

DEVELOPMENT AID AND THE ENVIRONMENT

Supporting communities and ecosystems in the Indo-Pacific



In 2022, France devoted 0.56 percent of its gross national income to official development assistance (ODA), thus becoming the world's 4th largest donor according to the OECD. Only three Indo-Pacific countries (Comoros, Djibouti and Madagascar) were among the nineteen priority countries for French ODA, a list that was dropped in 2023 to allow the inclusion of the least developed countries, including those most vulnerable to the consequences of climate change. Indeed, development aid is a major dimension of France's Indo-Pacific strategy.

Because of its size, the region fits the right scale for tackling global challenges, particularly those related to the climate and the environment¹. Half of the world's greenhouse gas emissions are concentrated there. The Pacific Island States have identified climate change as the main threat to their security since the 2018 Boe Declaration. Fourteen of the twenty states most vulnerable to climate change are in the Indo-Pacific, including the Maldives, Tuvalu, Kiribati and Micronesia², and coastal erosion has a major impact on population displacement, such as in Vietnam and Bangladesh³.

The region accounts for 32 percent of the outstanding loans of the Agence Française de Développement (AFD) Group, which has twenty-four offices there. More generally, it is a whole network that is spearheading various initiatives, including organisations like France volontaires and the Institut de recherche pour le développement (IRD), striving to provide concrete solutions for the benefit of local populations.

THE AFD GROUP, A KEY PLAYER

Through its twenty-four offices in the Indo-Pacific region⁴, the AFD Group is active in twenty-eight countries as well as in the six French overseas territories (see *Fact sheet No.1 – Overseas territories*), with commitments of almost 2.95 billion euros in 2022, representing 25 percent of the Group's total commitments⁵. India tops the list with 1.68 billion euros of project commitments, followed by

Bangladesh (1.38), Kenya (1.36), China (1.21), Tanzania (1.19) and Pakistan (1.09). The Pacific was added to AFD's mandate in 2018. In May 2023, a first guarantee to the Fiji Development Bank was granted to support local SMEs.

AFD's projects in the Indo-Pacific region focus on two main themes: combating climate change and protecting terrestrial, marine and coastal biodiversity. The aim is to rally around the Paris Agreement and the Sustainable Development Goals (SDGs). Support for the ASEAN Energy Transition Partnership is just one example. Numerous other areas, such as health and education, are also the focus of projects (see *Fact sheet No.7 – Humanitarian aid, crises and natural disasters*, see *Fact sheet No.10 – Education and human rights*).

In February 2022, AFD and the Exim Bank of India organised a conference on sustainable finance in the Indo-Pacific, which brought together development banks involved in the region and aimed to foster better coordination and cooperation.

SUBSIDIARIES AND NETWORK

The AFD Group works closely with multilateral partners (World Bank, European Union, etc.), regional partners (Asian Development Bank, Indian Ocean Rim Association (IORA), etc.) and bilateral partners in the region (Germany, Japan, Australia, Canada, etc.)

One of the flagship projects is the Kiwa initiative, which aims to help nineteen Pacific countries and territories adapt to the effects of climate change and protect their biodiversity by funding projects that promote nature-based solutions (NBS). The project brings together five international donors (France, EU, Canada, Australia, New Zealand). It is supported by a technical assistance program delivered by the Pacific Community (SPC) and the Pacific Regional Environment Programme (SPREP). France finances over half of the total budget of 75 million euros.

¹ BONDZ Antoine, ORLIANGE Philippe, « L'Indo-Pacifique est incontournable pour faire face aux défis climatiques et environnementaux », *Le Monde*, 27 septembre 2022.

² Notre Dame Global Adaptation Initiative gain, 2022.

³ BONDZ Antoine, TAITHE Alexandre, « Prendre en compte les enjeux de sécurité environnementale en Indo-Pacifique », *Revue Conflits*, mars 2023.

⁴ Fiji, Papua New Guinea and Vanuatu offices are currently being opened.

⁵ Data supplied by AFD.



The partnership since 2019 with the Japan International Cooperation Agency (JICA) has resulted in concrete projects such as support for a disaster risk management program (DREAM) in Indonesia (see *Fact sheet No.7 – Humanitarian aid, crises and natural disasters*).

Proparco, the AFD Group's private sector subsidiary, finances and supports companies and financial institutions promoting economically, socially and environmentally sustainable development. Through a €25 million investment in GreenYellow, Proparco is contributing to the development of small-scale decentralised solar power plants for commercial and industrial customers in Thailand, Cambodia and Vietnam.

