# **Executive summary**

This peer review analyses the performance and coherence of France's development co-operation system in relation to its objectives. It highlights successes and challenges and provides recommendations for the future. The report was prepared with reviewers from Belgium and Japan with the support of the OECD Secretariat.

France has renewed its ambition for development co-operation. The unanimous adoption of the 2021 law on solidarity for development and the fight against global inequalities marked an important step. The policy guidelines adopted in 2023 have refocused this ambition around ten priority policy objectives. These latest guidelines have raised questions about the hierarchy of France's priorities and the extent to which they have been taken on board by external partners. While the 2023 guidelines confirm the evolution of development co-operation towards a mutually beneficial partnership, clarifying the balance between the interests of the various stakeholders will be necessary for co-operation policy to remain a pillar of France's foreign policy.

This ambition is also reflected in the steady increase in French official development assistance (ODA), which has risen 37% since 2018. However, France has revised the timetable for its ODA growth trajectory and cut its ODA budget by more than 10% in 2024. A roadmap to reach the international target of 0.7% of gross national income (GNI) by 2030 would strengthen its credibility.

France champions the linkages between the green and social agendas in its vision of development and in its international advocacy, in line with the 2030 Agenda. Aligned with the Paris Agreement, France is one of the main providers of support for combating climate change and biodiversity loss, and it strives to pair action on climate, climate adaptation and biodiversity with the goal of reducing poverty and multidimensional inequalities. France is particularly active on climate, biodiversity and vulnerability issues within multilateral organisations. France's dynamism and unifying ambition could be strengthened as part of the follow-up to post-summit commitments, as is planned with the Secretariat of the Paris Pact for People and Planet.

These two priorities structure France's co-operation strategy, but integration remains a challenge. France has ambitious operational tools to articulate the green and social agendas. However, depending on the context, the country portfolios seem to follow parallel rather than integrated paths while also respecting the ambition not to harm any of the three pillars of sustainable development (economic, social and environmental). Current discussions aimed at making better use of positive synergies in programming would help accelerate the achievement of cross-impacts. Investment in diversified partnerships and research are assets that France can mobilise to a greater extent.

France is spearheading the mobilisation of sustainable finance to redirect financial flows, and is encouraging international debate on the subject. France is seeking to mobilise the private sector to a greater extent in its bilateral co-operation, including in higher-risk contexts and markets. To do so, France can draw on a full range of instruments, particularly those to support financial intermediaries. Taking on risk in line with its objectives will require adequate concessional resources, including support for partners.

In lower-risk markets, it will be important to pay particular attention to the added value of the French contribution.

The financing of infrastructures and the financial sector is at the heart of support for private sector development. As a complement, France plans to become more involved in some industry sectors and could step up the promotion of responsible business conduct. Even if formally tied aid remains limited, it will be important to maintain the effectiveness of ODA in the face of its expansion and the focus on economic spin-offs in France.

France has strengthened its crisis response instruments, becoming a major humanitarian donor. France has increased its financial contribution (+257% in five years) and strengthened its emergency mechanisms through better co-ordination of its delivery channels on the basis of contextualised global programming, a tenfold increase in the provision reserve for major crises and strong inter-ministerial co-operation. Its approach to crises, centred on fragility, enables a flexible response adapted to the context. The Minka Fund, managed by AFD, has demonstrated its relevance in this environment as a complementary instrument to humanitarian and stabilisation actions.

The contribution of French development co-operation to conflict prevention is not sufficiently clear. While France gives development aid an important role in identifying causes and preventing and responding to crises, it is less clear about the instruments to mobilised to achieve these objectives. The aid architecture that distinguishes between humanitarian and emergency aid and development and long-term aid may not be very relevant in many crisis contexts. AFD's efforts to link up with the Crisis and Support Centre are interesting in this respect. Furthermore, the increase in French aid in the most fragile areas has not always led to greater acceptance, as in the Sahel for example, which needs to be seen in the context of new partnership approaches with partner countries.

The balance between political impetus, steering by objectives, and flexibility has yet to be found. France's renewed ambition has also led to a reform of strategic steering and new co-ordination structures have strengthened the political impetus. The effectiveness of the new steering architecture will depend on its clarity and on the finalisation of work on transparency and the measurement of aid results to ensure overall strategic steering. While the creation of local development councils and the re-introduction of country strategies have contributed to the coherence of country portfolios, opening up these councils to local partners further could contribute to more contextualised steering.

France mobilises a wide range of instruments to meet the needs of its partners. In particular, it has diversified its instruments to increase partnerships with local civil society organisations through the Team France Funds and is paying greater attention to technical assistance. Nevertheless, the proportion of loans in its portfolio and their degree of concessionality has an impact on the sectors and geographical areas that are financed. A better integration of available tools, in particular through the consolidation of the AFD Group, would enable greater predictability and flexibility in financing French priorities.



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