



EVALUATION OF FRANCE'S CONTRIBUTION TO THE EUROPEAN DEVELOPMENT FUND (EDF)

SUMMARY

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Contents

1. Foreword	5
2. Effectiveness of the EDF	7
2.1 An instrument seen as increasingly effective for the development of the ACP countries	7
2.2 Considerable EU commitment to respecting the aid effectiveness principles	8
3. Coherence of priorities and EDF complementarity with French bilateral assistance	10
3.1 A shared vision of the major challenges of development cooperation	10
3.2 Relative convergence of sectors between the EDF and France's development cooperation priorities	10
3.3 A significant multiplier for sub-Saharan Africa, but a relatively smaller share of EU development aid as a whole	11
3.4 Gradual progress towards better coordination of the EDF with Member State bilateral assistance, held up by visibility and influence issues	13
4. French influence on EDF strategies	15
4.1 EDF governance needing strong mobilization from all stakeholders to ensure strategic influence and monitoring	15
4.2 French influence on EDF strategic guidelines	17
4.3 Underemployed means of influence, particularly in liaison with field stakeholders	17
5. Returns for France	18
5.1 A positive return for Europe in terms of visibility	18
5.2 Benefits not directly advantaging France	18
5.3 A significant economic return for French companies	18
6. Recommendations	19
6.1 Recommendation group 1: contributing to enhanced dialogue between the EU and Member States on development cooperation	19
6.2 Recommendation group 2: strengthening coherence and complementarity between the EDF and bilateral assistance	20
6.3 Recommendation group 3: enhance monitoring of the EDF and establish the conditions to increase French influence	21
6.4 Recommendation group 4: support the EU as it asserts itself as a powerful, innovative and effective development partner	22
List of acronyms	23

1. Foreword

The Directorate-General for Global Affairs, Development and Partnerships (DGM) of the French Ministry of Foreign Affairs and International Development (MAEDI) decided to carry out an **evaluation of France's contribution to the European Development Fund (EDF)**.

The EDF was established in 1957 by the Treaty of Rome and is the major EU instrument for development cooperation in ACP (Africa, Caribbean and Pacific) countries and overseas countries and territories (OCT). The EDF is concluded for a multiannual period and implemented in the framework of an intergovernmental agreement linked to the Cotonou Agreement ("ACP-EC Partnership Agreement", signed in 2000 and revised in 2005 and then 2010). The Fund supports efforts in various fields including economic development, human and social development, and cooperation and regional integration.

The 10th EDF covered the **2008-2013 period** with a budget envelope of **€22.6 billion**, €21.9 billion of which was allocated to the 78 ACP countries (97%¹ of the total).

As the second largest contributor behind Germany since the 10th EDF with a contribution of €4.434 billion, representing 19.55% of the total budget, France has traditionally shown the importance of its support for the EDF with a contribution greater than its contribution key in the EU budget (15.9%). In the 11th EDF, France's contribution key will fall to 17.81% of the total envelope, which is set at €30.5 billion for the 2014-2020 period. While the financial and implementing regulations have been approved by the Member States, the negotiating process remains underway at the date of evaluation (June 2014) and the ratification of the internal agreement could continue until early 2015.²

The EU focus of France's focus on EU Development aid is driven by its constant relations and participation in the design and implementation of the European Union's development policy, both through the EDF and through the general budget.

While their relative share has fallen in recent years, European instruments, of which the EDF is at the forefront, are amongst the primary beneficiaries of French assistance through multilateral channels, ahead of vertical funds and the international financial institutions (IFI).³ **The EDF is thus one of the main expenditures of French Official Development Assistance (ODA), accounting for 7.4% of the total in 2013.**

The French Framework and Programming Law of July 7, 2014 regarding development policy and international solidarity recognises the importance of the EDF in French development policy and underlines the need to ensure proper coordination between this instrument and our geographical and sectorial priorities.

In this context, the evaluation of France's contribution to the EDF was initiated with two main aims:

- **accountability** to citizens and taxpayers with regard to the use of public money;
- **gathering information** on the relevance, effectiveness and impact of France's contribution to the EDF, including with the aim for preparing for EDF future milestones and especially the renegotiation of the Cotonou Agreements in 2020 and, in the longer term, the redefinition of the EDF as the main development instrument within the ACP-EU Partnership.

The evaluation thus aimed to assess **the benefits for France of being the second-largest contributor to the 10th EDF** with regard to two aspects:

- **EDF effectiveness** and its **complementarity** with France's bilateral assistance and development priorities;
- **returns** for France, in both strategic and financial terms, on its contribution to the EDF.

The evaluation was entrusted to the independent consultancy EY, in partnership with Transtec, and supervised by a multidisciplinary steering committee made up of representatives of the different competent administrations and bodies.

1. The remaining 3% were allocated as follows: to OCTs (€0.29 billion, or 1% of the total budget) and to supporting expenditure linked to EDF scheduling and implementation (€430 million, or 2% of the total budget).

2. The following countries have ratified the internal agreement: Latvia, Slovakia, Malta, Romania, Bulgaria, Slovenia, the Czech Republic, Sweden, Spain, Denmark, Belgium and Hungary. France has a rather long legislative process: the bill, which needs to be voted by both Houses. It should be ratified by both Houses by the end of 2014.

3. Such as the World Bank, the African Development Bank and the Asian Development Bank.



It took an approach involving four major successive phases between September 2013 and June 2014.

A **structuring phase** helped determine the evaluation's approach. This included analysis of the logical framework of France's contribution to the EDF, drawing up evaluation questions and proposing a method to respond to them.

A **documentary research phase** helped establish a first overview of the 10th EDF based on interviews in Paris and Brussels and on an in-depth documentary analysis.

A **data collection phase** involved a survey on perception and field work in three EDF beneficiary countries (Burundi, Ghana and Senegal).

Lastly, an **analysis and judgment phase** summed up the main lessons drawn from the evaluation and drafted the recommendations linked to them. These recommendations aim to improve France's steering of its contribution to the EDF, maximize the instrument's effectiveness and increase French ability to influence the programming and implementation of the EDF. They were discussed in a workshop on 23 April 2014.

