



THE FRENCH DEVELOPMENT AGENCY AND **Social Protection**



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€506 M

committed between 2012 and
the first semester of 2018

**14
projects**

currently funded

**15 recipient
countries**

in the world

The French Development Agency (AFD) supports the implementation of social protection systems in developing countries through loans, grants and technical assistance. It contributes to the reduction of poverty and inequalities while promoting human development and sustainable growth.

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SOCIAL PROTECTION, A PILLAR OF sustainable and inclusive development

A transversal approach

According to the International Labour Organization (ILO), more than half of the world population does not benefit from any form of social protection. Health expense coverage, retirement pensions, unemployment benefits, maternity leaves or basic income play a crucial role in the management of social risks, which can range from sickness or ageing to unemployment. Social

protection systems are therefore efficient tools to fight poverty and reduce inequalities. The World Bank estimates that social assistance policies have succeeded in reducing by 36% the number of people living under the poverty line (1.90 dollar per day) in 79 countries.

1

The path towards universal social protection

The AFD supports the priorities fixed by international organisations in favour of universal social protection. Universalism is one of the principles that have guided the progress of the French social protection system. This latter now covers all categories of the population against all life risks.

Until 2015, the AFD focused its efforts on the extension of the health risk coverage. It has since then opened up its intervention fields. While maintaining its action linked to health risks, it is increasingly involved in the consolidation of social protection systems as a whole. Now, the AFD's financing addresses households' health expenses but also ageing and the distribution of replacement incomes: pensions, unemployment, cash transfers for the poor and vulnerable populations, etc.

The AFD also supports the consolidation of social protection systems that contribute to climate change adaptation, and is exploring the possibility of accompanying low-carbon policies with social protection measures.

2

A strategy adapted to each region

In Sub-Saharan Africa, more than 80% of the population does not receive any form of social protection. The AFD develops social protection systems to fight poverty and reinforce the resilience of communities against the effects of climate change. It also participates in the implementation of universal health coverage.

In the countries at the South of the Mediterranean, social insurance often excludes informal workers. The priority of the AFD is to extend this coverage while promoting gender equality.

In Asia, ageing populations put pressure on the pension systems. The AFD supports projects that aim at financially consolidating these frameworks and improving the support towards the elderly. In China, where ageing has become a major challenge, the AFD has engaged a dialogue with the authorities to improve elderly care. It also aims to address climate change through social protection programs.

In Latin America, the AFD encourages the transformation of fuel subsidies into more equitable social protection expenses. It aims to support the extension of social protection to the green economy.

Three flagship projects

- Since 2017, the AFD has been supporting the pension reform in Georgia through a Euro 60 Million loan and Euro 500 000 grant. The goal of this reform is to strengthen the basic public scheme and create a complementary voluntary scheme.
- In Colombia, the AFD supports the consolidation of the health risk coverage by focusing on drug prices, telemedicine, regulation and control. Since 2013, this large-scale opera-

tion has been financed through a USD 400 Million loan and Euro 300 000 grant.

- In Mali, Mauritania and Chad, the AFD supports the delivery of cash transfers to poor populations exposed to climate shocks to strengthen their resilience. It contributes Euro 6 Million in grants to the multi-donor fund dedicated to this programme.

Our financial TOOLS

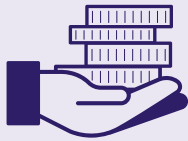
To accompany these social protection projects, the AFD mobilises adapted financial tools. These may consist in grants and public policy loans.



€438 M

in loans allocated between 2012 and the first semester of 2018

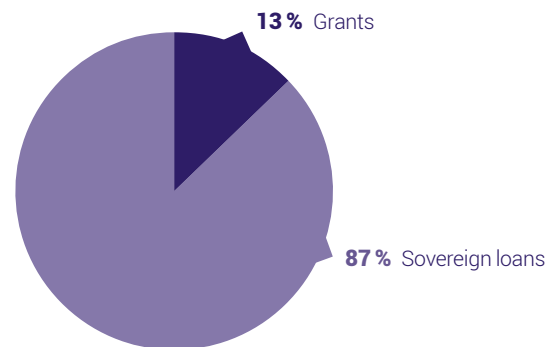
Projected commitments Second semester of 2018



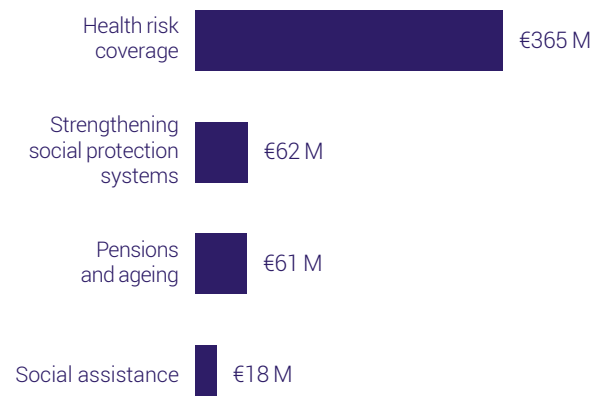
€150 M

Distribution of financial commitments 2012-first semester of 2018

BY INSTRUMENT



BY SECTORIAL THEME



Project-specific financial and technical support

Public policy loans are particularly well adapted to support social protection reforms led by governments. Grants are relevant tools to accompany pilot projects, finance technical assistance associated with loans and make countries benefit from the French experience. The AFD often partners with Expertise France for technical support in the social protection sector.

Projects may be co-funded by other institutions such as the World Bank and regional development banks. The AFD has concluded a technical and financial partnership with the ILO on the links between social protection and climate change. It has also developed a partnership with the OECD's Development Center on social protection financing.





The French Development Agency (AFD), a public and solidarity-based development bank, is a central actor in France's development policy. It supports projects that improve the everyday lives of populations in developing countries, emerging countries and the French overseas territories. The AFD operates in a number of sectors (energy, health and social protection, biodiversity, water, new technologies, training) and contributes to the transition towards a more secure, just and sustainable world for all – a world in common. Its work is fully in line with the Sustainable Development Goals (SDGs). Through its network of 85 agencies present in 109 countries, the AFD currently supports over 3,500 development projects. In 2017, it committed Euros 10.4 Billion to finance these projects.



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DE DÉVELOPPEMENT**

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