

FRANCE

Development challenges as investment and business opportunities: France's policy and practices

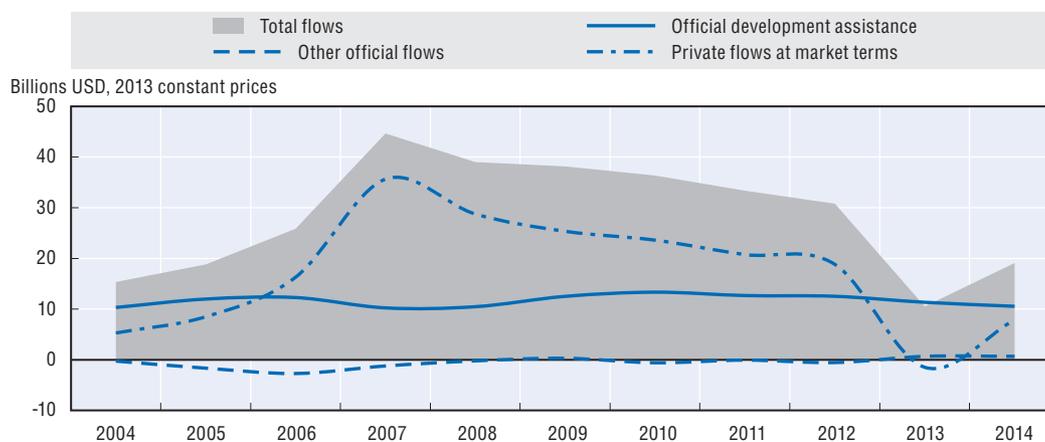
France gives high priority to mobilising resources additional to official development assistance (ODA), including private investment for development and steady and predictable innovative financing. The Agence Française de Développement's (AFD group) strategy towards the private sector aims at supporting the growth of sound and sustainable private companies and businesses which are central stakeholders for economic development, job creation and income for private individuals in the countries where it operates. Activities aim to support: 1) better business-enabling environments for the private sector; 2) the emergence of intermediary public or private business services for small and medium enterprises (SMEs); and 3) the direct development of SMEs, notably through a facilitated access to finance.

Through its subsidiary Proparco, the AFD, along with the Ministry of Economy and Finance (through UBIFRANCE12) supports private investment in emerging and developing economies for growth, low-carbon, sustainable development. The main priorities of its strategy are to increase focus on Africa, fragile and conflict affected states, and on climate change. It offers a range of financial instruments, such as loans, equity, guarantees and financial engineering. Its focus lies mainly on infrastructure, especially for renewable energies and energy efficiency, agriculture and agro-industry, the banking sector, health, and education.

According to the 2015 DAC Survey on Mobilisation (Benn et al., 2016), France mobilised USD 1.6 billion from the private sector through guarantees, syndicated loans and shares in collective investment vehicles in 2012-14. The AFD was the most active institution in this area, in particular through its guarantee programme ARIZ. Credit lines were also very important over the same period, although they were not included in the survey.

Financial flows from France to developing countries

Figure 17.1. Net resource flows to developing countries, 2004-14, France



Note: Data on private grants are not available.

StatLink  <http://dx.doi.org/10.1787/888933358771>

France uses ODA to mobilise other resources for sustainable development

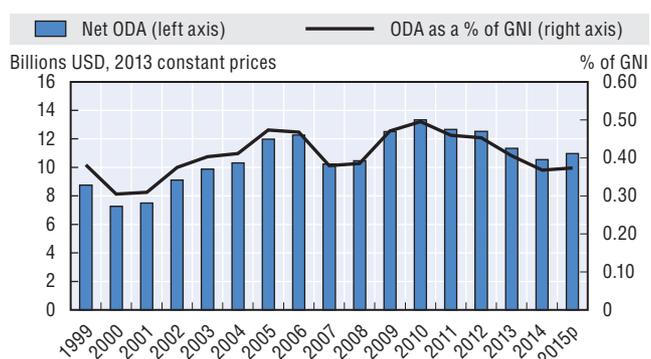
- **France promotes aid for trade to improve developing countries' trade performance and integration into the world economy.** France committed USD 2.6 billion to trade-related activities in 2014 (37.6% of its bilateral allocable ODA), an 8.6% increase in real terms from 2013. The trend has been fluctuating over the past few years.
- **France has pledged USD 1 billion (EUR 775 million) to the Green Climate Fund,** which plays a key role in channelling resources to developing countries and catalysing climate finance at the international and national levels. In 2016, France will also contribute a total amount of USD 26.5 million (EUR 25 million) to the Least Developed Countries Fund, which addresses urgent and immediate adaptation needs and supports national adaptation planning processes to reduce medium and long-term vulnerability to the impacts of climate change.