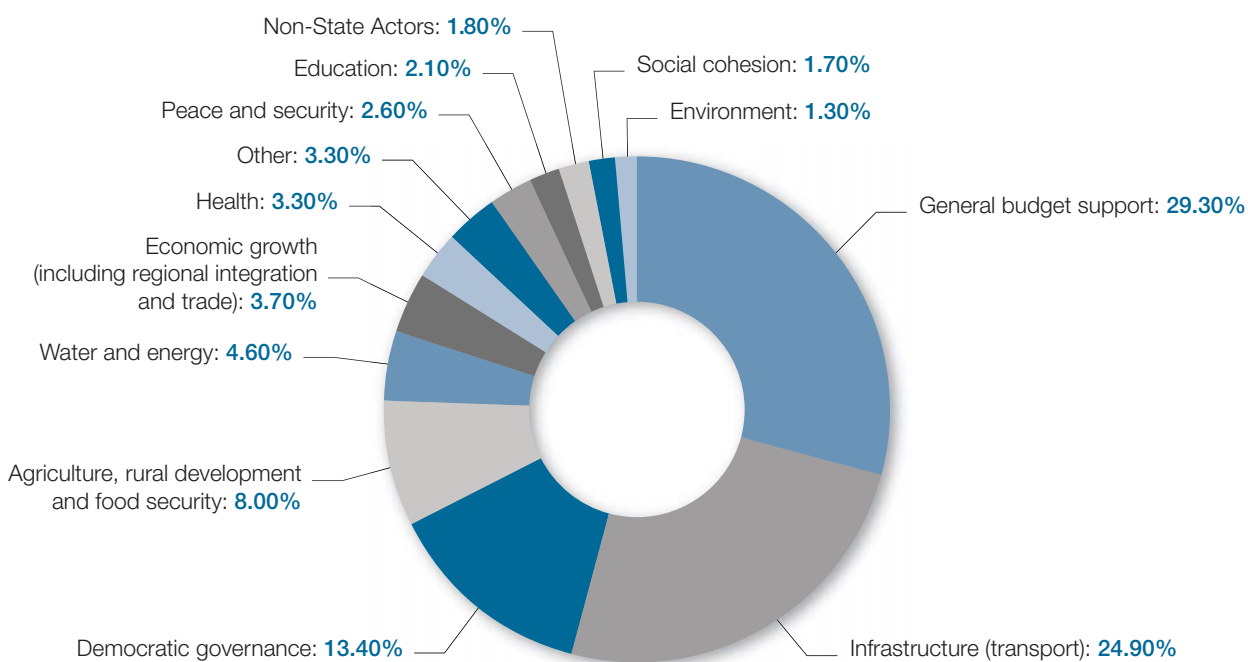
2. EFFECTIVENESS OF THE EDF

The benefits of France contributing to the EDF are founded on the very effectiveness of the instrument and its ability to achieve tangible development results. While the evaluation does not claim to be based on a comprehensive evaluation of the EDF and its development impact, it aims to shed some light on the EDF's ability to improve its own functioning, better account for its activities and achieve results perceived as positive for partner countries' development.

2.1. An instrument seen as increasingly effective for the development of the ACP countries

Through the EDF, the EU is perceived by all categories of persons questioned as a major and increasingly effective contributor for the development of the ACP countries, despite **variable results of the 10th EDF from country to country and sector to sector. Three sectors in particular stand out as focuses of the 10th EDF** (see figure 1 below).

Figure 1: Sectoral breakdown of the 10th EDF A-envelop (NIPs)



Source: Commission Staff Working Paper: 10th EDF Performance Review, European Commission, SEC (2011)1055 final.

General budget support (29.3% of the resources of the 10th EDF under National Indicative Programmes, or NIP), is a preferred aid modality in the 10th EDF, for their alignment with national system and the ease of their implementation. They contribute to national budget while ensuring a high level of disbursement of the EDF.

The EU is also particularly renowned in the **infrastructure sector (24.9% of the 10th EDF's resources),** due to the scale and historic commitment in this sector which helped to contribute to structuring projects through grant-based funding. In addition, EU's involvement in infrastructure had leverage effect to complement other sources of funding less concessional to implement major investment in areas such as road construction and energy. While obstacles to implementation and administrative delays (tender procedures, works management, etc.) can occur, particular vigilance is required to ensure the sustainability of the funded infrastructure.

Lastly, the EU is increasingly present in the **democratic governance sector (13.4% of EDF resources).** While its expertise in this area is highlighted in certain countries, several weaknesses in EU support were mentioned, including in the Governance Incentive Tranche (unattained goals, lack of partner country ownership, and overly generous use by the European Commission). The indicative sectoral allocation of the 11th EDF retains a key focus on the governance sector, which should represent 25% of the overall budget of NIP, RIP (Regional Indicative Programme) and intra-ACP⁴ programming and 27% of the NIP budget alone (see figure 2, page 9).

2.2. Considerable EU commitment to respecting the aid effectiveness principles

The EU is particularly committed to the implementation of the Paris Declaration principles, particularly concerning harmonization between donors and strategic coordination with the national counterpart in the countries where it works.

In accordance with the coordination principles, the National Indicative Programme (NIP) resources of the 10th EDF were **focused on a limited number of sectors:** almost 50% of EDF credits were thus allocated to the two sectors of infrastructure (including water and energy) and democratic governance.

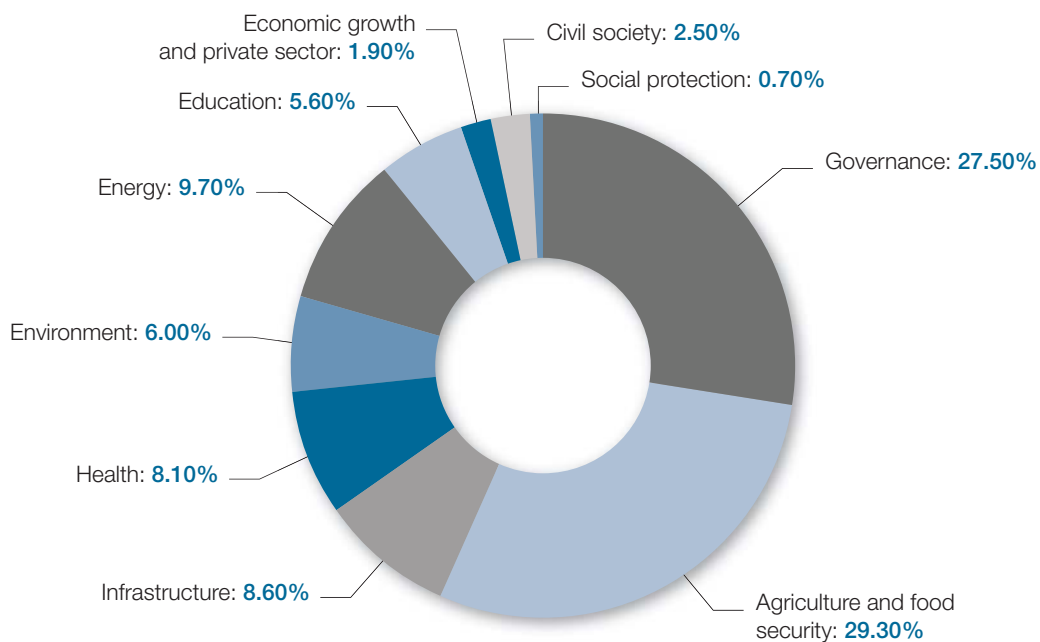
In the countries concerned, national EDF programmes (both those of the 10th EDF and the recently drawn-up 11th EDF programmes) appear **particularly clear, coherent and relevant to the needs of the countries.**

In the framework of the 11th EDF, which is still being programmed, concentration of programmes around a small number of priorities also implies a relative withdrawal of the EU from certain sectors where it has been particularly present in the past, as well as a shift in the terms of its funding. This is particularly true in the infrastructure sector which, according to indicative data available at time of evaluation (June 2014) will no longer represent more than 9% of the budget of the 11th EDF (NIP, National Indicative Programme). Infrastructure should be financed in future within regional programmes based on the terms of combined donations and loans. Although this concentration effort involves certain frustrations on the part of partner countries which, in some cases, would like Europe to continue funding traditional EDF sectors through grants, the shifts envisaged in the 11th EDF are relevant given the changes in the context of aid, the situation of countries (some of which, like Ghana, have joined the category of middle-income countries) and the stakes of complementarity and harmonization between European donors.

