



Strategy 2019-2022

— **Research,  
Innovation &  
Knowledge**

#WorldInCommon





# KNOWLEDGE AND INNOVATION FOR A WORLD IN COMMON(S)

## **Why “A World in Common(s)”?**

This title echoes the Agence française de développement’s motto, “A World in Common”. AFD finances projects, provides support and raises awareness to build a fairer and more sustainable world that leaves no one behind. The title also refers to the reflection undertaken by AFD since 2015 on the “commons”, which is a form of shared governance in which a community sets its own rules for managing and preserving a resource (water, energy, information, etc.).

# Executive summary

Strengthening research efforts and promoting innovation are among the cross-cutting focus areas of the French development and international solidarity policy, as defined by the Interministerial Committee for International Cooperation and Development (CICID). Echoing this ambition, the Agence française de développement (AFD) Group is setting research and innovation and, more broadly, the production and sharing of knowledge, as the third dimension of the AFD Group Strategy 2018–2022.

The present strategy proposes to renew AFD Group's positioning on research, innovation and knowledge based on three roles:

- strategic thinking in support of action;
- an innovation catalyst;
- a platform for sharing knowledge and innovation, based on a reinforced evaluation capacity.

AFD Group will rely on its strengths in the area of research, innovation and knowledge, namely:

- its operational footing thanks to its 85 local agencies, which help to give the Group detailed knowledge of contexts,
- its specialisation in matters of climate, inequalities and commons,
- its capacity to federate the development ecosystem around research themes that respond to local needs,
- its capacity to inform dialogues on development trajectories in France's partner countries,
- its status of development bank, which enables it to lead discussions on redirecting global investments towards greater sustainability, notably in the framework of the **International Development Finance Club**.

The present strategy brings in four key changes:

**1. Increase collaboration with locally rooted research partners in AFD Group's intervention zones.** By 2022, 90% of all new research projects will involve at least one partner from the region concerned by the research project, the purpose being to promote policy makers' ownership of the research work. In the same spirit of mobilising research as closely as possible to local realities, AFD will continue to develop partnerships for strategic dialogue with some of the countries in which it has a substantial financing capacity. By 2022, AFD will have forged strategic dialogue partnerships with six countries or regional organisations.

**2. Focus AFD Group's research agenda on the themes of French development policy, laying emphasis on several flagship themes and their interactions:**

**(i) climate/biodiversity, (ii) inequalities and social link, and (iii) economic growth.** These topics will be studied, including in conflict zones. AFD will dedicate 80% of its resources for research studies and activities to the following priority themes: 100% Paris Agreement and biodiversity, 100% social link, 3D development (Defence–Diplomacy–Development) and priority for non-sovereign actors. It will earmark the remaining 20% to topics that help to anticipate tomorrow's world and support AFD Group's adaptation to a shifting context.

**3. Strengthen its support to innovation and experimentation.**

Both in-house and externally, AFD Group will explore new organisational modes, tools, methods and decision processes adapted to complex development issues. It will deploy mechanisms to promote greater risk-taking on innovative projects that can drive systemic changes. AFD Group will fully contribute to implementing the commitments made by the President of the French Republic at the 2018 Vivatrade trade fair concerning the financing of digital innovation, particularly through financing from the Group's subsidiary, Proparco.

**4. More effectively evaluate and capitalise on experience to learn and transmit.**

Consistent with the French President's desire to have a "stronger collective culture of evaluation" (Ouagadougou speech, November 2017), AFD will broaden the scope of its evaluations in three main directions by 2020:

- broaden the portfolio of evaluated projects: from 2020, AFD commits to evaluating 50% of the projects it finances.
- step up efforts for the Sahel region: from 2020, 75% of the projects implemented in the Sahel will be evaluated.
- focus on policy-based loans: each year as from 2020, AFD will evaluate at least 50% of completed policy-based loans.

The evaluations serve not only the purpose of accountability, but also capitalisation, and this knowledge management function is set to be extended to Expertise France after its upcoming integration into an expanded AFD Group.

All of AFD's departments and Group entities concerned by research and innovation will be involved in implementing this strategy. The targets of the four commitments will be monitored under the leadership of the Innovation, Research and Knowledge Department.

A summary of the strategy's mid-term results will be presented to AFD's Board of Directors in 2021. A review of the current strategy is planned for 2022.

