

Evaluation

# Evaluation of the French contribution to aid for trade (2009-2019)

## Evaluation team

The evaluation was conducted by a team from EY Consulting upon request of the following institutions:

- The Ministry for Europe and Foreign Affairs,
- The Ministry of the Economy, Finance and Recovery,
- The French Development Agency (Agence française de développement).

The evaluation was conducted by Christina CASTELLA, Romane GERARDIN, Jérémie NONE and Vincent RAUFAST.

This work also benefitted from the participation of Eric BEANTANANA (Madagascar) and Baye Issakha SOW (Senegal).

## Acknowledgements

The EY Consulting team would like to thank all the stakeholders interviewed for their availability and the quality of their contributions, which facilitated the conduct of this mission and the preparation of the evaluation.

Special thanks go to the members of the Reference Group as well as to the departments of the French network abroad (Economic Services, SCAC and AFD's agencies) who contributed to the enrichment of the country case studies (Madagascar, Senegal, Vietnam).

**This report is available on the France Diplomatie website:** [www.diplomatie.gouv.fr/en](http://www.diplomatie.gouv.fr/en)

All adaptation, translation and reproduction rights by any means, including photocopy and microfilm, are reserved for all countries.

Evaluation

# Evaluation of the French contribution to aid for trade (2009-2019)



# Table of contents

|                  |   |           |
|------------------|---|-----------|
| <b>Chapter 1</b> | <b>The evaluation mandate</b>   | <b>6</b>  |
| 1.1              | Aid for trade: context, global dynamics and strategic directions  | 6         |
| 1.2              | The characteristics of French aid for trade   | 11        |
| <b>Chapter 2</b> | <b>Key findings of the evaluation</b>   | <b>15</b> |
| 2.1              | Relevance of French aid for trade   | 15        |
| 2.2              | Coherence of French aid for trade   | 18        |
| 2.3              | Effectiveness of French aid for trade   | 20        |
| 2.4              | Efficiency of French aid for trade  | 21        |
| <b>Chapter 3</b> | <b>Recommendations</b>  | <b>23</b> |
| 3.1              | Strengthen France's AfT intervention doctrine by specifying the expected goals and ensuring better consideration of emerging issues and the need for policy coherence | 23        |
| 3.2              | Optimizing the implementation of French AfT   | 24        |
| 3.3              | Strengthen the steering and monitoring of AfT at the international and European levels, from the central administrations and within the French local network          | 26        |
| 3.4              | Enhance efforts pertaining to French AfT in the areas of communication and visibility   | 27        |
|                  | <b>Acronyms and abbreviations</b>   | <b>28</b> |

# Chapter 1

## The evaluation mandate

In 2020, the General Directorate of the Treasury of the Ministry of the Economy, Finance and Recovery (MEFR), the General Directorate of Globalization, Development and Partnerships (DGM) of the Ministry for Europe and Foreign Affairs (MEAE) and the French Development Agency (AFD) decided to carry out a joint **evaluation of France's contribution to aid for trade (AFT) over the period 2009-2019**.

This unprecedented evaluation had several intertwined objectives:

- **Draw up a quantitative and qualitative state of play** of France's contributions to aid for trade.
- **Evaluate** the relevance, coherence, effectiveness and efficiency of these contributions.
- **Feed France's strategic reflection**, with a view to revising the French strategy adopted in 2009. This thinking was reflected in the renewed World Trade Organization (WTO) multilateral fund subsidy agreements for the period 2021-2023 and in preparation for the French presidency of the Council of the European Union (EU) in 2022. It was also expected that this forward-looking dimension would contribute to a reflection on the definition of aid for trade and its role in development, on French doctrine in this area, but also on the coordination and monitoring of commitments made, as well as on the possible lessons to be learned from the COVID-19 crisis.

The evaluation followed a **4-phase approach**, deployed between December 2020 and February 2022: **(i)** its launch and development; **(ii)** data collection and state of play including interviews with French, European and international actors;<sup>1</sup> **(iii)** in-depth investigations in three intervention countries (Madagascar, Senegal and Vietnam)<sup>2</sup> and two project-level case studies;<sup>3</sup> and **(iv)** final analyses, conclusions and presentation, as well as a strategic workshop on recommendations. In total close to 125 people were interviewed, including both French and international actors from capitals and from the field.

### 1.1 Aid for trade: context, global dynamics and strategic directions

#### 1.1.1 Anchored in official development assistance, "aid for trade" is a recent and multifaceted concept

Aid for trade (AFT) is a relatively recent concept that took shape in the early 2000s in response to the **objective of enabling low- and middle-income countries to participate more effectively in international trade**. The official emergence of the concept was recorded in the **Aid for Trade Initiative launched in 2005** at the 6th session of the Ministerial Conference of the WTO in Hong Kong.

1. 35 French actors were surveyed through 24 interviews: DG Treasury, MEAE, AFD, Proparco, Expertise France, MENJS, MESRI, MAA, DGDDI, STOA, civil society (Commerce Equitable and AVSF) and the President of the Reference Group. 24 international actors were surveyed through 12 interviews and one focus group: The Development, Knowledge and Information Management and Chairs Programme, Trade and Environment, Market Access divisions of the WTO, the WTO's ITTC, the Enhanced Integrated Framework (EIF), a beneficiary of the WTO Chairs Programme and FIMIP trainees via a focus group, as well as the World Bank, the African Development Bank and the OECD. Comparative insights were also gained through documentary analyses and interviews with four European donors (EU, UK, Germany, the Netherlands) from headquarters and/or permanent representations to the WTO.

2. 14 interviews were conducted involving 19 people in Senegal, 15 interviews with 20 people in Madagascar and 9 interviews with 10 people in Vietnam, making a total of 38 interviews with 49 people, including – for each country – interviews with the French network (SE, SCAC, AFD and others), recipients (ministry in charge of development policy, ministry in charge of AFT, sector ministries), AFT beneficiaries, donors.

3. Concerning the regional initiative to control fruit fly in West Africa (ID project CZZ1816) (5 respondents) and the line of credit to support the strengthening of Afreximbank's trade financing capacities on the African continent (4 respondents).





According to this initiative, aid for trade should aim to «[...] help developing countries, particularly LDCs, to build the supply-side capacity and trade-related infrastructure that they need to assist them to implement and benefit from WTO Agreements and more broadly to expand their trade».<sup>4</sup> This initiative became operational in 2006 through the creation of a task force that proposed **a first common definition of aid for trade**: “Projects and programmes should be considered as Aid for Trade if these activities have been identified as trade-related development priorities in the recipient country’s national development strategies”.<sup>5</sup>

**The scope of Aft, however, remains broad.** As early as 2007, the European Parliament pointed to this when drawing up the EU’s Aft strategy.<sup>6</sup> In 2009, France recognized the cross-cutting nature of Aft by including actions addressing different sectors of development aid. The same action can contribute more or less directly to trade development, which raises issues in terms of doctrine and strategic orientation. The EU presented a brief definition of aid for trade **in its 2017 updated Joint Strategy**, which states that Aft “...covers a wide range of areas including trade

policy-making, trade-related regulations and standards, economic infrastructure (e.g. energy, transport, telecom<sup>7</sup>) and productive capacity building in export-oriented sectors such as agriculture, fisheries and manufacturing.”<sup>8</sup> Within this framework, the EU and its member states provide broad-based aid for trade, with the objective of helping developing countries, and in particular the least developed countries (LDCs), **to better integrate the global trading system**, while respecting its rules, and to harness **trade more effectively so as to stimulate growth and reduce poverty**.

Each European actor **has a strategy with relatively consensual, although sometimes different, orientations**. Even if the donors studied subscribe to the successive EU strategies, national specificities are apparent, such as the importance given to national economic interests for the Netherlands and the United Kingdom, the predominant place of renewable energies in the German Aft strategy and the importance of technical assistance to trade policy and regulation for the Netherlands. Several donors (the African Development Bank, EU, France, Germany, the Netherlands, the World Bank) continue to **focus on regional integration and intra-regional**

4. Doha Work Programme, Ministerial Declaration adopted on 18 December 2005 at the Sixth Session of the Ministerial Conference, Hong Kong, WTO. WT/MIN(05)/DEC (wto.org)

5. Recommendations of the Aid for Trade Task Force, WTO, July 2006. Microsoft Word - 5682da.doc (wto.org)

6. “The European Parliament [...] notes that one of the most contentious issues with respect to Aid for Trade is its very definition, as it is used to describe an extremely wide range of trade-related assistance measures to developing countries”.

7. The EU definition is not exhaustive and omits some CRS purpose codes such as Banking and Financial Services.

8. pdf (europa.eu)



**trade enhancement.** In this regard, the most emblematic project currently supported by several donors, including France, is the African Continental Free Trade Area (AfCFTA).

**International thinking has also emerged on topics related to AfT, including:** connecting to value chains, promoting inclusion and connectivity in favour of sustainable development, supporting economic diversification and empowerment and, most recently, the role of AfT in contributing to recovery efforts in the context of COVID-19.

Following the recommendations of the task force created in 2006, **the monitoring of AfT has been progressively structured and deployed at the country, donor and global levels through biennial Global Reviews<sup>9</sup>** which result in the publication of a joint OECD-WTO report. These reviews, which contribute to strengthening the transparency of aid for trade, are based on the use of financial data reported by the Organisation for Economic Co-operation and Development (OECD) member countries through the OECD Development Assistance Committee's (DAC) Creditor Reporting System (CRS). It should be noted that only expenditures that can be accounted for as official development assistance (ODA) are recorded in this database. According to the OECD-WTO report, in order to be considered as aid for trade, reported development assistance funding must be recorded in one of the following 5 main categories and 17 sub-sectors (purpose codes):<sup>10</sup>

**1) Technical assistance for trade policy and regulations:** assistance in the elaboration of trade strategies, the negotiation of trade agreements, etc. Purpose codes: 333110, 33120, 33130, 33140, 33181.