There remains a great deal of room to improve **monitoring and evaluation mechanisms.** While information on the implementation of EDF-funded projects exists (financial reports, mid-term

4. Data collected on the 11th EDF during the evaluation stage were insufficient to distinguish general budget support.

Figure 2: Indicative sectoral breakdown of 11th EDF funding



Source: Data provided by the French Ministry of Foreign Affairs and International Development (MAEDI).

NB: Data concerning the sectoral breakdown of the 11th EDF remain indicative at time of evaluation (39 NIPs had been approved as of June 2014). Moreover, they cannot be directly compared with the sectoral breakdown of the 10th EDF as budget support is not a sector but a modality for aid delivery and is therefore not disaggregated.

evaluations, final evaluations), it is not always available or systematically communicated to Member States on the ground and often remains focused on the financial implementation of the EDF rather than on the results and impact achieved by projects.

disbursements accurately and beyond N+2 are hindering multiannual budget programming of France’s development assistance credits (programme 209) especially in a context of major budgetary constraints.

Lastly, recurrent gaps between the ceilings of calls for funds (from the EDF and the European Investment Bank – EIB) adopted by the Council and the reality of the contributions requested of Member States each year in the framework of the 10th EDF and previous EDFs raise the question of the provisional budgeting of the EDF and cash flow management. In particular, the erratic nature of its calls for contributions and the European Commission’s inability to predict EDF

3. Coherence of priorities

AND EDF COMPLEMENTARITY WITH FRENCH BILATERAL ASSISTANCE

The convergence between the aims of France and those of the EDF was assessed at three levels:

- coherence of strategies;
- coherence of sectors of action;
- coherence of geographical priorities.

This analysis was then supplemented with assessment of the complementarity of the instruments used by France and the EU.

3.1. A shared vision of the major challenges of development cooperation

The EDF makes up the third of the three pillars of the Cotonou Agreement:

- political dialogue;
- trade preferences;
- official development assistance programme.

The EDF is **aligned with the EU's strategic frameworks for development cooperation**, which as of 2014 are constituted by the "European Consensus on Development", adopted in 2005, and the "Agenda for Change", the main strategic policy document for the EU's future development cooperation instrument and EDF programming for the 2014-2020 period. The Agenda aims in particular to:

- seek greater effectiveness, performance, results and impact;
- enhance geographical, thematic and financial differentiation, giving priority to the least developed countries;
- increase the focusing of assistance on a more limited number of sectors, where the European Commission's added value is recognized;
- strengthen joint programming;
- improve the flexibility of planning to adapt to change (crises, elections, etc.).

In this context, **the visions of France and the European Commission on the major challenges of development cooperation are generally shared**. The recent shift in the EU's priorities, as expressed in the "Agenda for Change", strengthens this strategic coherence around three major goals:

- poverty reduction;
- inclusive growth;
- democratic governance.

Moreover, the European Commission's introduction of the notion of differentiated partnerships fully matches the approach adopted by France since 2009.

3.2. Relative convergence of sectors between the EDF and France's development cooperation priorities

Amongst France's priority sectors for development cooperation⁵, **governance and support to economic growth are the fields best accounted for by the actions of the 10th EDF** (13% and 29% of 10th EDF resources respectively). Other sectors, however (agriculture, health, education) were less well covered, partly because of the strong focus of 10th EDF fund allocation to the governance and infrastructure sectors.

Lesser EDF involvement in social sectors is not necessarily in contradiction with French policies so long as this situation results from division of labour between the different donors in accordance with the priorities of the partner countries. Moreover, the European Commission's support for these sectors is often indirect, using general budget support to finance national poverty reduction strategies. This approach mobilised almost 30% of the 10th EDF budget. In addition, the **MDG Initiative** was launched in 2010 with a budget of €1 billion, following the mid-term review of the 10th EDF. It aimed to speed

5. The five priority sectors adopted by the Interministerial Committee on International Cooperation and Development (CICID) in 2009: health, education and vocational training, agriculture and food security, the environment and sustainable development, and support for growth, in addition to a sectoral goal of promoting democratic governance, the rule of law and respect for human rights.

Table 1: Allocation of 10th EDF resources to France's priority sectors

Priority sectors of French cooperation	Percentage of 10th EDF resources
Support for growth (private sector, trade, infrastructure)	28.60% of which infrastructure (transport) 24.90% of which economic growth (trade and regional integration) 3.70%
Governance	13.40%
Agriculture and food security	8.00%
Sustainable development (climate, environment, energy, water, sanitation)	5.90% of which environment 1.30% of which water and energy 4.60%
Health	3.30%
Education and vocational training	2.10%

Source: Commission Staff Working Paper: *10th EDF Performance Review*, European Commission, SEC (2011)1055 final.

up progress in order to achieve the Millennium Development Goals (MDG), particularly in the social sectors.

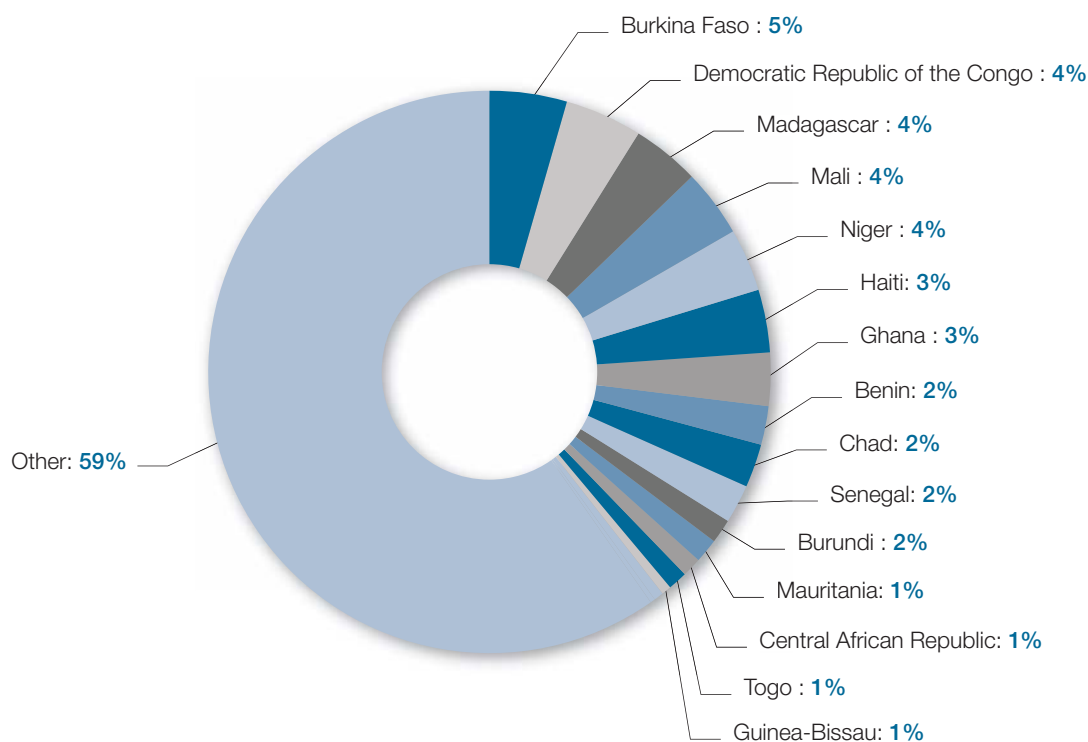
The sectoral focus announced in the “Agenda for Change” place greater emphasis on these sectors (especially agriculture and food security, but also energy) and in this sense are consistent with France's priorities. According to the most recent data, more than 20% of the overall budget envelope of the 11th EDF (NIP, RIP and intra-ACP programming taken together) and almost 30% of the NIP envelope alone are set to be allocated to the agriculture sector (see figure 2, page 9).