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**1.**

**CONTEXT**

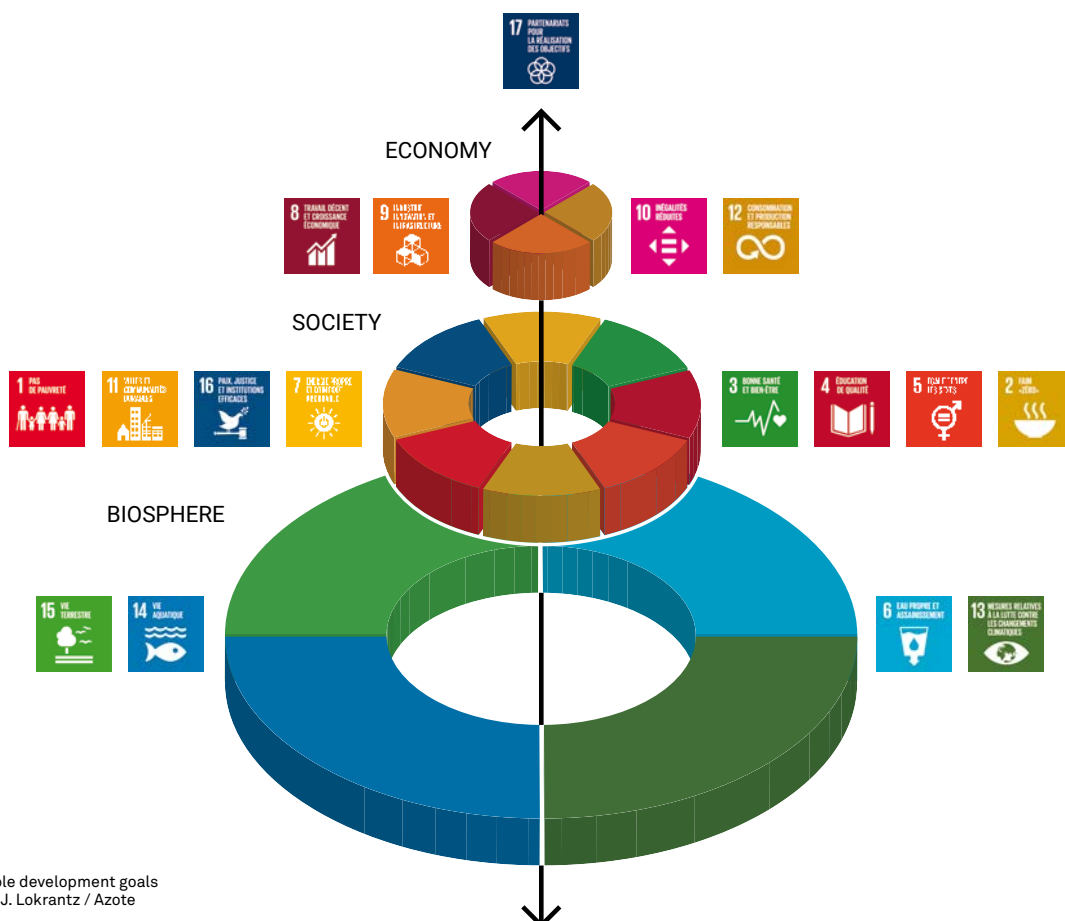
# 1.1. A NEW PARADIGM: RETHINKING SUSTAINABLE DEVELOPMENT TRAJECTORIES

All countries, regardless of their economic, political or social situation, have to address the same challenge: ensure the prosperity and well-being of their population in a world that is facing major risks (the effects of climate disruption, epidemics, etc.) and severe constraints (the depletion of natural resources, the collapse of biodiversity, the aggravation of fragilities, etc.).

How can we support changes to economic models so as to simultaneously target economic prosperity and ecosystem preservation? How can we reconcile the fight against climate change and the fight against inequality? With the return to high levels of debt, growing fragilities and a breakdown of social cohesion, how can access for all to quality education, appropriate health services and decent employment be improved? How can the digital and technological revolution be used to benefit human beings and promote their well-being? How can we minimise the contradictions that may arise from the implementation of each of the sustainable development goals (SDGs), and how can we maximise the synergies between actions and the public policies that aim to promote them?

Given the multitude of challenges, research, the production of knowledge and solutions, and experience-sharing to fuel greater collective intelligence are now more crucial than ever before. Confronted with high uncertainties, countries will need to better anticipate the risks that are likely to hinder their development in order to manage them effectively. Yet, these constraints, which will create new vulnerabilities if not acted on early enough, also harbour opportunities: new sources of employment, particularly related to the ecological and digital transition; improved living conditions; the emergence of nature-based solutions; and mobilities that facilitate exchange and sharing.

If these opportunities are to benefit local communities, only a multidisciplinary approach that explores the interactions between the economy, society and the environment will enable the emergence of adapted solutions.