**2) Trade-related infrastructure:** construction of roads, ports and communication networks in support of trade. Purpose codes: 201, 220, 230.

**3) Building productive capacity,** including trade development: support for the private sector to exploit its comparative advantages and diversify its exports. Purpose codes: 240, 250, 311, 312, 313, 321, 322, 332.

**4) Trade-related adjustment:** a category added in 2008 for accounting budgetary contributions destined to help implement beneficiaries' trade reforms and to adjust trade policy measures.<sup>11</sup> Purpose code: 33150.

**5) Other trade-related needs:** To assess the volume of these "other" commitments, donors should examine aid projects in sectors other than those listed above (e.g., education and health) and indicate, if applicable, the share of these activities with a significant trade component.

9. These comprehensive reviews have been in place since 2007 and are organized under the AfT Initiative.

10. Source: Annex D, *Aid for Trade at a Glance 2019*, OECD-WTO. 18ea27d8-en.pdf (oecd-ilibrary.org)

11. Prior to 2008 these contributions were not counted as AfT. They were recorded in the "General Budget Support" category, which made it impossible to distinguish them from funding contributing to aid for trade.



This accounting method is not the only one in place: the World Bank, for example, has made adjustments to monitor its own Aft, resulting in the inclusion of trade finance and, on the other hand, a reduction in the scope of infrastructure accounted for (a more limited category 2).

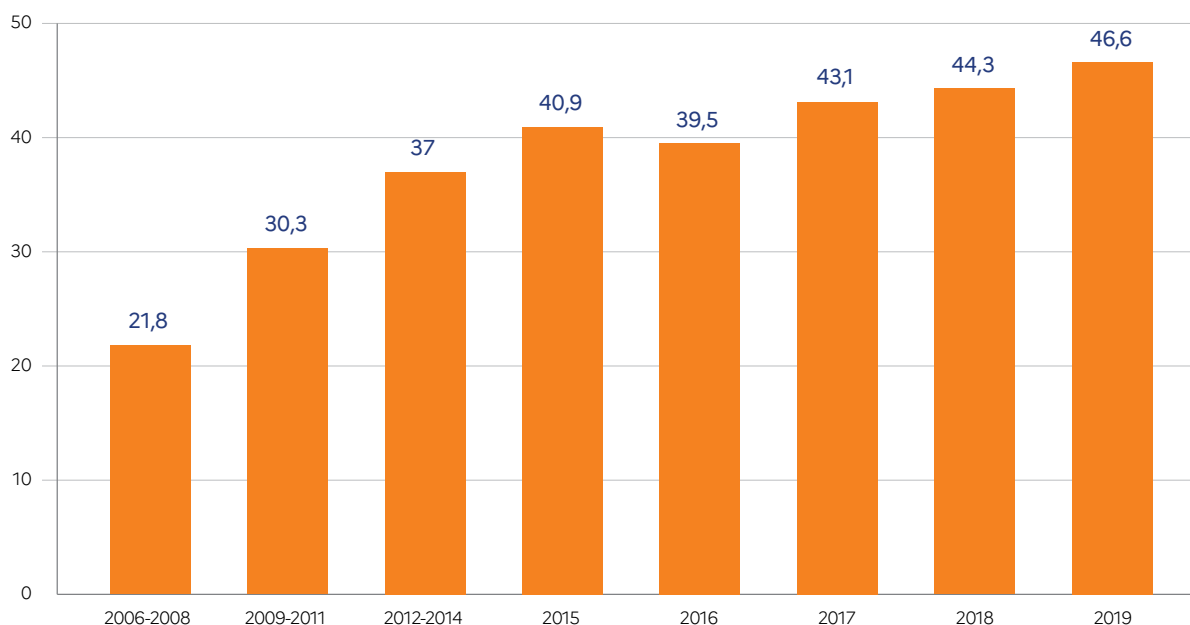
### 1.1.2 A gradual increase at the global level, driven by support for economic infrastructures

According to the WTO-OECD accounting system, **Aft has been gradually increasing globally**. Aid disbursed under Aft has thus doubled in a decade, rising from an annual average of USD 21.8 billion in 2006-2008 to \$46.6 billion in 2019 (i.e., an annual average growth of 6.6%).<sup>12</sup> However, the weight of aid for trade in ODA has been relatively stable over this period, hovering around 23% on average annually.

Aid for trade from donors across the spectrum is still mainly intended **to support the economic infrastructure of partner countries** (primarily transport and energy), as well as **to build productive capacity**, particularly in the area of agriculture. Its main beneficiaries are low- and middle-income countries (which represented 40% of aid in 2019), while Africa remains the main region receiving funding.



Figure 1 – Evolution of global aid for trade over the period 2006-2019 (\$ billion)



Sources: *Aid for Trade at a Glance 2019*, OECD-WTO; *Aid for Trade Key Facts*, OECD, March 2021; elaboration by EY Consulting.

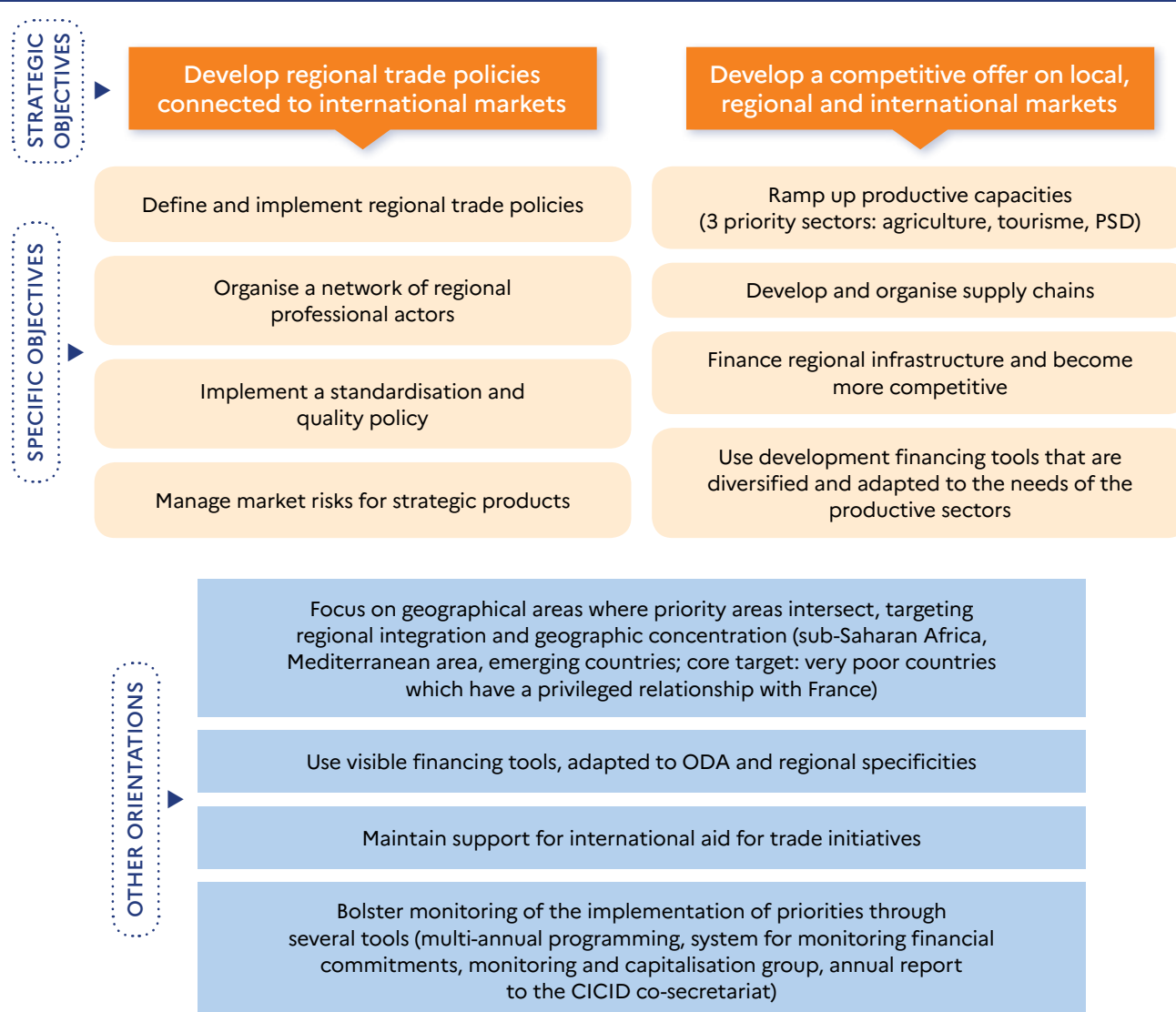
12. Source: OECD CRS database.