France's official development assistance

In 2015, France provided USD 9.2 billion in net ODA (preliminary data), which represented 0.37% of gross national income (GNI) and a 2.8% increase in real terms from 2014, the first since 2010. France is the 11th largest Development Assistance Committee (DAC) provider in terms of ODA as a percentage of GNI, and the 5th largest in terms of volume. France is committed, at European level, to collectively achieve a 0.7% ODA/GNI ratio by 2030. France's share of untied ODA (excluding administrative costs and in-donor refugee costs) was 92.3% in 2014 (increasing from 90.1% in 2013), compared to the DAC average of 80.6%. The grant element of total ODA was 85.6% in 2014, higher than in 2013 (when it stood at 84.4%) but below the DAC compliance grant element norm of 86%.

France reported USD 485.1 million of its in-donor refugee costs as ODA in 2014. These costs represented 4.6% of its total net ODA.

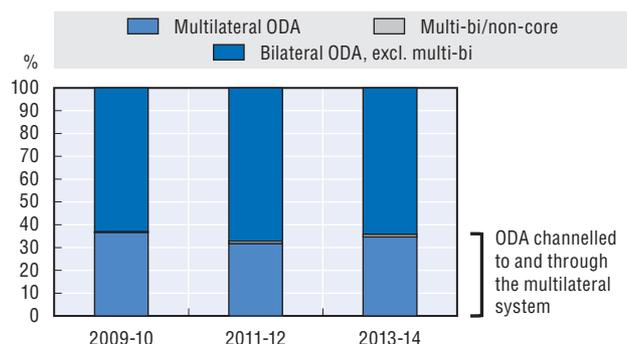
Figure 17.2. Net ODA: Trends in volume and as a share of GNI, 1999-2015, France



StatLink <http://dx.doi.org/10.1787/888933358780>

In 2014, 66.3% of ODA was provided bilaterally. France allocated 33.7% of total ODA as core contributions to multilateral organisations, compared with the DAC country average of 28.3%. In addition, it channelled 1.4% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core).

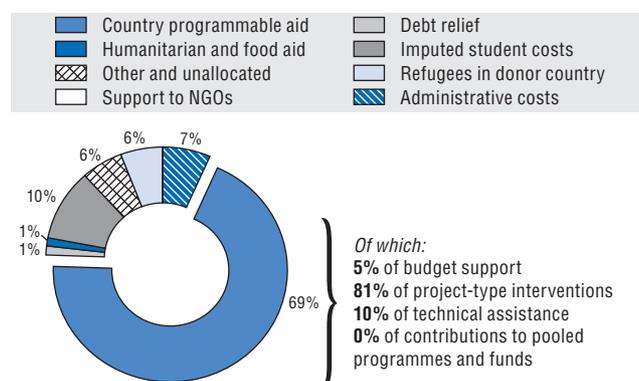
Figure 17.3. Share of ODA channelled to and through the multilateral system, two year averages, gross disbursements, France



StatLink <http://dx.doi.org/10.1787/888933358797>

In 2014, 68.9% of French gross bilateral ODA was programmed at partner country level. France's share of country programmable aid (CPA) was higher than the DAC country average (52.9%) in 2014. Project-type interventions made up 81% of CPA.

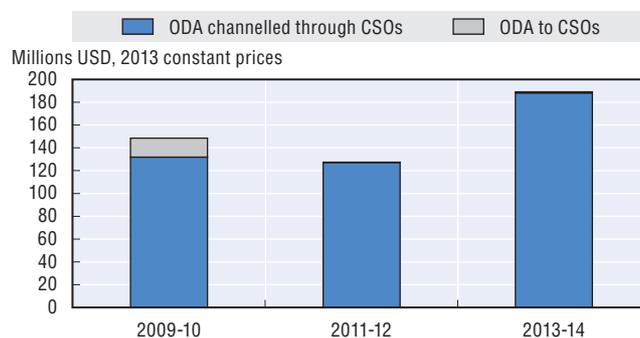
Figure 17.4. Composition of bilateral ODA, 2014, gross disbursements, France



StatLink <http://dx.doi.org/10.1787/888933358808>

In 2014, USD 268.8 million of bilateral ODA was channelled to and through civil society organisations (CSOs). France's ODA to and through CSOs increased between 2013 and 2014 in terms of volume (it more than doubled), and as a share of bilateral aid. This share (3.2% in 2014) was, however, low compared with the DAC country average of 17.4%.