The sustainable development goals  
Illustration © J. Lokrantz / Azote

# 1.2. A NEW FRAMEWORK: STRENGTHENING COLLECTIVE ACTION

In 2015, to meet the urgent need to collectively reinvent a sustainable future, the world's governments introduced a new framework for action. The 2030 Agenda, the Action Agenda on Financing for Development and the Paris Agreement shape new ways of doing things and new ways of thinking about sustainable development. The adoption of cross-cutting and universal objectives has revolutionised the world of development aid. All stakeholders from the Global North and Global South (states, local government, private sector and civil society) have collectively committed to sustainable development at the economic, social and ecological levels. To achieve these ambitious objectives, the need to work more in partnership is foregrounded. The targets of the sustainable development goals (SDGs) involve deepening scientific knowledge, strengthening research capabilities, improving knowledge-sharing, promoting access to innovation and training.

France has played a decisive role in defining this new agenda. In 2018, the French Interministerial Committee for International Cooperation and Development (CICID), chaired by the prime minister, stepped up France's commitment to development policy. It confirmed and detailed the goal set by the President of the French Republic to devote 0.55% of gross national income (GNI) to official development assistance by 2022. Emphasis is laid on implementing the sustainable development goals and the Paris Agreement, with special attention directed to relations with Africa. Priority for action is given to several sectors: crisis zones, education, climate, gender equality and health. Research efforts and the promotion of innovation are among the cross-cutting lines of action of France's development and international solidarity policy.

In line with this renewed ambition, AFD's Board of Directors adopted the AFD Group 2018–2022 Strategy centred on five commitments:

- become the first "100% Paris Agreement" development agency,
- strengthen social ties (make the Group's activity "100% social link" compatible),
- promote a "3D" (diplomacy–defence–development) approach in fragile and crisis contexts,
- prioritise non-sovereign solutions,
- adopt a partnership reflex.

To implement these commitments, AFD Group has adopted a new action matrix:

- 1- a new understanding of the world that hinges on three major geographical regions: the "Whole of Africa", "The Three Oceans", and the emerging worlds of "The Orient" and "The Americas",
- 2- a sectoral focus to support six major transitions: demographic and social, energy-related, territorial and ecological, digital and technological, economic and financial, and political and civic,
- 3- a resolutely cross-cutting axis, which involves research and innovation and is presented in this strategy paper.

In line with its positioning as a bilateral platform for implementing French development policy and active in over one hundred countries and all of the French Overseas Territories, AFD Group intends to invest more in understanding the challenges of a world in common and in mobilising the skills and competencies crucial to catalysing their transformation.

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*All stakeholders from the Global North and Global South have collectively committed to sustainable development at the economic, social and ecological levels.*



# 2.

**AFD GROUP'S  
POSITIONING  
ON RESEARCH,  
INNOVATION AND  
KNOWLEDGE**



## 2.1. AFD GROUP'S STRENGTHS

This document builds on AFD's 2014–2018 knowledge production strategy but introduces several changes. It seeks to go beyond the concepts of knowledge production and intellectual production previously used and to encompass all activities related to analytical studies and knowledge- and innovation-sharing.

With the present strategy, AFD Group seeks to consolidate its strengths in the areas of research, innovation and knowledge.

### • Its operational footing

AFD Group will rely on its 85 locally based agencies, which are all able to capture, relay and disseminate knowledge, expertise and new ideas and initiatives. The operational footing of this network enables it to acquire a detailed understanding of territories' specific contexts and local issues.

### • Its specialisation in matters of climate, inequalities and commons

For several years now, AFD Group has been developing its in-house research and evaluation capacities to be at the forefront of questions on the transition towards more sustainable modes of development. Its research mainly addresses low-carbon development trajectories, sustainable cities, the emergence of new forms of governance such as commons, and inequalities (the G7's flagship theme). Carrying out new research and evaluations in these areas, as well as capitalising on them, will enable the Group to remain at the cutting edge of these sectors. These studies can be used as exemplars for the Group's participation in international debates on how to achieve and finance the sustainable development goals. On other topics, the Group will work to forge partnerships with other research actors, at the same time ensuring that it maintains adequate in-house research capacities to be able to follow and assess the scientific robustness of the studies it funds. In terms of geographies, while keeping a priority focus on Africa in line with the CICID's geographical priorities, AFD Group will continue to act as an observatory to analyse the diversity of policies and compare development models by conducting studies covering several countries and the French Overseas Territories.