### 1.1.3 France has a strategic framework dating back to 2009 and which is part of a European dimension

Since the early 2000s, France has taken initiatives to better reconcile trade and development aid. In 2002, it **adopted a first action plan dedicated to aid for trade, endorsed in the conclusions of the Interministerial Committee on**

**International Cooperation and Development (CICID) on February 14, 2002**, which established integration into the international trading system as a lever for growth and the fight against exclusion and poverty. In 2009, France adopted an AFT strategy, **validated by the CICID on June 5, 2009**, which aims to meet the long-term needs and expectations of recipient countries (notably in Africa, the Caribbean and the Pacific [ACP]). This strategy targets two priority areas of intervention, broken down into eight specific objectives.<sup>13</sup>

Figure 2 – Objective tree for France’s 2009 aid for trade strategy



Sources: France’s 2009 AFT strategy; ToR and evaluation of AFD’s Trade Capacity Building Program (PRCC), elaboration by EY Consulting.

13. Strategic Framework for French Aid for Trade, CICID, April 29, 2009.

In defining an aid for trade strategy, France is firmly **in line with the European Union, which adopted its own Aft strategy in 2007**. This strategy called for the allocation of EUR 2 billion in technical assistance for trade as of 2010 (including €1 billion in bilateral aid from member states). It aimed to strengthen the quality of Aft and its link to poverty reduction, with a primary focus on ACP countries: about 50% of the increase in technical assistance was to be devoted to these countries.

In line with the EU's financial commitments, France set itself the objective of increasing its Aft by a minimum of €850 million per year compared to the average disbursement between 2002 and 2005 of €562 million per year.<sup>14</sup> It also planned to increase its technical assistance for trade to an average of €150 million per year starting in 2010 (with 50% of the increase reserved for ACP countries).

Nevertheless, unlike the EU, which undertook a revision of its Aft strategy in 2017 (as well as other member states such as Germany, the United Kingdom and the Netherlands), **France has not revised its Aft strategic framework since 2009**. The 2017 update of the EU strategy did not result in profound changes regarding general objectives but it has taken into account the emergence of new challenges (primarily pertaining to commerce, politics, international cooperation and the environmental) in its strategic orientations and operational modalities.

Although the French strategy was not updated, aid for trade and its related topics are nevertheless **regularly mentioned in other French strategic frameworks** such as the 2011 Framework Document for Development Cooperation Policy, the 2013 National Action Plan for Fair Trade, the 2014 Act "Orientation and Programming for International Development and Solidarity" (when trade and regional integration became one of France's ten priority sectors<sup>15</sup>); the Law of August 4, 2021. The Global Partnership Framework, annexed to the latter law, also set out a thematic priority relating to trade capacity building for inclusive and sustainable economic growth.<sup>16</sup>

## 1.2 The characteristics of French aid for trade

### 1.2.1 France steadily and consistently increased its aid for trade over 2009-2019

**Between 2009 and 2019, France disbursed a total of \$20.3 billion in aid for trade.** Annual French Aft more than **doubled in ten years** to reach \$2.7 billion in 2019, in line with the global trend of increasing Aft disbursements. Despite this increase, **France's rank as an Aft donor declined slightly** from 4th position in 2009 to 6th in 2019.



14. Strategic Framework for Aid for Trade, 2009.

15. Act No. 2014-773 of July 7, 2014: Orientation and programming for policy development and international solidarity (LOPDSI).

16. Programming law on solidarity-based development and the fight against global inequalities, 2021.

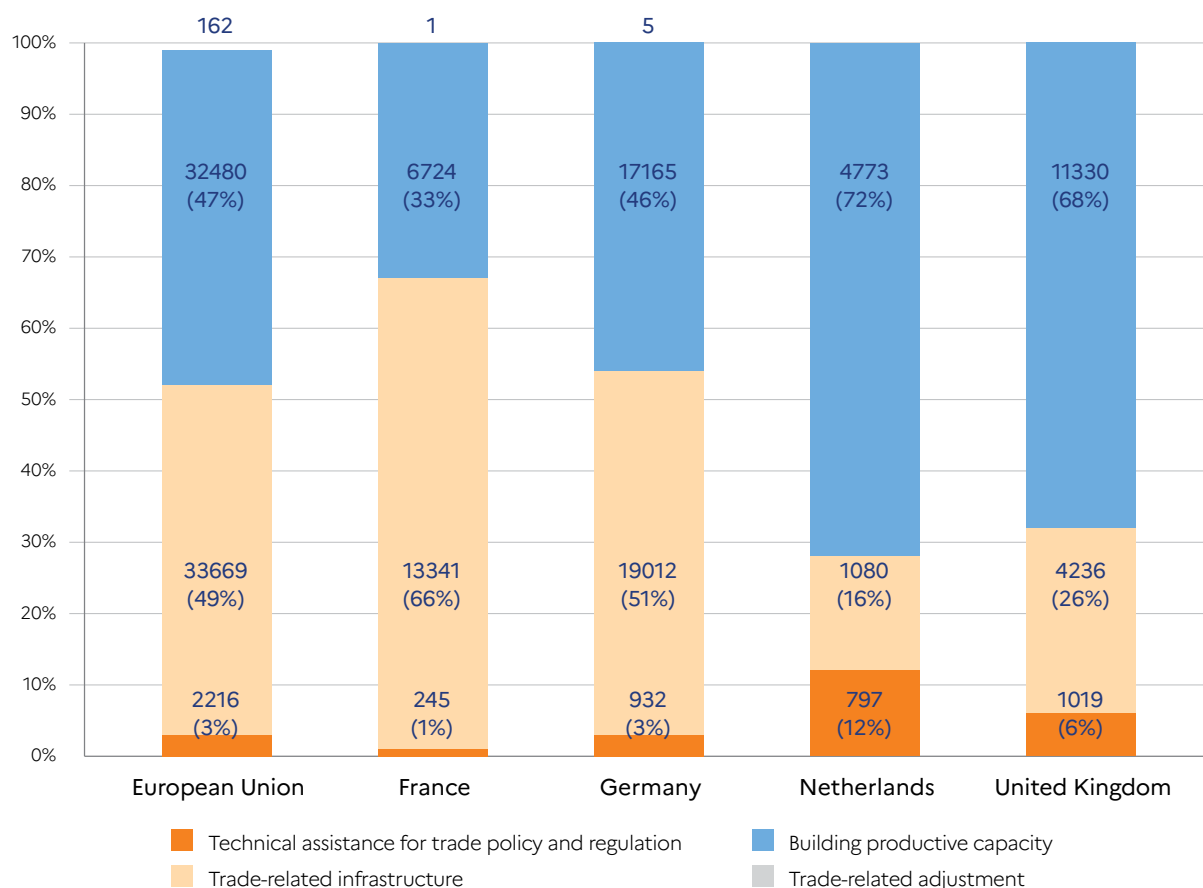
Its contribution represents 6% of AfT disbursed globally, which ranks it behind Japan, the International Development Association (IDA-World Bank), the EU, Germany and the United Kingdom. This decline is mainly due to the rise of other donors' influence, primarily the EU and Japan.

While the increase in aid for trade naturally follows the upward trend in official development assistance **its share of French ODA has risen over the past decade, growing from 14% in 2009 to 27% in 2019**. This increase is explained, among other things, by the growing importance of the amounts allocated to the infrastructure sector (category 2 of AfT according to the OECD-WTO accounting system).

## 1.2.2 The growing predominance of infrastructures and the significant weight of loans

France's aid for trade is characterized by the **predominance and strong growth of support for infrastructure and the weakness of its technical assistance**: while in 2009 France invested mainly in building production capacity (particularly for agriculture), this area of investment has dwindled (from 56% to 30%) to the benefit of trade-related infrastructure (44% to 70%), **driven by the transport and energy sectors**. As for the AfT dedicated to technical assistance for trade policy and regulation, this was only marginally invested, despite a rebound in 2018 due to the granting of a credit line by AFD to Afreximbank (a pan-African trade finance bank).

Figure 3 – Breakdown by category of AfT for France and the four European donors studied, over the period 2009-2019 (\$ million, graph 100%)



Source: CRS 2009-2019; elaboration by EY Consulting.

NB: Category 4 "Trade-related adjustment" is characterized by low or almost no funding for some countries (\$162 million for the EU; \$1 million for France).

These developments are **in line with the global trend in AfT**, for which support for economic infrastructure (essentially the transport and energy sectors) is a major and growing component.<sup>17</sup> At the same time, technical assistance for trade policy and regulation is under-resourced at the global level and is declining.<sup>18</sup> Compared to other European donors, **France nevertheless stands out for its substantial investments in trade-related infrastructure** (mainly transport).

**France's aid for trade also stands out because of the importance of loans, mainly granted by AFD, which constitute its main financing modality;** the share of loans in AfT has also significantly increased, rising from 69% in 2009 to 83% in 2019. This growth is due to the increase in infrastructure financing in the transport sector (50% of AfT loans) and the energy sector (one-third of AfT loans).

As for French AfT grants, these are largely focused on the agricultural sector (71%) and are granted mainly by the Ministries of National Education, Higher Education, Research and Innovation.

### 1.2.3 A greater relative emphasis on Africa and the middle-income country category

**Between 2009 and 2019, the majority of France's AfT went to Africa (47%),** followed by Asia (20%) and the Americas (16%). **North Africa**<sup>19</sup> alone accounted for 41% of AfT disbursements in the African region. This regional breakdown is consistent with the geographical distribution of French ODA, particularly for Africa, which receives equal amounts of AfT and ODA. **This African tropism is characteristic of French AfT:** the other European donors studied devote a smaller share of AfT to this region and each seems to favor a different region (e.g., Germany privileges Asia).

**Priority countries for French development aid received a small share of AfT (8.4%),**<sup>20</sup> which is less than that received in the framework of ODA (14% over the same period, 2009-2019).

