOP 10 RECIPIENTS OF FRANCE'S ODA

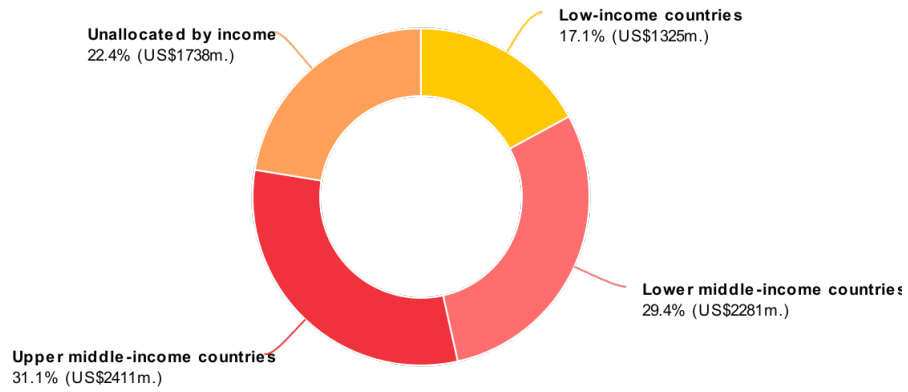
average 2015-2017, excluding debt relief; US\$ millions.



OECD CRS. Gross disbursements; in 2017 prices.

FRANCE'S BILATERAL ODA BY INCOME-GROUP, 2015-2017

Average 2015-2017: US\$7.8 billion



OECD CRS. Gross disbursements, in 2017 prices.