

KEY QUESTIONS

the big six

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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 ('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 the conclusions of the latest CICID meeting in February 2018, France will establish a new coordination body, the Development Council, to complement CICID. Unlike in CICID, the French President will supervise the Development Council. It will meet on an ad-hoc basis 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. Starting in 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 agency and a development bank. It has 85 country offices and 2,400 employees. In 2016, AFD made a record €9.4 billion (US\$10.4 billion) in new commitments, a 13% increase compared to 2015. AFD provides the vast share of its funding as loans (83% in 2016) and also takes part in equity investments/financial guarantees (5%). In 2016, grants made up 12% of AFD's commitments. This includes debt-relief operations and budget support. AFD currently provides only small shares of its funding as grants for bilateral projects (around 3% in 2015, latest year for which this data is available) 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. According to the February 2018 CICID meeting, two-thirds of the increase in French ODA planned until 2022 will be channeled through the AFD. This increase will also allow for a larger share of grants within the AFD's portfolio.

In addition, the AFD signed a partnership convention with the Deposits and Consignments Fund (CDC), France's main public-investment institution, in 2016. 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, focused on infrastructure. Initial financing from the CDC to the investment facility amounts to €500 million (US\$553 million), topped up with €100 million contributed 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. Half of this funding will go to Africa.

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. A similar proposal was put forward in the fall of 2017 for the 2018 budget but was rejected by the majority of MPs.

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 development policies by parliament every two years.

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 meet 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 2016, well below the average among OECD donor countries (16%). 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