In terms of income level, middle-income countries (MICs)<sup>21</sup> remain the main beneficiaries of French AfT (71% of disbursements), particularly those in the lowest income bracket (43%). MICs have been increasingly prioritized over the 2009-2019 period, in line with AFD's growing activity in

these countries. The share of LDCs remains relatively stable and low (with only 12% of disbursements). This concentration on lower MICs is a specificity of French AfT, as the other donors studied give less importance to these countries. On the other hand, **the small proportion of France's AfT granted to LDCs is, to some extent, mirrored by other European donors.**

### 1.2.4 A significant amount of AfT is implemented by AFD

**French AfT involves a diversity of actors and revolves around the AFD Group,**<sup>22</sup> the main operator, with 78.4% of total disbursements. Other French contributors are essentially the Ministry of the Economy, Finance and Recovery (10.5%), the ministries of National Education, Higher Education, Research and Innovation (8.3%), plus local authorities, the Ministry of Agriculture and the Ministry for Europe and Foreign Affairs. The latter also plays a role in the strategic definition of development aid.

**This panorama of contributors to the AfT is not, however, specific to France:** Germany, for example, delivers its AfT through a mix of operators (KfW [German Agency for International Cooperation], GIZ), various ministries (Federal Ministry for Economic Cooperation and Development (BMZ), Environment, Education and Research, Finance, Agriculture, etc.), and *Länder* (the equivalent of French regions). Like France, the AfT is mainly delivered by the principal operator KfW.

More specifically, the various actors' roles can be summarized as follows:

- **The French Development Agency (AFD)** is the largest contributor to French AfT (78.4%) and allocates funds mainly via the loan tool (93% of AFD's total financing over the 2009-2019 period). Due to the scale of its financing, AFD's preferred investment sectors are broadly in line with the overall trend of French AfT: excluding Proparco (AFD's private sector subsidiary), economic infrastructure alone accounts for ¾ of AFD's lending, allocated primarily to the transport and energy sectors. Loans are also made in the banking sector but to a lesser extent,<sup>23</sup> as well as in the agriculture sector. In addition to the large volumes of aid disbursed, AFD has reinforced its role as leading contributor to French AfT by managing the Trade Capacity Building Program (PRCC<sup>24</sup>), France's main bilateral aid for trade program.

17. Representing 54% of AfT disbursed in 2019 compared to an annual average of 50% over the period 2006-2008.

18. Representing 2% of total AfT in 2019 versus 3.2% in 2006-2008.

19. The North Africa region includes: Algeria, Egypt, Libya, Morocco and Tunisia.

20. Changes in the list of priority countries over the period 2009-2019 have been taken into account for this calculation.

21. The categorization of ODA beneficiary countries is done by per capita income threshold according to the OECD classification, available here: DAC list of aid recipients.

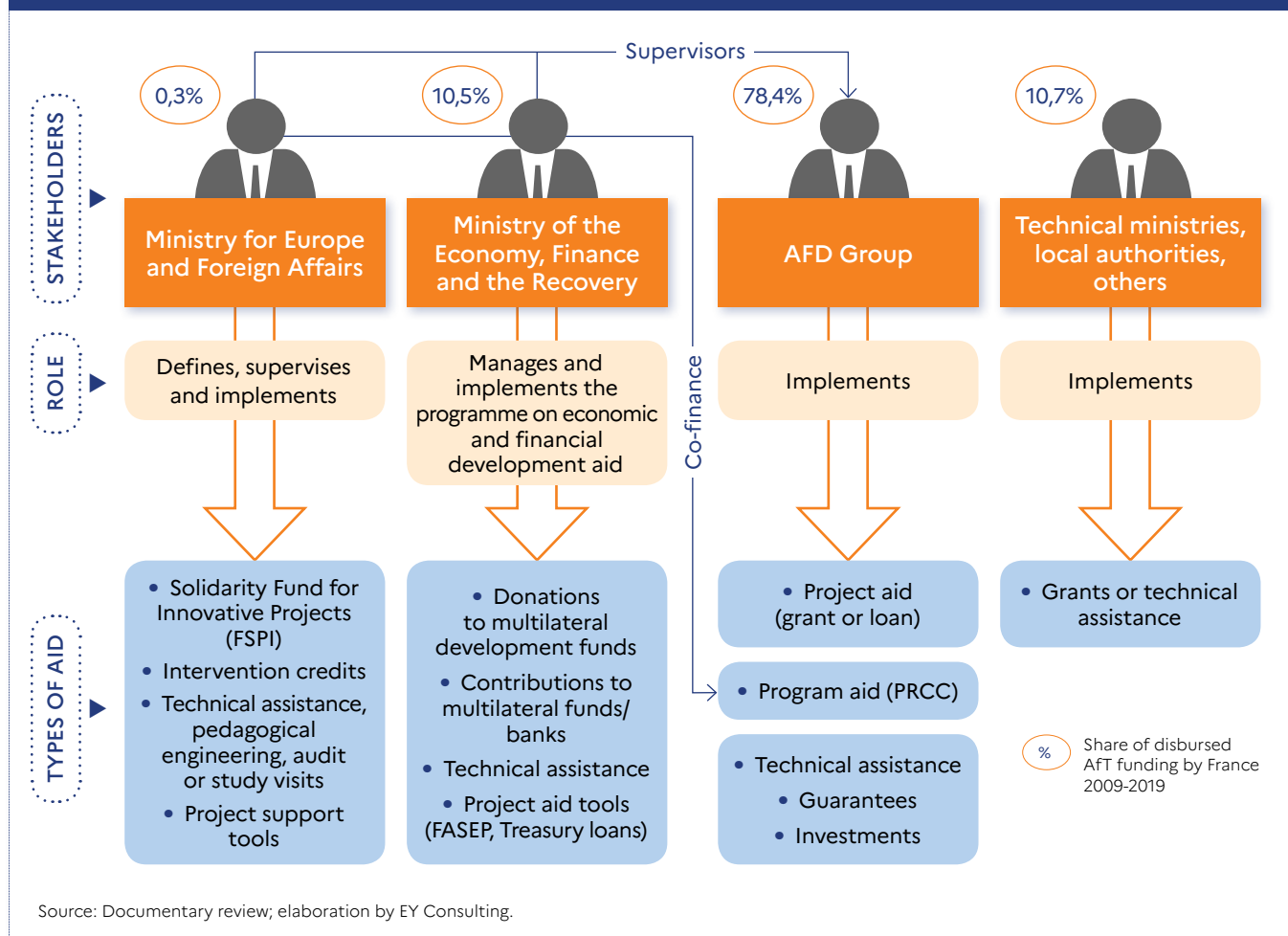
22. Including eligible financing under Proparco's ODA, \$595 million, over the period 2009-2019.

23. Aiming primarily at financial inclusion and the development of financial services, in particular through support for microfinance institutions (MFIs) or credit lines for SMEs.

24. Trade Capacity Building Program.



Figure 4 – The role of Aft actors, by type and channel of aid



- **The Ministry of the Economy, Finance and Recovery (MEFR)** represents the second largest contributor in terms of volume of Aft disbursed (10.5% over 2009-2019). It focuses on the infrastructure sector, particularly transport, via concessional loans from the Treasury, which mainly benefit MICs in the lower and upper tranches. In contrast to AFD financing, which has mainly targeted Africa, MEFR has notably stepped up its financing in Asia, which was the main beneficiary region in 2019.

- **The ministries of National Education, Higher Education, Research and Innovation** stand out for their exclusive recourse to donations, mainly in support of agricultural research projects conducted by the Center of International Cooperation in Agricultural Research for Development (CIRAD) and the Research Institute for Development (IRD). **The other contributors** (the Ministry for Europe and Foreign Affairs, Ministry of Agriculture and Food, and local authorities) also exclusively used donations and focused on the agriculture sector.

- Under its management of the economic and financial assistance program, MEFR also makes **contributions to multilateral technical assistance programs** operated by the WTO and to multilateral banks/funds operating in the Aft field. Between 2018 and 2020, France provided an average of €2 million in annual grants to WTO-managed aid for trade programs, the main ones being the Enhanced Integrated Framework (EIF, the only global aid for trade partnership exclusively dedicated to LDCs) and the Doha Development Agenda Global Trust Fund, known as the Doha Fund. The latter program includes flagship activities for French multilateral Aft, such as the WTO Chairs Programme and the French and Irish Mission Internship Programme (FIMIP).<sup>25</sup>

- **Additional contributions could enrich French Aft**, such as private sector instruments (which are difficult to link to aid for trade sub-sectors in the OECD CRS database), other official flows, as well as the activities of other entities that are currently only partially taken into account (Proparco) or not at all (STOA, Expertise France).

25. WTO | WTO Chairs Programme, WTO | French and Irish Mission Internship Programme (FIMIP).

# Chapter 2

## Key findings of the evaluation

### 2.1 Relevance of French aid for trade

#### 2.1.1 Its strategy was relevant in 2009 but is now outdated, and was unable to provide adequate guidance for French interventions

France's 2009 aid for trade strategy was relevant at the time of its design; it included three components of the OECD-WTO categorization along with specificities of French AfT, namely a policy governing standardization and quality and structuring of regional stakeholders. It was also consistent with the

orientations of the EU AfT strategy of 2007, with its emphasis on infrastructure, the strengthening of production capacities, and integration at the regional level and in the global trade system. However, it seems that this strategy has been little disseminated since it was formulated, and it remains largely unknown among French contributors to AfT, both at the national and local levels. The latter have sometimes stated that they have "done" AfT without knowing it, thus indicating a lack of awareness and strategic vision in the choice and formulation of interventions in the field of AfT. Indeed, between 2009 and 2019, interventions were guided more by broader development assistance and sector strategies than by the aid for trade strategy.