Figure 17.5. Bilateral ODA to and through CSOs, two year averages, gross disbursements, France

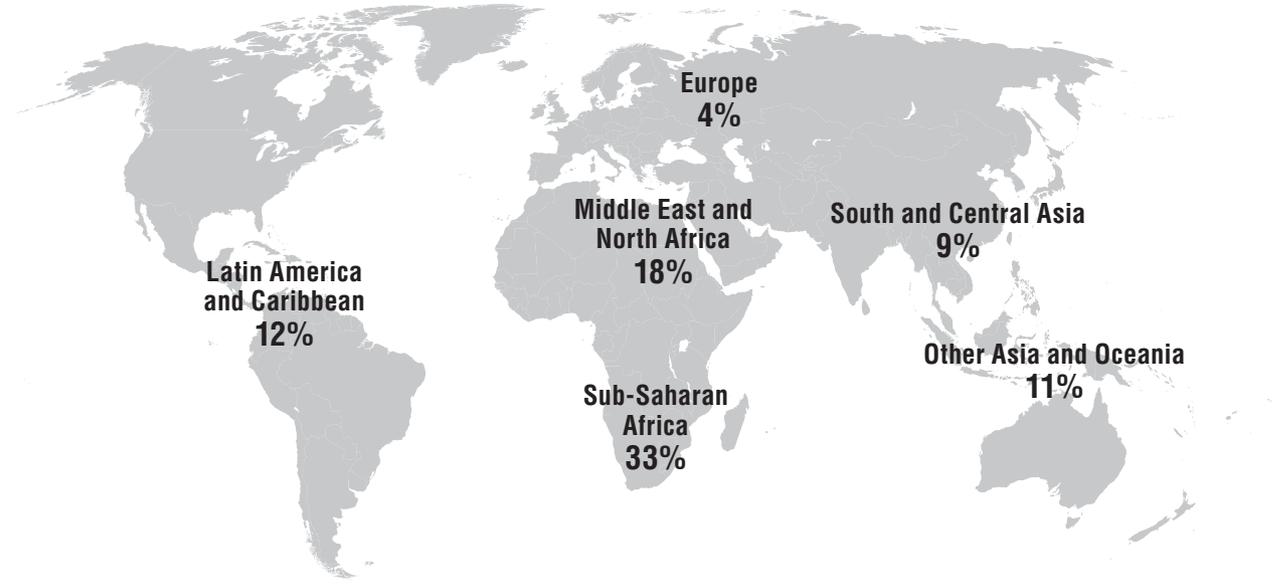


Note: Data on ODA to CSOs are not available for 2012 and 2014.

StatLink <http://dx.doi.org/10.1787/888933358815>

In 2014, bilateral ODA primarily focused on sub-Saharan Africa and the Middle East and North Africa. In 2014, France allocated USD 2.8 billion to sub-Saharan Africa, USD 1.1 billion to North Africa and USD 258.8 million to the Middle East.

Figure 17.6. Share of bilateral ODA by region, 2013-14 average, gross disbursements, France

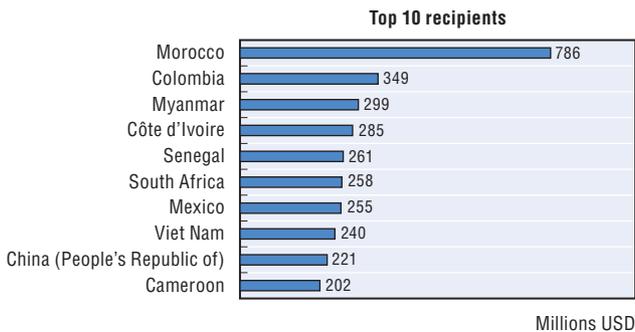
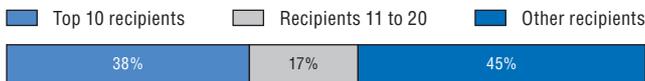


Note: 13% of bilateral ODA allocated was unspecified by region in 2013-14. This share is not represented on the map.

StatLink <http://dx.doi.org/10.1787/888933358829>

In 2014, 39% of bilateral ODA went to France’s top 10 recipients. France has 16 priority partner countries in sub-Saharan Africa, which should receive at least 50% of French grant ODA. Its support to fragile states reached USD 2 billion in 2014 (22.8% of gross bilateral ODA).

Figure 17.7. Bilateral ODA to top recipients, 2013-14 average, gross disbursements, France

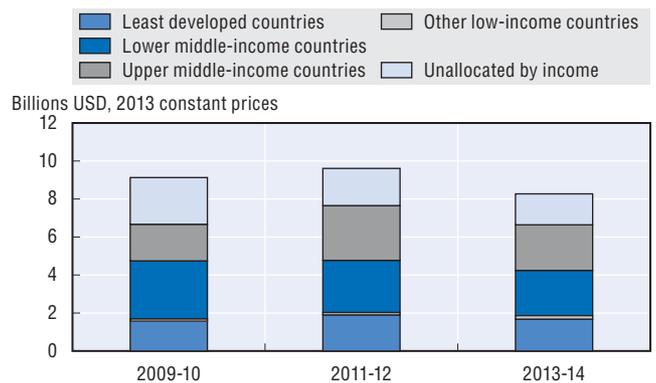


StatLink <http://dx.doi.org/10.1787/888933358837>

In 2014, 17.7% of gross bilateral ODA was allocated to least developed countries (LDCs), amounting to USD 1.5 billion. This is a decrease from 2013 (22.9%), and is lower than the 2014 DAC average of 25.6%. Upper middle-income countries received the highest share of bilateral ODA in 2014 (30.6%).