3.3. A significant multiplier for sub-Saharan Africa, but a relatively smaller share of EU development aid as a whole

While the French bilateral assistance offer is subject to growing budgetary constraints that limit the volume of its subsidies for the least developed countries, channelling multilateral and European funds towards sub-Saharan Africa is a major stake for France's development cooperation policy.

Geographically, the EDF provides an unequalled financial multiplier for France's priorities, insofar as its funding is primarily focused on the countries of sub-Saharan Africa: 90% of the funds allocated by the 10th EDF were allotted to sub-Saharan Africa, followed by the Caribbean (7%) and the Pacific (3%). More generally, the “Agenda for Change” highlights the major priority given by Europe's assistance to sub-Saharan Africa and the least developed countries, which must be the key focus of assistance and subsidies, while also announcing the mobilization of €1 billion for the Millennium Development Goals for ACP countries.

Figure 3: Share of priority poor countries of overall A-envelops in the 10th EDF



Source: Annual Financial Report 2012 8th, 9th and 10th EDF – European Commission.

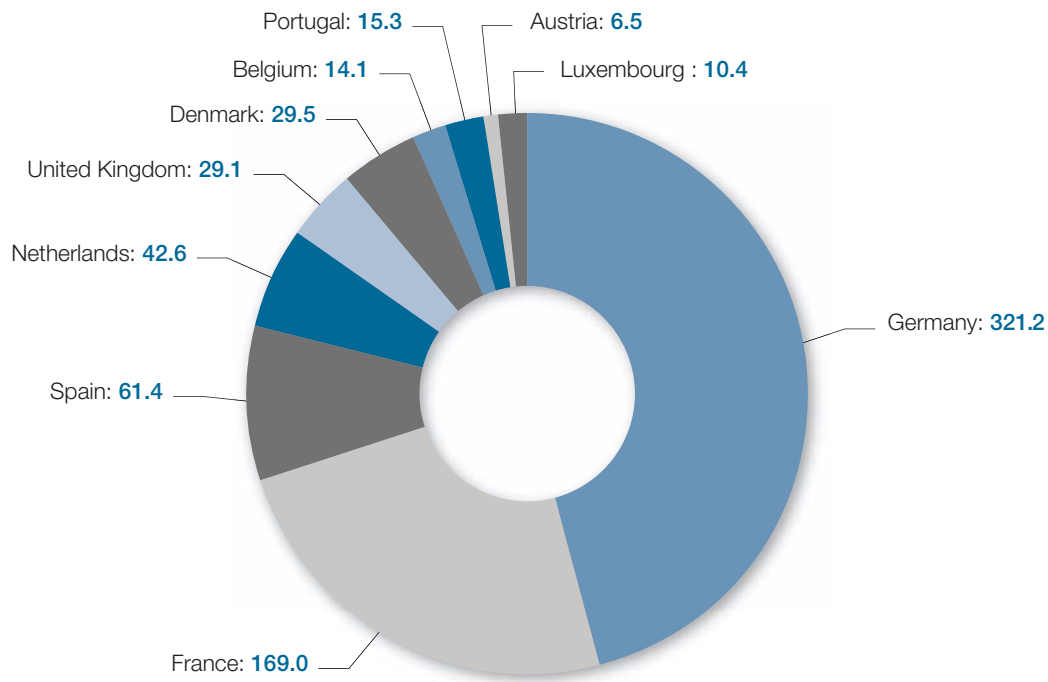
Of the €17.8 billion allocated to funding **National and Regional Indicative Programmes** in 78 countries and 6 regions of the ACP area, the country envelope⁶ (€15.3 billion) is allocated **on the basis of the needs of beneficiary countries**, according to an aid allocation model developed under the 10th EDF. In this framework, **France's 16 priority poor countries** receive 41% of assistance under the 10th EDF for Africa, and this share should remain identical under the 11th EDF, which is currently being programmed. Burkina Faso, the Democratic Republic of the Congo, Madagascar, Mali and Niger alone account for 21% of the total assistance allocated to the ACP countries under the 10th EDF. They remain the five main beneficiaries of the 11th EDF amongst France's priority poor countries, receiving 19% of the envelope provided for under national programming.

Despite this geographical convergence, it is of note that the EDF – and so Europe's support for sub-Saharan Africa – has gradually lost its key position in Europe's development cooperation as a whole. Indeed, as the EDF was established, the European Community also acquired other geographical and thematic development assistance instruments covering all developing countries, providing targeted responses to key sectors such as health, food security, the environment and development of civil society.

Thus, although EDF support for sub-Saharan Africa has not diminished in volume, **European assistance has gradually been deployed outside of France's primary areas of influence**, such as Eastern Europe, Latin America and Asia. Indeed, while EDF funds represented 67% of all European assistance for the 1986-1990 period, they fell to 29% between 1996 and 1998 and now account for only about 20%.

6. Envelope "A" (programmed envelope of €13.5 billion): aimed at macroeconomic support, sectoral policies, programmes supporting areas that are or are not focuses of EU assistance. Envelope "B" (provisional envelope of €1.8 billion): allotted to each country and may be mobilized in the event of unexpected needs such as emergency assistance.

Figure 4: Ongoing contracts implemented through indirect management with development agencies of EU Member States (2008-2012 period) (in millions of euros)



Source: European Commission data.

3.4. Gradual progress towards better coordination of the EDF with Member State bilateral assistance, held up by visibility and influence issues

The joint programming process undertaken since 2012 in several partner countries is starting to show results in certain ACP countries but continues to face a number of difficulties.

Joint programming has thus helped **establish a common analysis of the situation in each country, shared by all partners**, and provided an opportunity to discuss in greater depth the priorities that should be selected by each European donor. However, **division of labour between European partners remains incomplete** and faced challenges linked to sovereignty and influence.