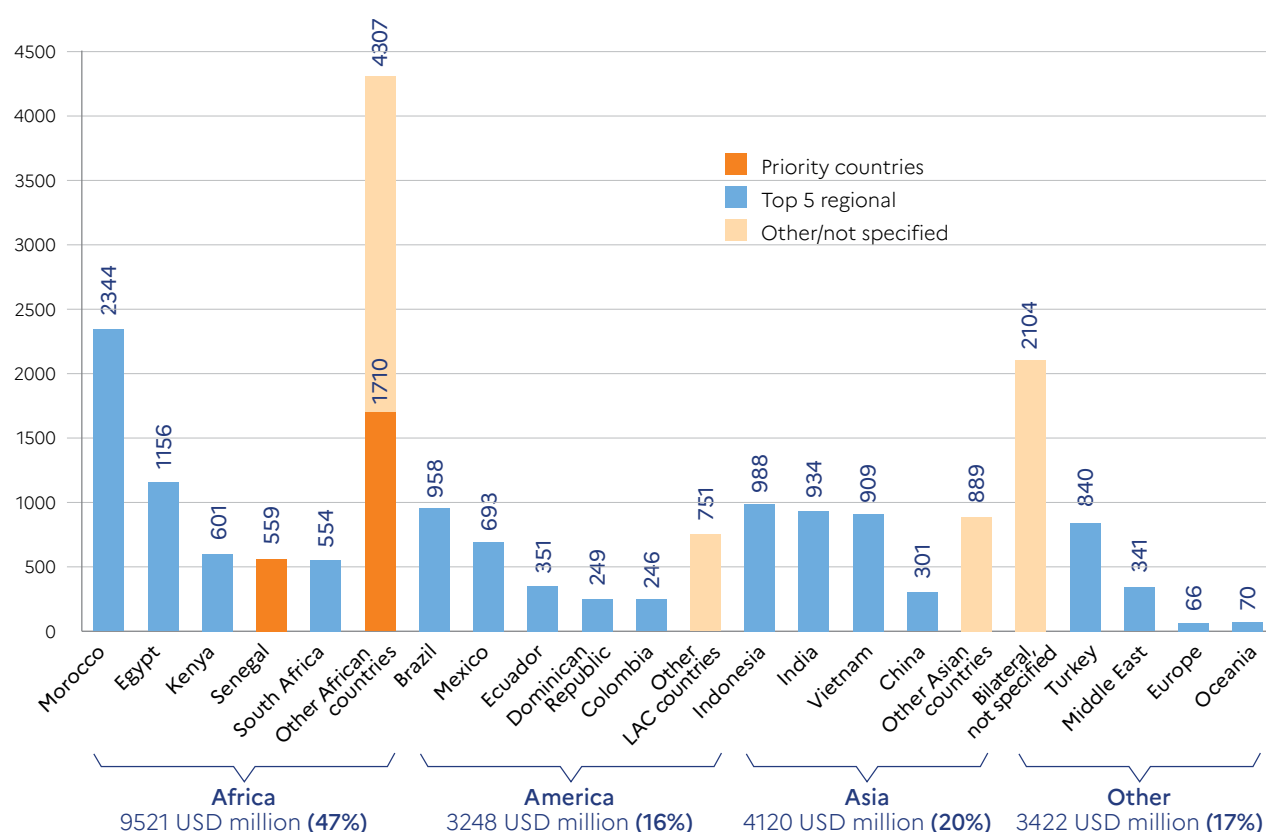
©Chanin Wardkhan - Getty Images

**Some of the targets set in 2009 by the strategy have been met:** first and foremost, the objective to increase the volume of AFT, which was reached in 2011 and was largely exceeded by 2015. This upward trajectory of aid for trade commitments is, however, most likely linked to the upward trend in French ODA commitments and to the increased weight of infrastructure in this ODA. Moreover, despite this general increase, the objective initially set in the 2009 strategy to increase technical assistance for trade to an average of €150 million per year has not been reached, other than in 2018. The share of French AFT dedicated to technical assistance (1%) is much lower than that of other countries such as the United Kingdom (6%) and the Netherlands (12%). The United Kingdom has a special trade

and investment promotion fund with a strong focus on trade-related technical assistance, which targets the trade and investment ministries of recipient countries.

**In fact, some objectives were privileged to the detriment of others:** much effort went into the strategic objective “Develop a competitive offer on local, regional, and international markets” because of the scale of infrastructure projects (66% of French AFT between 2009 and 2019). Thus, of the eight specific objectives in France’s AFT strategy, the one relating to the financing of regional infrastructure appears to be the most important, while in practice the others are only applied to varying degrees. **More generally, the 2009 strategy does not seem to have had any guiding**

**Figure 5 – Breakdown by country/region of France’s AFT over the period 2009-2019 (\$ million/constant prices and % share)**



Source: CRS 2009-2019; calculations and elaboration by EY Consulting.

**value in terms of priority sectors for investment**, which can be explained, among other things, by its poor dissemination and appropriation by the actors concerned. Across the board, **the international dimension – which was present in the two strategic objectives of the 2009 strategy – is less prominent today than it was ten years ago**. Opinions on the purpose of French AfT among the actors we surveyed are mixed. Some placed greater emphasis on support for the domestic market, local development and job creation (as did Proparco), while others stressed the importance of helping to strengthen intra-regional trade.

**The beneficiary countries of aid for trade financing are those targeted by the 2009 strategy**, i.e., mostly in Africa and the Mediterranean area. However, while the large share given to MICs is in line with the promotion of the principle of the differentiated partnership<sup>26</sup> approach emphasized in the strategy, **the small share granted to LDCs and priority countries for French aid (PP) runs counter to the geographical priorities of ODA**.

Finally, while aid for trade projects were able to adapt to the international changes which took place during the decade under study (digitization, sustainable development, etc.), **it nevertheless seems necessary to update the strategy in order to take greater and more systematic account of emerging issues**: sustainable development first and foremost, but also fair trade and other factors (growing support for

fragile countries, a continental approach, etc.). The COVID-19 crisis has also shaken up certain paradigms and given rise to the notion of AfT resilience, as well as the need to support domestic trade, short circuits and intra-regional trade.

## 2.1.2 French AfT interventions are pretty well aligned with recipient country strategies and local needs

**France's aid for trade responds to a variety of needs, although it often focuses on infrastructure**. The PRCC distinguishes itself in that it addresses, first and foremost, the need to build productive capacity in various sectors (notably agriculture, but also tourism and the private sector). **The alignment of French aid with local development needs** (expressed in a national development plan) **proves to be sound and beneficial**. However, **the alignment of AfT interventions is more variable when it comes to the commercial priorities of partner countries**. Various limitations may hinder this alignment; first of all, the lack of a local-level approach to AfT (the latter is blended into broader bilateral priorities), a relative lack of knowledge of the recipient countries' trade policy frameworks and, on occasion, weak institutional links at the level of the countries' trade institutions and the lack of inter-ministerial coordination in partner countries.



26. To take into account both the differentiation that is taking place within developing countries and the priorities stemming from its geography and history, France maintains differentiated partnerships with four geographical areas: sub-Saharan Africa (the main recipient of French financial support, within which there are top priority countries), Mediterranean countries (second priority area), emerging countries and countries in crisis or emerging from crisis (*Development Cooperation: A French Vision*, Framework Document, 2011).





©Suratno Rudi / Euronews

## 2.2 Coherence of French aid for trade

### 2.2.1 Limited linkages between AfT and other national policies, but a high degree of complementarity between available aid instruments

**Regarding strategy**, the quest for coherence and complementarity at the national level is a concern of development aid policy that has been expressed repeatedly since 2009 and reported in the 2011 Framework Document *Development Cooperation: A French Vision* and in the 2014 Act Orientation and Programming for Development and International Solidarity (LOPDSI). Yet **AfT is only loosely linked to other national policies that could have an impact on its goals**. There are few (if any) reciprocal references to strategic documents, developed over time, dealing, for example, with foreign trade/economic diplomacy objectives (in the wake of the 2013 action plan and the 2018 Roubaix strategy), social and environmental responsibility (2013 French strategy), and the international strategy of Customs (2016-2020). Similarly, **there was no consideration of**

**potentially divergent/contradictory effects** for France's interests and for trade with partner countries. The case of Vietnam, a commercially successful MIC, linked to the EU by a free trade agreement (FTA) and with which France has a trade deficit, calls into question the interest of a French AfT, especially if the intended purpose is not clearly defined.

**However, convergent effects have also been observed.** French AfT is increasingly linked to economic diplomacy issues, although the notion of economic return has not been explicitly considered a goal of AfT (unlike in the United Kingdom and the Netherlands). Several priority export sectors coincide with investment sectors targeted or favored by French AfT (tourism, renewable energy, agriculture). Several examples observed in the case studies also support this observation, such as in Senegal where France is financing a regional express train project and has also succeeded in mobilizing the French private sector.<sup>27</sup> This quest for coherence and complementarity in the field of AfT, albeit carried out in differing ways, is **hampered by the absence of multi-year programming and of an inter-ministerial body and monitoring group**, as prescribed in the 2009 strategy (see the section on Efficiency). As for France, other European donors' steering and monitoring procedures are limited but at the EU level they have become more elaborate and systematic since 2017.

27. Engie and Thalès are responsible for the signalling, the 15 train sets are manufactured in France by Alstom; Eiffage is in charge of the civil engineering within a consortium; the SNCF and RATP will operate the line.