Another subsidiary, Expertise France, is a public agency for international technical cooperation. It implements the Varuna program, which aims to halt the erosion of biodiversity in the south-west Indian Ocean. Among its many initiatives since January 2022, the Réseau des gestionnaires d'Aires Marines Protégées project, led by Réserves naturelles de France, aims to pool tools, practices and experience in the Comoros, Madagascar, Mauritius and the Seychelles.

STATE FUNDS AND OPERATORS

The French Ministry of Europe and Foreign Affairs (MEAE), via its Sustainable Development Department, is the driving force behind French ODA. At the political level, the French Secretary of State for Development, Francophonie and International Partnerships, Chrysoula Zacharopoulou, is stepping up her travels in the region. She has already visited India in October 2022, Papua New Guinea and Vanuatu in November 2022, and Madagascar in May 2023 (see *Fact sheet No.3 – Diplomatic network and official visits*).

The Solidarity Fund for Innovative Projects (FSPI) is a funding scheme that enables embassies and central services to support innovative actions. The Compose project, launched in 2019, aimed to create an observatory on the impact of plastic and waste in Vietnam.

The Agence des Micro-Projets, a program run by the NGO La Guilde in partnership with the AFD and the MEAE, provides funding for non-profit organisations

implementing micro-development projects, such as the Génération Masoala non-profit organisation in Madagascar.

The French Facility for Global Environment (FFEM) also finances innovative environmental projects, such as ecological compensation for extractive industries in Laos and Mozambique, and the promotion of agroecology in Cambodia and South Africa.

France Volontaires, one of the MEAE's operators, promotes international exchange and solidarity volunteering, and has ten offices and branches in the region. In 2022, 40 percent of international solidarity volunteer (VSI) missions were carried out in the Indo-Pacific (658 out of 1,630), excluding overseas territories. Madagascar (169), Cambodia (132), the Philippines (87) and India (73) attracted the most volunteers.

It is also an opportunity for young French people living in French territories in the Indo-Pacific to volunteer in one of the neighbouring countries. This is the case with the Service de Volontariat Océanien (PSVO) program, launched in 2012, from which over 200 young volunteers have already benefited, mainly to go to Vanuatu. An agreement signed in June 2023 with La Réunion provides for the deployment of thirteen civic service missions with Mauritius and Madagascar.

Finally, a myriad of public and private players are involved. These include Météo France, the French Environment and Energy Management Agency (ADEME), and the French Agricultural Research Centre for International Development (CIRAD) (see *Fact sheet No.11 – Scientific cooperation and innovation*).

The French national research institute for sustainable development (IRD) is present in eight Indo-Pacific countries and three overseas territories. IRD has been active in Madagascar since 1947, supporting some twenty research programs. The activities of the UMR Nutripass conducted with the Faculty of Sciences at the University of Antananarivo and the NGO GRET aim, for example, to achieve the objectives defined in the National Nutrition Policy of Madagascar.