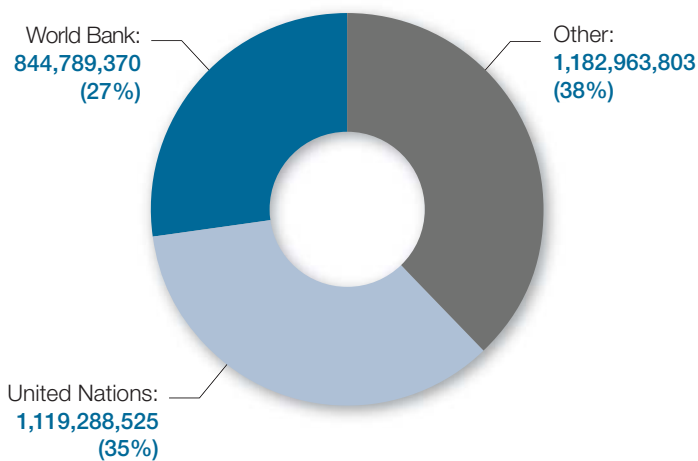
The effort to achieve greater complementarity between European partners through the use of delegated management (or indirect management with the development agencies of the Member States) remains limited overall, notably because of heavy administrative procedures. According to European Commission data, around €700 million – only 1.5% of EDF resources – have been delivered at time of evaluation via the bilateral agencies of the Member States, despite a significant rise since 2011. The main beneficiaries of ongoing indirect management (2008-2012 period) are Germany, with €321 million or 46% of the overall amount, and France, with €169 million or 24% of the overall amount of ongoing indirect management, corresponding to France’s EDF contribution key.

In parallel, **a significant share of EDF resources is delivered via international organizations**. In early 2000, the European Commission decided to markedly increase the amount of external assistance funds administered via international organizations in order to support a wider range of development support activities.

Over the 2008-2012 period, more than €3 billion of EDF funds were thus delivered via international organizations in joint management. United Nations bodies were the primary beneficiaries of joint management at that time, receiving 35% of funds (more than €1 billion), followed by the World Bank (27% of funds, or more than €800 billion).

However, this increasing use of international organizations does not truly address the necessary division of labour. In certain cases, it is more of an attempt to find alternatives in order to reduce as far as possible the involvement of EU staff in the management of EDF resources.

Figure 5: EDF funds administered via international organizations (2008-2012)



Source: European Commission data.

The still-limited use of indirect management to Member States and the perception of the European Commission by both its European partners and beneficiary countries as an **additional partner, autonomous and independent of the Member States, confirms the observation by which the European Commission does not draw sufficiently upon the expertise of the Member States to implement its cooperation.**

For its part, France is particularly involved in the joint programming process at strategic level. On the ground, the situation is more nuanced and appears to depend on the context and France's bilateral position in each country. While France is interested to "play the game" of the European cooperation in a country like Ghana, the relevance of a joint implementation of EU aid is less obvious in a country like Senegal, where bilateral french action is historically more important.

The means of action of the EDF (grants) have a clear complementarity with the concessional loans of France's bilateral assistance. Given the limited resources of France's bilateral cooperation in terms of subsidies, the possibility of new aid modality like blending (loan-grant) creates major opportunities to create a leverage effect on French bilateral aid. Under the 10th EDF, the use of blending was limited to a single sector (infrastructure) and regional projects, but major changes are expected in the implementation of the 11th EDF.

4. FRENCH INFLUENCE

ON EDF STRATEGIES

This evaluation aimed to assess France's "influence capacity". Influencing strategic, institutional and operational guiding principles linked to the EDF that are made in Brussels (at the European Council and in management committees) and in the field (EU delegations) is a key stake for France in order to ensure that its own priorities are taken into account in European assistance and that the latter is consistent and coordinated with its own development assistance instruments.

4.1. EDF governance needing strong mobilization from all stakeholders to ensure strategic influence and monitoring

The current governance of the EDF and the changes introduced into European cooperation following the Lisbon Treaty (reform of the Directorate-General for Development and Cooperation – DG DEVCO – and creation of the European External Action Service – EEAS) blurred the role of actual shareholder to all Member States.

The drafting and approval process for strategy documents and multiannual indicative programmes involves many players in Brussels and in the field (ACP group, European Commission staff – DG DEVCO, EEAS, EU delegations – and Member States – EDF Committee, field stakeholders, etc.), which requires effective coordination from the Member States and exchange of information between all stakeholders.

Based on the "Agenda for Change" (whose guidelines are of a general nature), the European Commission draws up more specific strategic and sectoral approaches in the framework of internal consultations (DG DEVCO and EEAS). Yet **the Member States are currently not sufficiently involved in strategic decision making**, in particular in the development of sectoral approaches. **Political dialogue between the European Commission and the Member States seems to have deteriorated with the creation of the EEAS.**

The preparation of each EDF, which takes place within the **ACP Working Party**⁷, is a relatively complex procedure marked by the revision of the legal basis made up of different agreement and regulations: for the 10th EDF, the European Council first set down the financial envelope (€22.6 billion) and the contribution key between the Member States in December 2005. This political agreement was formalized through an **internal agreement (intergovernmental agreement concluded between the representatives of the governments of the Member States)** that was signed in July 2006 and determined the breakdown of the main programmes. In parallel, the joint EU-ACP Council of Ministers adopted the **financial regulation** in June 2006, effectively constituting the **multiannual financial framework** and establishing the amount of the credits allocated to the ACP area, region by region and country by country. The **implementation regulation** was then adopted. Its purpose is to lay down the terms of programming and following up credits as well as determining the competences of the management committees.

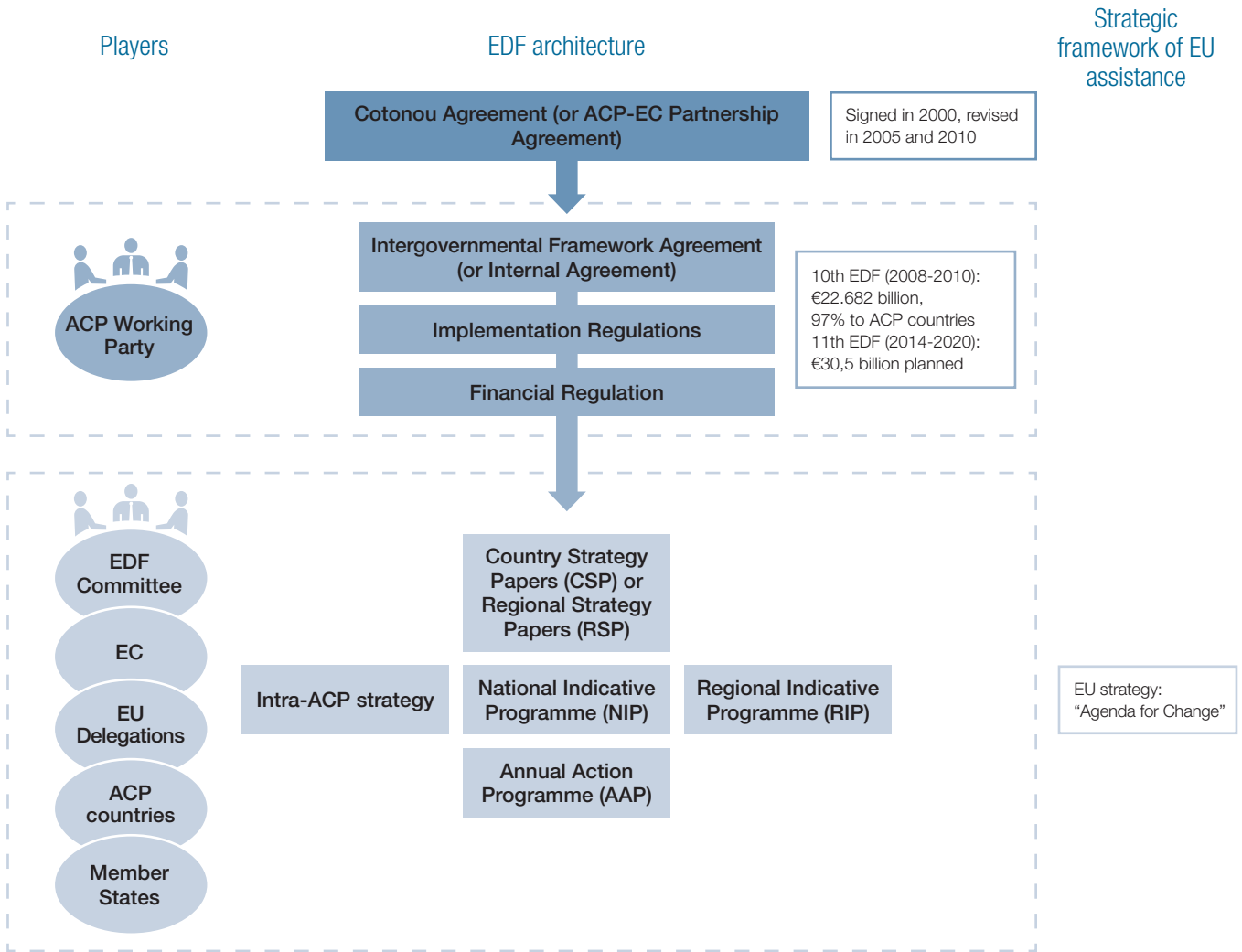
The **programming** exercise includes both a political process to determine general strategies (national, regional and intra-ACP) and the transposition of the priorities set down into development programmes. The process for drafting and approving strategy documents and multiannual indicative programmes involves numerous players in Brussels and in the field – the various services of the European Commission (DG DEVCO, EEAS, EU delegations) and the Member States (within the EDF Committee, as well as in the field).