At the operational level, France's Aft is delivered through a range of aid types (grants, concessional and non-concessional loans, guarantees) and instruments,<sup>28</sup> implemented by different actors (French Treasury, MEAE, AFD, Proparco, CIRAD, MEN/MESRI, STOA, among others). In practice, loans are by far the preferred financing modality. **These types of aid and instruments are relatively complementary**, and this variety of instruments allows France to have a range of tools to implement most of its Aft objectives while better adapting to countries' different needs (e.g., levels of concessionality, provision of technical assistance). Some limitations can nevertheless be identified, such as France's decision to invest less in technical assistance for the formulation of trade policies and regulations. Moreover, the linking of certain instruments to aid for trade objectives may be questionable insofar as the aims of the Aft are unclear. For example, it is questionable whether the French Treasury's project aid tools designed to support the internationalization of enterprises actually complement or contradict the main objective of Aft, which is supposed to support the development of trade in recipient countries.

## 2.2.2 At the multilateral and European levels, a growing effort to seek coherence

At the European level France plays an active role, for example, by promoting the sustainable development chapters in EU free trade agreements (FTAs) and by participating in preparatory discussions for the two European Aft strategies.

**A similar effort has been made at the multilateral level**, where France actively promotes the reconciliation of environmental and trade issues and participates in various discussions within the framework of international bodies (G7<sup>29</sup>/G8<sup>30</sup>, G20<sup>31</sup>, presidency of the WTO Committee on Trade and Environment,<sup>32</sup> etc.). This quest for coherence between European policies is also visible at the country level between the trade and development pillars, for example in Vietnam, against the backdrop of the implementation of the EU-Vietnam Free Trade Agreement.

**There are other ways in which France can work to align Aft with other policies** (by revising European trade policy, via the French presidency of the EU in 2022) **and by coordinating with other donors** (strengthening the Team Europe Initiatives, "Building Back Better" approach<sup>33</sup>).



## 2.2.3 Seeking complementarity at the local level that suffers from a lack of specific follow up

The quest for coherence and complementarity at the local level, involving both French actors and other donors, **is hampered by the fact that Aft is only a cross-cutting theme** and is therefore not the subject of specific meetings or follow up. **This search for coherence is neither systematic nor institutionalized**,<sup>34</sup> even though the diversity of French contributors to Aft underscores the importance of effective articulation and coordination among them.

Beyond French actors, **there are no coordination groups among donors and/or with national authorities specifically dedicated to Aft issues**. This theme is covered in a

28. Project assistance tools, the Treasury Department, PRCC, ARIZ, FEXTE, Choose Africa, in particular.

29. The Group of Seven: Canada, France, Germany, Italy, Japan, the United Kingdom and the United States. The European Union is a "non-enumerated member".

30. The Group of Eight: this body incorporated Russia into the Group of Seven and returned to its previous name after Russia was removed in 2014.

31. The Group of Twenty: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, the United States, and the European Union.

32. WTO /| Environment/ | CTE Work.

33. The term "Building Back Better" is consistent with the challenges created by the health crisis and is synonymous with "a greener, more inclusive and resilient economic recovery to turn the page on the pandemic" (source: World Bank). By subscribing to this principle, countries commit to address not only the health, but also the economic and social damage caused by COVID-19.

34. Via, for example, the organization of French inter-stakeholder meetings dedicated specifically to this theme.

cross-cutting manner by related topics in donor groups, such as in Senegal in the Business Environment and Competitiveness thematic group. France's good practices include playing a leading role by agreeing to be donor facilitator in the implementation of the EIF program in Senegal from 2012 to 2018, a period marked by a major effort by the country in the formulation of trade policies.

Finally, **the complementarity between the different channels of French aid varies from one country and project to another.** This has been observed in several projects, particularly those supporting trade-related infrastructure, even though it generally involves parallel financing<sup>35</sup> (rather than joint financing). The scale of the investments to be made requires the mobilization of several donors to maximize the impact of development financing and its catalytic effect (e.g., parallel AFD/AfDB/WB/IFC financing for the Dakar highway project in Senegal).

## 2.3 Effectiveness of French aid for trade

### 2.3.1 Most French AfT interventions have had convincing and visible results

Bilateral aid for trade interventions generally show good results and visible impacts in most cases. First, France's AfT **has strengthened trade-related infrastructure** in all three countries studied. In Senegal, for example, French AfT has contributed to improve the fluidity of trade, urban mobility in Dakar, and access to production areas through the implementation of major infrastructure projects (highway, express train project). This is also the case for the Antananarivo bypass extension project in Madagascar. Similarly, AfT has contributed consistently **to structure and develop agricultural sectors**, as observed in the case studies on Vietnam and Madagascar (where the same approach to product development and upgrading was observed). **Support to the private sector and the improvement of the business climate** are also themes in which France's AfT interventions have had visible and positive impacts, first and foremost, on companies themselves (by helping them to upgrade and become more competitive and strengthening their export capacity). Finally, French AfT has also borne fruit in the areas of quality and standardization<sup>36</sup> and, more specifically, in local economic development and tourism.

Some good practices and success factors have been identified, such as the involvement of local actors and the partnership approach. This ensures a strong institutional anchoring of AfT projects, as well as an adequate targeting of the intervention perimeter. On the other hand, insufficient consideration of the local context, human resource issues (limited absorption capacity) as well as a lack of indicators to assess the achievement of expected results according to the type of AfT intervention are the main limitations observed during the country/project case studies and the literature review.

**The WTO multilateral technical assistance programs financed by France are, on the whole, viewed positively** in terms of their relevance and effectiveness according to the evaluations that have been conducted and the perceptions of beneficiaries interviewed, primarily the WTO Chairs Programme and the FIMIP internship program. However, opinions in donor capitals where interviews took place are more contrasted regarding the EIF. In the field, the evaluation found that the EIF is useful in some countries, such as Senegal, where it responds to a real need and complements bilateral support from French AfT. However, it is considered more limited and less impactful in Madagascar because it only partially covers needs and the fact that it is not sufficiently implicated in technical assistance projects for the formulation of trade and sectoral policies and strategies.

### 2.3.2 French AfT also pursues other objectives and works towards achieving the sustainable development goals (SDGs), despite the difficulty to quantify the impacts that are directly attributable to it

Overall impacts can be identified by project at the level of the recipient countries. In some cases, it is possible to propose a quantification of the share of the impact attributable to French AfT. This is particularly true in the case of a scientific impact study which was carried out using tools such as econometric models.<sup>37</sup> Nevertheless, overall and in the vast majority of cases, **measuring the impacts attributable to AfT is complicated due to several factors:** the multiplicity of actors working towards the same goal, external factors that render it impossible to make a direct link between cause and effect and/or one that is exclusively linked to the contribution of French AfT, spillover effects that are often only perceptible in the medium to long term and, for many of the AfT projects studied, there is an indirect impact on trade (e.g., construction of a hydroelectric plant in Vietnam).

35. Parallel funding is a co-financing modality where two parties fund different components within the same project.

36. An example of this is the fruit fly control project, which aims to increase the volume of healthy fruit exports to the EU.

37. For example, in 2017, the support program for the Bureau de mise à niveau des entreprises, an upgrading program for companies (PRCC, Senegal) benefited from an impact study that accurately quantified the benefits. It is estimated that this program had an impact on the growth of the gross operating surplus of enterprises of +25% in the first year following the upgrading and +134% after 4 years. Source: *Impact assessment of the Senegalese enterprise upgrading program*, 2017.



Beyond its contribution to trade performance per say, it is worth noting that Aft also works towards achieving the **SDGs and contributes to the overall development of the country**: it provides support for local productive capacities, with a marked emphasis on support for the private sector and economic infrastructure, enhances food security and/or expands the local agricultural domestic market (fruit fly projects, CIRAD projects in Vietnam, organic sectors in Madagascar, etc.). In this context, the impact of French Aft on the sustainable development of beneficiary countries can be assessed in terms of economic development, but also in terms of respect for the environment, gender equality, respect for human rights (labor rights, fair trade), etc.

Finally, the design and implementation conditions of Aft projects have effectively taken into account **sustainable development issues and the funded interventions have contributed to the "green" development of recipient countries**.

## 2.4 Efficiency of French aid for trade

### 2.4.1 Steering has been hampered by the non-implementation of monitoring procedures, even though these are provided for in the strategy

In the 2009 Aft strategy, reference was made to the development of various new monitoring tools in order to increase the precision of French Aft, including: a multi-year programming tool, a system for monitoring financial commitments via the OECD-DAC database, a monitoring and capitalization group bringing together MEAE, MEFR, AFD and the technical ministries potentially concerned, and a report to the CICID co-secretariat. **While these tools were indeed foreseen and laid out in the strategy, they were not subsequently put into practice.**





Since the strategy's inception, there have not been any real efforts made to implement it, which weakens its scope. Its monitoring process is informal and scattered among different actors (MEAE, French Treasury, AFD) and often even within the same entity (among different departments). This monitoring is part of the broader ODA declaration. It therefore follows a complex circuit involving a large number of actors and internal reporting tools. Like other European donors, **France does not have a holistic view of its AfT**, as funding that does not come under ODA is not included in its monitoring, which is likely to contribute to AfT objectives. The resources mobilized to steer and monitor the AfT are often ad hoc (e.g., an internal memo, a one-off meeting in 2015) and generally not well aligned with the expectations of the French strategy.