At 0.09% of GNI in 2014, ODA to LDCs was lower than the UN target of 0.15% of GNI.

Figure 17.8. Bilateral ODA by income group, two year averages, gross disbursements, France



StatLink <http://dx.doi.org/10.1787/888933358841>

In 2014, 37.1% of France's bilateral ODA was committed to social infrastructure and services, amounting to USD 3.4 billion, with a strong focus on support to education (USD 1.5 billion) and water and sanitation (USD 1.1 billion). USD 2.1 billion (23.6% of bilateral ODA) was allocated to economic infrastructure and services, mainly to transport and storage (USD 1.3 billion) and energy generation and supply (USD 788.9 million).

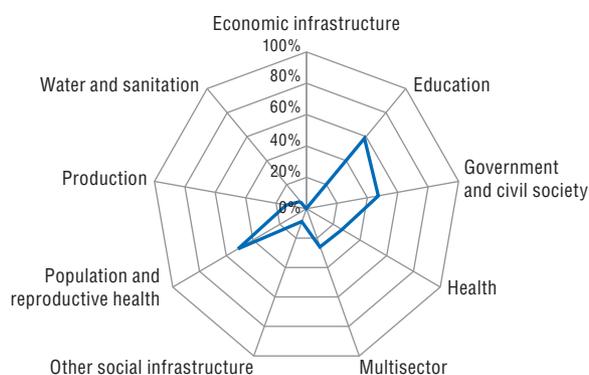
Figure 17.9. Share of bilateral ODA by sector, 2013-14 average, commitments, France



StatLink <http://dx.doi.org/10.1787/888933358852>

USD 958.9 million of bilateral ODA supported gender equality in 2014. France has made positive steps to integrate gender equality into its development co-operation with a new “gender and development” strategy (2013-17) and a “cross-sectoral framework on gender” framing the AFD’s support (OECD, 2014). In 2014, 15.2% of French bilateral allocable aid had gender equality and women’s empowerment as a principal or significant objective, compared with the DAC country average of 34.7%. This was a decrease from 19% in 2013. Education, population and reproductive health are the only sectors in which the focus on gender is strong.

Figure 17.10. Share of bilateral allocable ODA in support of gender equality by sector, 2014, commitments, France



StatLink <http://dx.doi.org/10.1787/888933358864>

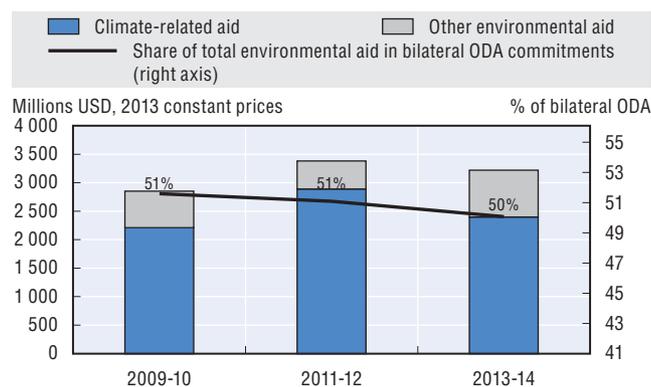
Note to reader: Annex B provides “Methodological notes on definitions and measurement for the Profiles of Development Assistance Committee members”.

Reference

OECD (2014), *OECD Development Co-operation Peer Reviews: France 2013*, OECD Development Co-operation Peer Reviews, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264196193-en>.

USD 3.6 billion of bilateral ODA supported the environment in 2014. France has made positive steps to integrate the environment and climate change into its development co-operation (OECD, 2014). In 2014, 52.2% of French bilateral allocable aid supported the environment and 40.7% (USD 2.8 billion) focused on climate change, compared with the respective DAC country averages of 32.2% and 23.9%.

Figure 17.11. Bilateral allocable ODA in support of global and local environment objectives, two year averages, commitments, France



StatLink <http://dx.doi.org/10.1787/888933358878>



From:

Development Co-operation Report 2016

The Sustainable Development Goals as Business Opportunities

Access the complete publication at:

<http://dx.doi.org/10.1787/dcr-2016-en>

Please cite this chapter as:

OECD (2016), "France", in *Development Co-operation Report 2016: The Sustainable Development Goals as Business Opportunities*, OECD Publishing, Paris.

DOI: <http://dx.doi.org/10.1787/dcr-2016-23-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.