The **European Commission** is responsible for these different programming documents and they are drawn up in coordination with the partner countries through EU delegations. A first consultation of Member States takes place in the field (via embassies), before the document is submitted to the Member States in Brussels during the meetings of the **EDF Committee, which submits decisions of the European Commission to the approval of Member States**.⁸

7. **The ACP Working Party** is the working group of the European Council responsible for European cooperation with ACP countries under the Cotonou Agreement. This group plays a political role in following up the ACP partnership. The legal basis of the EDF is negotiated within the ACP Group.

8. Concerning the EDF, the Member States vote based on their contribution key. The European Parliament is not involved in managing the EDF.

Figure 6: EDF architecture



The meetings of the EDF Committee are sometimes considered by the Member States as mere registration chamber bodies where French players cannot truly question the decisions proposed by the European Commission at the different stages of the programming process (national and regional level, multiannual and annual programmes). The Member States seem to have little leeway within the EDF Committee meetings, given that it is politically difficult to oppose a project and that most decisions are made on a consensus basis – ie. without a vote.

In the field, the deconcentration of the EDF's implementation gives a degree of autonomy to EU delegations, which play a coordinating role and engage in dialogue with the Member States that appears very variable from one country to another. A lack of formalization of the rights and obligations of EU delegations (in relations with the Member States) makes it more difficult for players in the field to monitor the EDF or to contest EU delegation practices if necessary.

4.2. French influence on EDF strategic guidelines

France has actual influence on the EDF's strategic guidelines: its vision of development inspired the EU's "Agenda for Change", while its influence in the framework of the EDF, the key instrument aimed at its own priority geographical areas for solidarity, is fuelled by its political clout, visible institutional presence, active participation in discussions held in EDF governing bodies (the ACP Working Party and EDF Committee) and, to a lesser extent, the scale of its "historic" financial support.

Several **examples show a genuine ability to emphasize French priorities** to European partners: the ongoing shift in the aid allocation model under the 10th EDF in accordance with the guidelines promoted by French researchers shows Europe's receptiveness to French suggestions.

4.3. Underemployed means of influence, particularly in liaison with field stakeholders

The criticism of a stakeholder (the Commission) over which the Member States have in reality very little authority calls for greater employment of "soft" means of influence that would help strengthen the partnership within the Commission's very teams, notably through Seconded National Experts (SNE). Yet French SNEs appear to be well followed, but not really guided by the French administration. Their contacts with the Ministry are not systematic.

The ability to influence of field stakeholders (present Member States), which is informal and dependent on the dialogue organized by EU delegations, is significant: the result of many decisions made by the EDF Committee at the end of the process is in reality the result of concertations driven by EU Delegations, which relegate the EDF Committee to a recording chamber. The respective influence of field consultations and discussions in Brussels does however escape the grasp of field stakeholders, who happen to observe a gap between consensus reached in the field and final decision made in Brussels. Moreover, the influence of the Commission (or even the Commissioner) is not played down by Member States in

the field, which also nuance their own role in drawing up the EDF's guidelines in the country.

In this context, the potentially powerful means of influence represented by field discussions could be better utilized by France and its stakeholders in the field (*Service de coopération et d'action culturelle* – SCAC, Cooperation and Cultural Action Service – and the *Agence française de développement* – AFD, French Development Agency), which have various degrees of presence depending on local contexts, France's bilateral position and differs according to the stage of the EDF programming cycle..

Moreover, the internal organization of the French stakeholders is not optimal concerning EDF monitoring. A certain duplication of work (between the Directorate-General of Global Affairs, Development and Partnerships – DGM – and the European Union Directorate) and limited EDF ownership by the other geographical and sectoral directorates of the Ministry of Foreign Affairs and International Development (MAEDI) do not facilitate following up the EDF centrally. At this level, French stakeholders (particularly in Paris and Brussels) have a good vision of the major French priorities (eg. blending) and geographical priorities (eg. priority poor countries and Franc zone countries) that are put forward in the framework of concertation between the European institutions and the Member States. Conversely, **field stakeholders lack a clear vision of French expectations** regarding the priorities and sectoral approaches for the major EDF action focuses.

French field actors are insufficiently aware and sensitised to France's strategic priorities outlined in Paris and Brussels to play a leading role and guide the dialogue with EU Delegations. Consequently, French Embassies' involvement and awareness of EU development policies varies from one country to the other, which is regrettable. Given that EU Delegations have enhanced authority in making programming decisions, Member States need to equally increase their ability to influence EU decision making in the field.

5. RETURNS FOR FRANCE

The return on France's contribution to the EDF is assessed in the light of three criteria:

- the impact of France's contribution to the EDF on the country's visibility;
- the economic benefits for French companies;
- the geopolitical benefits of the EDF for Europe.

5.1. A positive return for Europe in terms of visibility

Thanks to its considerable financial investment, **the European Commission has made itself a major player** in development cooperation in ACP countries. The EDF provides a positive "overall" return for Europe in terms of image and visibility, although the results seem to vary from one country to another.