## 2.4.2 More general limitations related to the AfT reporting system in the OECD-DAC database

**While the OECD-WTO accounting method has the merit of existing and allowing for some tracking and comparability of donors' AfT commitments, it does not accurately reflect donor countries' contributions to AfT.**

Indeed, the system for monitoring financing based on the relevant subsectors (CRS purpose codes) does not allow the share specifically related to aid for trade to be tracked for overall assistance. Thus, accounting for all transport, communication and energy projects can lead to an overestimation of the financial volumes dedicated to AfT, as the investment financed sometimes contributes only

very indirectly to trade development. **Conversely, the OECD-WTO categorization does not include certain human development sectors** which, like vocational training,<sup>38</sup> can nevertheless work, more or less directly, to increase exports and encourage businesses to trade. Finally, sources of financing other than concessional loans and grants are not tracked, such as non-concessional loans and equity investments.

In order to specifically track capacity development activities that are explicitly geared towards AfT, the OECD-DAC had introduced a "Trade Development" marker. This was added to the CRS database and made it possible to identify interventions as working primarily on trade development (marker rated 2), or significantly (rated 1). Nevertheless, the OECD has decided to discontinue this marker as of 2022 in order to simplify and clarify procedures because of its limited use.

Finally, limitations can be observed in the coding of ODA and AfT: first, **the lack of guidelines communicated to project managers can lead to variable interpretation of the definition of AfT** and, consequently, to errors in project categorization. The appropriation of the markers by AFD project managers is thus random, and requires quality controls to be carried out after they have been applied. In addition, the data entered in the OECD-CRS database is sometimes laconic and it is therefore difficult to establish the nature of the intervention and to link it to AfT categories. Finally, **time and staffing constraints** (post or headquarters) may be an additional limitation (as each development project must be assessed against 12 markers).

## 2.4.3 Non-optimal visibility of French AfT

At the strategic level, there is considerable room for improvement in terms of disseminating the strategy and ensuring that it is taken up by the actors concerned, who are not always well informed about them. On the ground, **France's support for AfT is visible in varying ways**. It is still linked to a few emblematic projects, without being attributable to an overall AfT strategy. Funding tools that serve as instruments that specifically address AfT objectives are not well identified, with the exception of aid channeled through the PRCC. **Some donors are very active** (in the three countries studied, the World Bank and China are very visible actors); **they clearly participate in AfT objectives and respond to local needs**, thereby reducing the possibility for France to do so and benefit from it. Finally, France participates in multilateral initiatives, but its visibility is not optimal and could be improved (the FIMIP Internship Programme/WTO chairs), as some beneficiaries only partially identify France's contributions to these initiatives.

38. Which falls under object code 11330 in the OECD CRS database.

# Chapter 3

## Recommendations

The evaluation makes **four main recommendations**, based on the evaluation findings. These recommendations are accompanied by more specific and operational recommendations.

### 3.1 Strengthen France's AfT intervention doctrine by specifying the expected goals and ensuring better consideration of emerging issues and the need for policy coherence



| Findings / context  | Recommendations  |
|---|--|
| <p>Lack of a shared definition of AfT and its objectives, both with the other donors studied and among French actors.</p> <p>Lack of precision and sufficient differentiation of the geographical intervention doctrine of the 2009 strategy.</p>   | <p><b>1. Clarify and reach a shared vision of the purpose and intervention doctrine of French AfT (including bilateral, European and multilateral channels) based on a broad consultation of French aid actors and partners</b></p> <ul style="list-style-type: none"> <li>► Define a renewed and clarified strategy within a 12-month horizon.</li> <li>► Reaffirm the developmental purpose of AfT while taking account of French national interests more markedly.</li> <li>► Define the purpose around major pillars such as those related to resilience, inclusion, and sustainability.</li> </ul>  |
| <p>Need to update in order to take into account the SDGs and other factors.</p> <p>Emergence of new reflections at the international level (2030 Agenda, context of recovery), European level (Trade Policy Review, Green Deal) and national (Fair Trade Plan, etc.) which make it necessary for the 2009 strategy to be updated.</p> | <p><b>2. Ensure that emerging issues are better taken into account (e.g., SDGs, post-COVID-19 context) in the planned update of the strategy</b></p> <ul style="list-style-type: none"> <li>► Include French AfT action in the strategic framework for development cooperation at the French, European and international levels (SDGs, Paris Agreement, Addis Ababa Action Agenda, Post-2020 Global Biodiversity Strategic Framework, Building Back Better, 2017 EU AfT strategy, European Consensus on Development, etc.) and promote in particular greater consideration of sustainable development issues as defined in the Law of August 4, 2021, in order to make AfT more sustainable, resilient and inclusive.</li> </ul> |



| Findings / context  | Recommendations   |
|---|---|
| <p>Weak articulation of AfT with other national policies that could impact on its goals.</p> <p>Lack of identification of potential divergent effects.</p> <p>Emergence of new reflections on the issues of synergy between AfT and development/trade policies, but also policies related to agriculture and the environment, synergies that are only partially implemented at present.</p> | <p><b>3. Strengthen synergies between AfT policy and other policies and identify potential divergent factors</b></p> <ul style="list-style-type: none"> <li>► Encourage better articulation between the needs of recipient countries (a top priority), and the consideration of France's interests.</li> <li>► Articulate France's AfT with other sectoral development cooperation strategies, as well as with policies related to sustainable development, including compatibility with the Paris Agreement, the European Green Deal, the Neighborhood, Development and International Cooperation Instrument (NDICI) (i.e., reinforcing Europe's place in the world).</li> </ul> |

## 3.2 Optimizing the implementation of French AfT

| Findings / context   | Recommendations  |
|--|--|
| <p>A low share of LDCs and priority countries is at odds with the geographical priorities of French ODA, which is linked to the substantial weight of AfT dedicated to trade-related economic infrastructure in MICs and the lower aid absorption capacity of LDCs.</p> <p>Low share of grants in French AfT due in particular to loan financing of infrastructure, the main sector of French AfT.</p> | <p><b>1. Define more clearly the geographic and thematic focus according to the chosen goals</b></p> <ul style="list-style-type: none"> <li>► Provide for differentiated implementation at the country level according to the typology of recipient countries (income category, level of performance/trade insertion, status of bilateral trade with France), their needs, and the different levels of intervention (local, regional, international and mixed).</li> <li>► Consistent with France's ODA policy, the focus should be on the most vulnerable countries (LDCs), especially in Africa (especially priority countries, fragile countries), while favoring a regional approach. To this end, it is important to provide adapted tools, more focused on the grant instrument and technical assistance support (including through the PRCC).</li> </ul> <p>However, AfT must continue to support emerging countries (particularly in Asia and the Americas).</p> <ul style="list-style-type: none"> <li>► Regarding the themes, a certain number of priorities<sup>39</sup> emerged from the participants' reflections during the strategic workshop to co-construct the recommendations which would be suitable for inclusion in a global AfT approach: among them, the development and structuring of value chains and assistance in implementing a standardization policy were particularly popular.</li> </ul> |

39. The main ones being : Develop and organize of commodity chains, Support the implementation of a policy of standardization and quality including compatibility with the Paris Agreement (targeting high-performing countries), Strengthen production capacities, Support the definition of trade policies and regulations, Support the insertion of standards and socio-environmental good practices in public trade policies, Finance domestic and/or regional infrastructure, Develop trade as a resilience factor for local economies, Strengthen local ecosystems to support the private sector, Promote better inclusion of vulnerable populations in value chains and financial systems, Participate in other transitions in the countries of intervention (digital, agricultural, governance, education, etc.), Promote the European model of regional integration.

| Findings / context   | Recommendations   |
|--|---|
| <p>Complementarity of French AfT channels only partially used.</p> <p>Through the bilateral channel, AfT interventions focus on building productive capacities and infrastructure that are effective in the vast majority of cases.</p> <p>A small proportion of French AfT is dedicated to technical assistance for trade policies and regulations, a subject that is more widely addressed by the EU and the multilateral channel (EIF).</p> <p>Needs identified by the national authorities of beneficiary countries as not covered by French AfT interventions yet are important, such as the definition of national trade strategy.</p> | <p><b>2. Strengthen the complementarity of French channels and consistency with the French vision</b></p> <ul style="list-style-type: none"> <li>▶ Define preferred channels of intervention according to the chosen themes in order to take advantage of the benefits and characteristics of each.</li> <li>▶ Emphasize the specific contribution of the bilateral channel to the development and organization of sectors, the strengthening of productive capacities, and the implementation of standardization policies and quality approach.</li> <li>▶ Increase technical assistance in support of good socio-environmental practices (outside the scope of trade agreements, to be reserved for European/multilateral channels).</li> <li>▶ Strengthen the use of European/multilateral channels and coordinated bilateral action via the Team Europe Initiative in the case of technical assistance support for trade policy and regulations (focus on EPA and AfCFTA) with support at both the national and regional or mixed levels, while considering support for trade-related economic infrastructure in a leverage/catalyst logic via blending and guarantee instruments</li> <li>▶ Support the strengthening of national trade plans and trade-related strategies.</li> </ul> |
| <p>An effort to seek coherence observed at the European and multilateral levels, but which should be strengthened in the context of the reinforcement of Team Europe Initiatives.</p> <p>Initial coordination efforts between European donors have been observed (e.g., at the AfCFTA level, PAN-AF European expert group), but these efforts can be further enhanced.</p> <p>Absence of a coordination group specifically dedicated to AfT issues at the local level.</p>   | <p><b>3. Work towards greater harmonization in AfT, through three main levers:</b></p> <ul style="list-style-type: none"> <li>▶ Seize opportunities related to the European agenda to strengthen the articulation of the French AfT with actions undertaken by other EU donors</li> <li>▶ Work towards the establishment of an inter-donor coordination group within the framework of the AfCFTA (involving other international donors in addition to Team Europe Initiative being developed in support of the AfCFTA).</li> <li>▶ Strengthen the European Expert Group dedicated to AfT (scaling up and leveraging the work done under the Team Europe Initiative.</li> <li>▶ Encourage DGs of Trade and Development of recipient countries (particularly LDCs/priority countries) to set up an inter-donor and inter-ministerial meeting to promote the identification of development and trade priorities and the articulation between donors.</li> </ul>  |