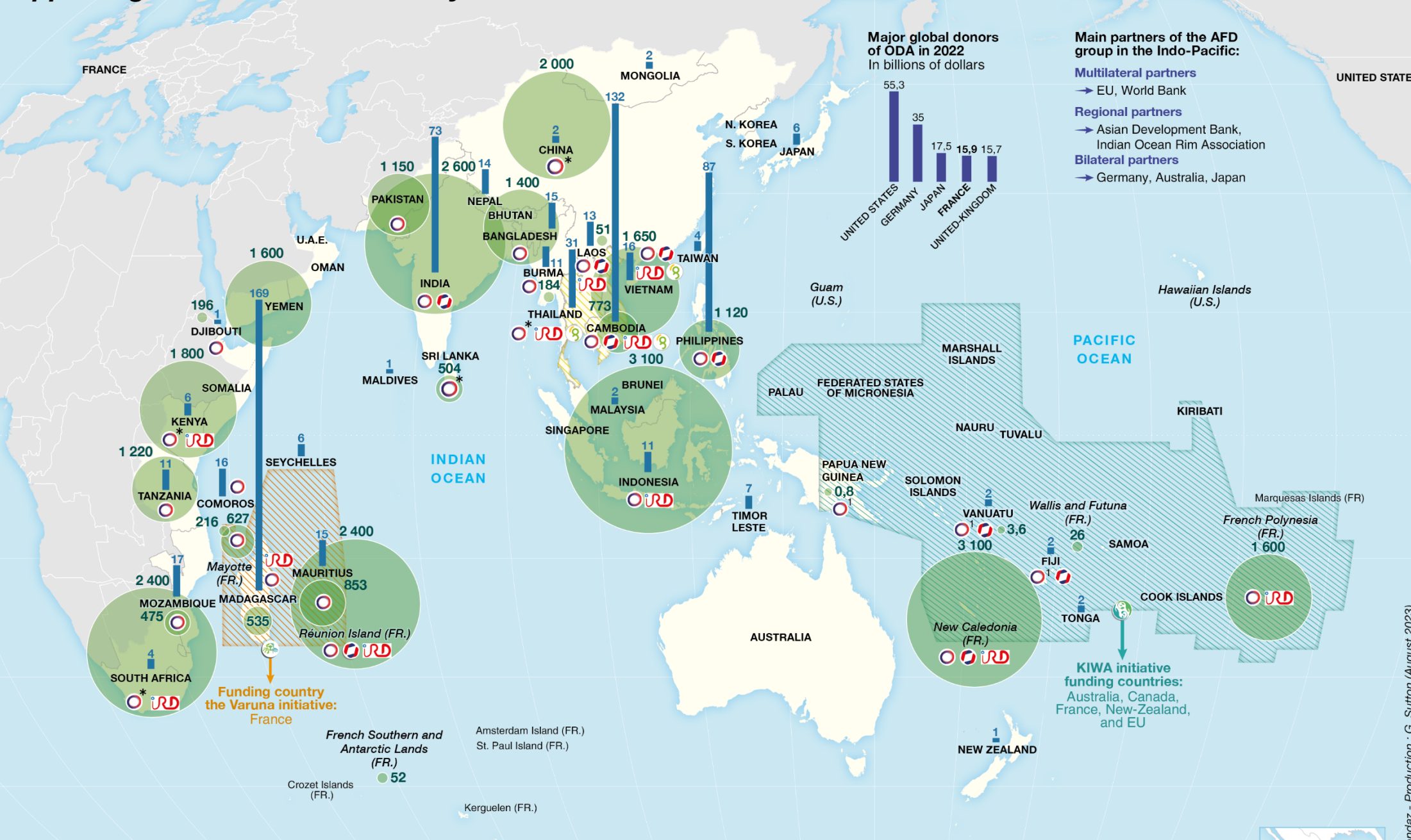
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No.6 - DEVELOPMENT AID AND THE ENVIRONMENT

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ABOUT THE PROJECT

France in the Indo-Pacific - Proactive power and solutions provider is an unprecedented research project that consolidates, synthesises and maps France's actors and actions in a region of vital importance to national interests.

It consists in a dozen thematic fact sheets intended to provide greater visibility and to highlight what is being done in overseas territories for the benefit of the French people and local populations by ministries, other state actors but also French business and NGOs.

This project ties in with research by FRS, including two policy papers: “La France, une puissance d’initiatives en Indo-Pacifique” (November 2022)⁷ and “Reconceptualizing French foreign and security policy in the Indo-Pacific” (July 2023)⁸.

List of Fact Sheets as of September 15th, 2023

- No.1 - Overseas territories
- No.2 - Demographics and political representation
- No.3 - Diplomatic network and official visits
- No.4 - Military presence and defence diplomacy
- No.5 - Security and police cooperation
- No.6 - Development aid and the environment
- No.7 - Humanitarian aid, crises and natural disasters
- No.8 - Economic cooperation and business
- No.9 - Cultural cooperation and Francophonie
- No.10 - Education and human rights
- No.11 - Scientific cooperation and innovation

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The Foundation for strategic research (FRS), founded in 1992, is a foundation with public utility status (decree of February 26, 1993) that operates in complete independence. Its mission is to analyse strategy and international security issues, and to contribute to the strategic debate in France and the promotion of French thinking abroad.

FRS conducts research on and in the Indo-Pacific through regional and thematic approaches, publishes policy papers and reports, organises international conferences, conducts high-level strategic dialogues (bilateral and trilateral), pilots a European exchange platform on the Indo-Pacific and has signed cooperation agreements with the region's leading think tanks.

⁷ <https://www.frstrategie.org/publications/notes/france-une-puissance-initiatives-indo-pacifique-2022>

⁸ <https://www.frstrategie.org/en/publications/notes/reconceptualizing-french-foreign-and-security-policy-indo-pacific-2023>