The EU-ACP partnership, which is primarily funded by the EDF, allows the EU to maintain preferential relations with countries that are part of the areas of influence of major third countries and in geographical regions where European territories (overseas countries and territories) are situated and with which the Member States need to address common challenges such as drug trafficking, climate change and migration. However, the geostrategic return of this partnership is not fully utilized. The expiry of the Cotonou Agreement in 2020 and the recent institutional and political shifts of the European Union raise questions around the future place of ACP countries in the European Union's external action post-2020 and the relevance of maintaining specific relations with them.

The EDF's potential advantages should be better promoted and further utilized to serve Europe's interests: in a context where emerging donors (such as Brazil, China, etc.) are becoming key players in developing countries like the ACP area, it appears all the more important to establish strong coherent action that will be part of a comprehensive strategic framework in line with Member States' interest and European values.

5.2. Benefits not directly advantaging France

This visibility of the EDF does not extend to France, which is not equipped to emphasize its contribution to the EDF in the field. While the ACP countries do associate the EDF with its contributing States (and while France's position as second-largest contributor is well known), they do however see it as a multilateral aid instrument like another. Moreover, Europe does not involve the Member States in events to communicate on and emphasize its action, acting as a fully independent and autonomous partner.

Overall, **France's visibility and influencing ability depends more on its political clout than on its EDF funding** or national funding, although the latter is a major lever for dialogue with governments. The European channel allows France to strengthen its influence further in exchanges with beneficiary countries in countries where it is a secondary bilateral donor with little difference – in terms of amounts and political clout – from other European bilateral donors.

5.3. A significant economic return for French companies

French companies and players are well positioned for EDF tenders, but less for grants contracts.

For **tenders**, France remains the main contract beneficiary of EDF funding over the period 2010-2011 (19% in 2010; 25% in 2011) and is followed by diverse countries from year to year⁹. Traditionally, French operators are particularly present in public works tenders.

Award of grant contracts to French partners remains relatively low but has been subject to significant increase since 2011 and now represents 13%.

Local beneficiaries consist of operators established in aid recipient countries (including subsidiaries of French, African, Asian or international groups). These operators are equally eligible to EDF funding as EU Member States and are awarded the highest share of grant or tender contracts.

9. In 2010, France was followed by Portugal (14%) and Italy (10%), whilst in 2011, it was followed by Germany (13%) and Belgium (9%).

6. RECOMMENDATIONS

The evaluation proposes a number of recommendations organized in four parts, covering:

- dialogue between Member States and the European Union on development assistance issues, including in the framework of EDF governance (recommendation group 1);
- EDF coordination with bilateral aid strategies and instruments (recommendation group 2);
- France's ability to follow up the EDF and express its views (recommendation group 3);
- effectiveness and performance of the EDF (recommendation group 4).

These recommendations stem from the evaluation's conclusions but **do not necessarily reflect the opinions and positions of the Ministry of Foreign Affairs and International Development (MAEDI)**. They cannot moreover be considered a strategy for France's contribution to the EDF or as a concrete action plan.

6.1. Recommendation group 1: contributing to enhanced dialogue between the EU and Member States on development cooperation

Recommendations	Implementation
<p>1.1 Ensure the Member States have appropriate frameworks for discussion to guide the Commission's initiatives and drive its strategic guidelines.</p>	<p>1.1.1 Launch discussion with the Commission and Member States on re-establishing more in-depth political dialogue between them, such as through informal meetings between directors or development ministers, so as to further involve Member States in drawing up sectoral strategies and frameworks based on the "Agenda for Change" guidelines.</p>
<p>1.2 Encourage the EU to better govern relations between its delegations and Member States in the field to ensure effective, constructive dialogue and to improve EU accountability to Member States.</p>	<p>1.2.1 Clarify the dialogue and decision-making process, which currently remains generally informal, between the field (EU delegations) and Brussels, during the different stages of the programming and implementation of the AAPs, taking into account the involvement and place of the Member States in the field. This aspect could notably be included in a "vade-mecum" for relations between EU delegations and Member States or a guide specifying the respective roles of Member States and EU delegations at each stage in the process.</p> <p>1.2.2 Encourage the sectoral units of the Directorate-General for Global Affairs, Development and Partnerships to share programming documents in their sectors so as to incite French stakeholders (SCAC and AFD) to influence decision-making upstream of AAPs, particularly during identification and drafting phases.</p> <p>1.2.3 Encourage the EU to strengthen coordination of EU delegations by Brussels regarding the guidelines to be respected for national programming, particularly with regard to priority sectors of concentration.</p>

6.2. Recommendation group 2: strengthening coherence and complementarity between the EDF and bilateral assistance

Recommendations	Implementation
<p>2.1 Enhance division of labour and encourage the EU to draw more on the expertise and know-how of the Member States for the EDF to eventually become a genuine instrument for coordination and complementarity between all Member State cooperation policies.</p>	<p>2.1.1 Ahead of the 11th EDF mid-term review, be actively involved in joint programming in all partner countries; to better support diplomatic posts in this work, enhance or make systematic communication on the choice of France's priority action sectors in the framework of joint programming.</p> <p>2.1.2 Encourage the establishment of operational partnerships between European partners, similar to the Mutual Reliance Initiative (MRI) signed between the AFD, KfW and EIB in February 2010.</p>
<p>2.2 Better coordinate the use of indirect management with international organizations in the framework of the EDF to ensure that the Fund only works through these organizations where Member State bilateral agencies are unable to do so satisfactorily.</p>	<p>2.2.1 Open talks with the EC on drawing up transparent criteria for use of indirect management through international organizations so as to limit the practice to the most relevant cases, and encourage systematic assessment of the possibility of using Member States instead (if competence exists).</p> <p>2.2.2 With the EC and other Member States, consider the possibility of setting a fixed target for indirect management by international organizations on the one hand, and indirect management with Member States on the other to improve balance.</p> <p>2.2.3 Encourage the EC to enhance follow-up of projects implemented by international organizations using EDF funding.</p>
<p>2.3 Make greater use of the complementarities between the EDF and the AFD to strengthen EU's development cooperation.</p>	<p>2.3.1 Continue encouraging AFD field offices to quickly move onto the priority sectors of the 11th EDF, in which France has renowned expertise (agriculture, food security and energy) and to follow up dossiers of strategic interest (like loan-donation blending), particularly in France's priority countries.</p> <p>2.3.2 Anticipate and enhance communication with French field stakeholders (AFD offices and SCAC) concerning new possibilities opened up by blending instruments and encourage French embassies and Development Cooperation service to be proactive vis-à-vis EU delegations on these subjects.</p>
<p>2.4 Emphasize the French expertise offer in European development cooperation.</p>	<p>2.4.1 Encourage French operators to employ a more proactive communication approach in Brussels, similar to that of international organizations and the agencies of other countries.</p> <p>2.4.2 Encourage French operators who do not yet have them to obtain the required delegated management accreditations.</p> <p>2.4.3 Ensure French Embassies/Development Cooperation service staff is better aware of French operators priorities and project pipelines (to provide support and relay the priorities of those not present in the field).</p>