### 3.3 Strengthen the steering and monitoring of AfT at the international and European levels, from the central administrations and within the French local network

| Findings / context   | Recommendations   |
|--|---|
| <p>Opportunities exist for France to work towards greater coherence with other donors (EU presidency, establishment of international coalitions).</p> <p>The promotion of environmental and trade issues in relation to AfT could be a niche for French aid.</p> <p>Limitations related to the OECD/WTO accounting system (categorization, CRS database, marker) and the level of French coding.</p> | <p><b>1. Work to strengthen the steering and monitoring of AfT at the multilateral and European levels.</b></p> <ul style="list-style-type: none"> <li>► Support the establishment of an international coalition to align AfT financing with climate change objectives.</li> <li>► Improve quantitative and qualitative monitoring of AfT funding.</li> <li>► Explore the opportunity to support a current OECD initiative to mobilize artificial intelligence tools in identifying AfT-related projects.</li> </ul>  |
| <p>No steering or animation of the 2009 strategy.</p> <p>Lack of implementation at the French level of the monitoring tools provided for in the 2009 strategy (monitoring and capitalization group, multi-year programming).</p> <p>Monitoring system carried out on an ad hoc basis and fragmented at the French level.</p>   | <p><b>2. Strengthen the steering and monitoring of AfT within France's central administrations, acting at several levels:</b></p> <ul style="list-style-type: none"> <li>► <b>In terms of instances</b>, set up an annual steering and monitoring committee for AfT that would bring together representatives of central administrations, operators, local authorities, the French network abroad, and civil society actors working on various public policies related to AfT.</li> <li>► <b>In terms of human resources</b>, foresee the assignment of AfT referents within central administrations.</li> <li>► <b>In terms of tools and methods</b>, better characterize the typologies of AfT projects by creating and disseminating shared guidelines on the definition and coding of AfT among actors at central and local levels, and strengthen internal capacities for monitoring AfT commitments.</li> </ul> |
| <p>Links between the French network and the ministries in charge of trade issues in recipient countries are still inadequate and undermine the coherence of French AfT interventions.</p> <p>AfT is only a cross-cutting theme and is not subject to institutionalized and systematic meetings or follow-up.</p>   | <p><b>3. Strengthen local AfT network engagement, particularly in two ways:</b></p> <ul style="list-style-type: none"> <li>► Ensure that AfT is a cross-cutting theme on the radar of a local AfT monitoring body (which could meet annually) in order to foster ownership and support the topic in the field.</li> <li>► Encourage the French network to establish/animate institutional relations with ministries or institutions in charge of trade in recipient countries, and other donors, in priority European ones.</li> </ul>  |



©AvigatoPhotographer - Getty Images

### 3.4 Enhance efforts pertaining to French AfT in the areas of communication and visibility

| Findings / context   | Recommendations   |
|--|---|
| <p>French AfT strategy is not (or little) known to French actors (at headquarters and in the field) and to other donors.</p> <p>Visibility of French AfT varies from country to country but is more the result of a few emblematic projects than the result of an overall communication on France's AfT strategy.</p> <p>France's participation in multilateral initiatives whose visibility can be further improved (FIMIP/Chairs Programme).</p> <p>Tools working towards AfT objectives that are not well identified, with the exception of the PRCC, whose name is not always known by national authorities.</p> | <ol style="list-style-type: none"> <li><b>Promote France's AfT (and the future French strategy) with French headquarters and local actors</b>, at the European and multilateral levels, and with key local stakeholders.</li> <li><b>Continue efforts to increase the visibility of the French contribution to multilateral funds</b>, notably by actively promoting the reconciliation of sustainable development and trade issues for which AfT can be a bridge, as well as in emerging debates on AfT in various international forums.</li> <li><b>Study the feasibility of developing the PRCC into a program that is more visible to French aid partners</b> by combining, for example, the acronym PRCC with a more explicit "French Aid for Trade Program" umbrella brand (at least in English-speaking countries).</li> </ol> |

# Acronyms and abbreviations

|              |  |
|--------------|--|
| <b>ACP</b>   | Africa, the Caribbean and the Pacific  |
| <b>AfCTA</b> | African Continental Free Trade Area  |
| <b>AFD</b>   | French Development Agency (Agence française de développement)                |
| <b>AfDB</b>  | African Development Bank   |
| <b>AfT</b>   | Aid for trade  |
| <b>ARIZ</b>  | AfD's risk-sharing mechanism   |
| <b>AVSF</b>  | Agronomes et Vétérinaires Sans Frontières                                    |
| <b>CICID</b> | Interministerial Committee on International Cooperation and Development      |
| <b>CIRAD</b> | Center of International Cooperation in Agricultural Research for Development |
| <b>CRS</b>   | Creditor Reporting System  |
| <b>DAC</b>   | Development Assistance Committee (OECD)                                      |
| <b>DGDDI</b> | Directorate-General of Customs and Indirect Taxes                            |
| <b>DGM</b>   | General Directorate of Globalization, Development and Partnerships           |
| <b>EIF</b>   | Enhanced Integrated Framework  |

|               |   |
|---------------|---|
| <b>EU</b>     | European Union  |
| <b>FASEP</b>  | Study Fund and Private Sector Assistance  |
| <b>FEXTE</b>  | Fund for Technical Expertise and Experience Transfers                           |
| <b>FIMIP</b>  | French and Irish Mission Internship Programme                                   |
| <b>FTA</b>    | free trade agreement  |
| <b>GIZ</b>    | Deutsche Gesellschaft für Internationale Zusammenarbeit                         |
| <b>IDA</b>    | International Development Association   |
| <b>IFC</b>    | International Finance Corporation   |
| <b>ITTC</b>   | Institute for Training and Technical Cooperation                                |
| <b>KfW</b>    | German Agency for International Cooperation                                     |
| <b>LAC</b>    | Latin America and the Caribbean   |
| <b>LDC</b>    | least developed country   |
| <b>LOPDSI</b> | Orientation and programming for policy development and international solidarity |
| <b>MAA</b>    | Ministry of Agriculture and Food  |



|              |  |
|--------------|--|
| <b>MEAE</b>  | Ministry for Europe and Foreign Affairs                    |
| <b>MEFR</b>  | Ministry of the Economy, Finance and Recovery              |
| <b>MENJS</b> | Ministry of National Education, Youth and Sports           |
| <b>MESRI</b> | Ministry of Higher Education, Research and Innovation      |
| <b>MIC</b>   | middle-income country                                      |
| <b>ODA</b>   | official development assistance                            |
| <b>OECD</b>  | Organisation for Economic Co-operation and Development     |
| <b>PRCC</b>  | Trade Capacity Building Program                            |
| <b>PSD</b>   | private sector development                                 |
| <b>SCAC</b>  | Service for Cooperation and Cultural Affairs               |
| <b>SDG</b>   | Sustainable Development Goal                               |
| <b>STOA</b>  | Investor in large-scale infrastructure and energy projects |
| <b>WB</b>    | World Bank   |
| <b>WTO</b>   | World Trade Organization                                   |





## Evaluation

# Evaluation of the French contribution to aid for trade (2009-2019)

Aid for trade (AfT) is a relatively recent concept. It was born in the early 2000s in order to bring about the full integration of low- and middle-income countries into international trade. It constitutes an integral part of development assistance through, in particular, technical assistance for trade policy and regulations, support to trade-related infrastructures and productive capacity development.

In 2009, France drew up a strategy specifically dedicated to aid for trade; it is now outdated. Although relevant when it was designed, it was unable to guide French interventions adequately: in fact, France's AfT is of most benefit to middle-income countries rather than LDCs and its priority countries and it focuses above all on one objective (support for infrastructure) to the detriment of others (such as technical assistance). At the national level, it is inadequately articulated with other strategies likely to have an effect on its aims (economic diplomacy, corporate social responsibility) as well as at the local level with other donors, although ever greater efforts to achieve coherence are manifest at multilateral and European levels. However, France's AfT interventions have produced convincing results and work, not only towards the goal of commercial performance, but also in favor of other objectives and the achievement of the Sustainable Development Goals. Nevertheless, coordination and monitoring of the AfT strategy remains perfectible at all levels: international and European, national and local (where there is no systemic monitoring of AfT). Not only is this strategy largely unknown to French players, this strategy requires an update, particularly in view of new issues which have emerged since 2009. The evaluation suggests four strategic recommendations: (i) strengthen France's AfT intervention doctrine by detailing expected results and ensuring better consideration of emerging issues and the need for policy coherence; (ii) optimize the implementation of French AfT (especially the complementarity of intervention channels); (iii) strengthen the steering and monitoring of AfT at the international and European levels by central administrations and within the French local network; (vi) enhance efforts pertaining to French AfT in the areas of communication and visibility.

© MEAE 2022

**Ministry for Europe and Foreign Affairs**

DG for Global Affairs, Culture, Education and International Development

Graphic model: Iskouhi Mouradian

Photo cover: ©Mongkol Chuewong

Printing: Reprography department of MEAE – DIL – La Courneuve