6.3. Recommendation group 3: enhance monitoring of the EDF and establish the conditions to increase French influence

Recommendations	Implementation
<p>3.1 More precisely determine France's expectations of the EDF, involving all stakeholders.</p>	<p>3.1.1 Clarify and formalize France's positions on the sectoral approaches to be implemented by the EDF in its main sectors of cooperation (two or three sectors) defined in the "Agenda for Change" and NIPs that are of interest to France. These positions would be sectoral adaptations of the document <i>What European Development Policy? France's Proposals</i>.</p>
<p>3.2 Strengthen France's ability to affirm its priorities within the different governance bodies of the EU-ACP partnership.</p>	<p>3.2.1 Further advocate France's positions by sending written remarks to the Commission and making contact with other Member States ahead of Committee meetings, as well as stepping up informal exchanges with its staff on problematic areas. In addition to the use of these "soft" influence tools, draw up an "action doctrine" to allow French players on the EDF Committee to be firmer on a few requirements considered to be real priorities, regarding subjects that are determined to be highly strategic.</p>
<p>3.3 Mobilize the different means of influence available to France more pronouncedly in order to support and follow up France's EDF contribution.</p>	<p>3.3.1 Ensure appropriate presence and coordination of French experts in positions considered strategic within DG DEVCO (and EU delegations) and nurture the relationship with SNEs, including those who were not part of the French administration before joining the EU institutions.</p>
<p>3.4 Draw up an internal vade-mecum for French stakeholders on the partnership with the Commission, notably to follow up the EDF.</p>	<p>3.4.1 Better define division of labour between the different directorates and units of the MAEDI responsible for following up the EDF and increase their involvement in the important stages of EDF programming. For example, coordination between the DGM/DEV and the DUE should be strengthened, while the role of MAEDI sectoral units and geographical directorates in following up the EDF should be clarified. Meetings could also be organized every three or six months, coordinated by the DGM, to discuss the EDF with the geographical directorates of the Directorate-General for Political and Security Affairs (DGP).</p>
<p>3.5 Organize and govern the involvement of French field stakeholders in the steering of the EDF in countries to ensure that the guidelines supported by France are applied operationally in the field.</p>	<p>3.5.1 Appoint an EU correspondent to follow up European assistance in the field (SCAC or AFD).</p> <p>3.5.2 Strengthen MAEDI coordination of embassies on guidelines France wishes to advocate for the EDF.</p> <p>3.5.3 Strengthen and make systematic communication between the MAEDI and diplomatic posts on EDF issues.</p> <p>3.5.4 Improve the internal procedures of the French stakeholders in order to consult diplomatic posts regularly, independently of the agendas of EDF Committees, and strengthen the ability to anticipate subjects on the agenda that could require more informed remarks.</p>

6.4. Recommendation group 4: support the EU as it asserts itself as a powerful, innovative and effective development partner

Recommendations	Implementation
<p>4.1 Ensure the EU capitalizes and communicates regularly on the results obtained in the framework of the EDF.</p>	<p>4.1.1 Seek more systematic returns regarding the implementation of projects funded by the EDF and enhanced communication on results and impacts vis-à-vis the Member States and partner countries.</p> <p>4.1.2 Encourage EU delegations to communicate more on projects to ensure the visibility of European aid and report more systematically on the achievements and results obtained in the field.</p> <p>4.1.3 Strengthen cooperation between EU delegations and French field stakeholders in EDF focus sectors such as agriculture and food security, in order to ensure European cooperation benefits from France's renowned expertise in these new themes for the EU.</p>
<p>4.2 Encourage the EU to continue exploiting the geostrategic dimension of the EU-ACP partnership and further integrate the EDF as an aid instrument within the other political and economic dimensions of the partnership.</p>	<p>4.2.1 Enhance the exploitation of the political potential of the EU-ACP partnership, not only in crisis countries where France is active, but also in other countries as a geostrategic vector of influence. In this framework, the EDF could, given the sums in play and the themes covered by its programmes, be further employed as a source of information or an instrument for political dialogue with partner countries.</p>
<p>4.3 Encourage the EC to improve predictability of calls for funds from Member States and establish reliable budget forecasts beyond the N+2 year.</p>	<p>4.3.1 Encourage the EC to make annual budgeting of calls for funds from Member States reliable. That could involve better coordination of annual EDF disbursements by EU delegations and strengthening the EC's ability to predict future disbursements, combined with enhanced control of these disbursements in EU delegations. Lastly, establishing cash-flow management capable of evening out calls for funds from Member States from one year to another could be considered.</p>

List of acronyms

AAP	Annual Action Programme
ACP	Africa, Caribbean and Pacific
AFD	<i>Agence française de développement</i> (French Development Agency)
CICID	French Interministerial Committee on International Cooperation and Development
CODEV	Development Cooperation Working Party
CSP	Country Strategy Paper
DAC	Development Assistance Committee
DG DEVCO	Directorate-General for Development and Cooperation of the European Commission
DGM	Directorate-General of Global Affairs, Development and Partnerships of the Ministry of Foreign Affairs and International Development
DGP	Directorate-General for Political and Security of the Ministry of Foreign Affairs and International Development
DUE	European Union Directorate of the French Ministry of Foreign Affairs and International Development
EC	European Commission
EDF	European Development Fund
EEAS	European External Action Service
EIB	European Investment Bank
EU	European Union
IFI	International Financial Institutions
IGAD	Intergovernmental Authority on Development
IO	International Organization
MAEDI	Ministry of Foreign Affairs and International Development

MDG	Millennium Development Goals
MRI	Mutual Reliance Initiative
NIP	National Indicative Programme
OCT	Overseas Countries and Territories
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
PR	Permanent Representation
PRSP	Poverty Reduction Strategy Papers
RIP	Regional Indicative Programme
SCAC	Cooperation and Cultural Action Service
SGAE	General Secretariat for European Affairs
SNE	Seconded National Expert



EVALUATION OF FRANCE'S CONTRIBUTION TO THE EUROPEAN DEVELOPMENT FUND (EDF)

The European Development Fund (EDF) was established in 1957 and is the main European development assistance instrument for the ACP (Africa, Caribbean and Pacific) countries. It also helps promote the economic and social development of overseas countries and territories (OCT). The EDF is endowed in the framework of successive multiannual intergovernmental agreements (five to seven years) and is part of the implementation of the Cotonou Agreement. The European Union thus takes action in various sectors through EDF funding, including promotion of democracy, democratic governance and human rights, as well as supporting inclusive and sustainable growth for social and human development.

During the recent negotiations for the 11th EDF to cover the 2014-2020 period, the Member States called for total funding adding up to a historic €30.5 billion. The Internal Agreement was signed on 26 June 2013, setting out the contributions of the different Member States to the 11th EDF. France's contribution to the EDF thus totals €5.43 billion, representing 17.8% of the total commitment. That makes France the second-largest contributor, behind Germany and ahead of the United Kingdom. The scale of France's contribution to this European instrument, which represents a significant share of French programmable ODA, demonstrates France's commitment and active participation in establishing thorough follow-up of the European Union's development policy.

Given the development challenges covered by the coordination of the EDF and the ongoing programming of the 11th EDF, the evaluation of France's contribution to the Fund provides an overview of our past contributions, notably under the 10th EDF. This aims to assess the benefits for France of being the second-largest contributor to the Fund, analyse France's influence over its implementation and measure the returns for French operators. Based on that assessment, the evaluation makes a series of recommendations aimed at improving efficiency and synergies and boosting French influence in the use of this instrument.