### • Its capacity to federate the development ecosystem

The fact that AFD Group interacts with a diversity of stakeholders (government authorities, local governments, companies, civil society organisations, foundations, think tanks, public and private research institutes, universities, etc.) creates multiple opportunities for networking and exchanging points of view. In the research field, this capacity to federate what are often dispersed initiatives around a clearly established research agenda is a particularly valuable asset. It will enable the Group to continue to mobilise the French research ecosystem around research themes that are embedded in local realities.

### • France's high-level dialogue with partner countries

France is in a position to enter into dialogue with its partner country authorities at the highest level. For development matters, the French government relies on AFD's competencies to drive the dialogue on development trajectories and national policies in the countries where AFD Group operates. Its research, evaluation and innovation activities will accompany the Group's increasing support to public policies. The growing use of policy-based loans in the Group's intervention countries will thus go hand in hand with a strengthened dialogue between AFD Group and its partner countries in order to improve the impact of pro-poor policies.

### • Its status of development bank

AFD Group will continue to assert its special status of development bank not only by establishing alliances with the other development banks that are members of the International Development Finance Club (IDFC) in view of channelling global financial investments towards greater sustainability, but also by insisting on its role to financially support the poorest countries.

## 2.2. A RENEWED APPROACH BASED ON A TRIPLE ROLE

### 2.2.1. The role of strategic thinking, in support of action

AFD Group has a strategic, operational and foresighting mission vis-à-vis its partners. This involves combining scientific research and public policy in order to reconsider transition trajectories and their implementation. In an action-research approach coupled with scientific mediation, the Group fuels strategic policy dialogues with the countries in which it operates, by mobilising its in-house competencies together with local research capacities. By financing research work and mechanisms in its partner countries, AFD Group encourages the development of new, contextualised proposals and solutions rooted in a specific society and designed to inspire transformation at the local level, as well as internationally. To this end, it draws on “think-and-do tanks”, which aim to inform policy debates with actionable research results.

### 2.2.2 The role of innovation catalyst, for sustainable transformation

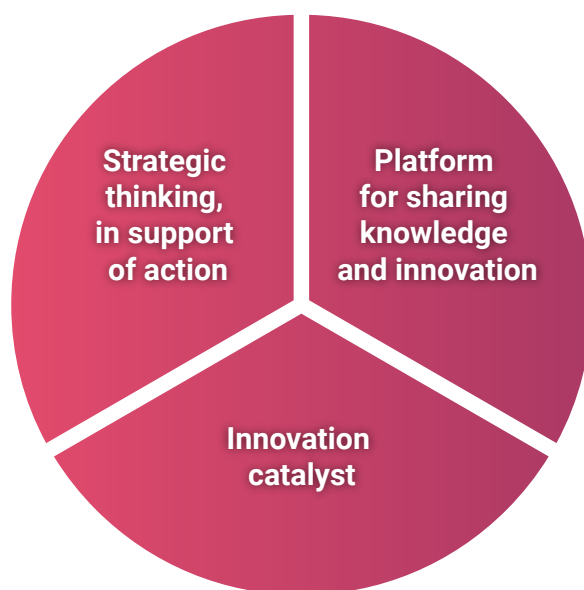
In the thrust for shared innovation between North and South, AFD Group intervenes as a catalyst and intermediary to drive the emergence and dissemination of relevant solutions for sustainable development. Finding solutions that are adapted to the challenges of sustainable development means imagining new trajectories, stimulating creativity and unleashing the innovative potential of all development practitioners. Today, innovation is applied in the actual design of policies, as these are increasingly defined in line with participatory and multi-stakeholder logics. AFD Group’s action aims to foster initiatives that lie outside the established frameworks, and are sustainable and rooted in the grassroots environments of its territories and countries of intervention.

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*Only a collective approach can bring about the achievement of the sustainable development goals.*

### 2.2.3. The role of platform, for sharing knowledge and innovation

Only a collective approach, one that recognises that the whole is more than the sum of its parts, can bring about the achievement of the sustainable development goals. As a result, AFD Group intends to promote the use of collective intelligence to think differently about the challenges of sustainable development. This approach implies a change of scale based on sharing and capitalising on experiences and promoting good practices. To this end, it is vital to ensure transparency and discussion, to disseminate knowledge as openly and participatively as possible, and to strengthen its partnerships with all stakeholders committed to sustainable development. It is by encouraging the expression of a plurality of viewpoints and inputs regarding development paths that solutions will emerge. AFD Group seeks to interconnect the ecosystems of academia and decision-makers both between and within its various regions of intervention.



## 2.3.CHANGES TO THE STRATEGY

All of the work involving research, innovation and knowledge helps to improve AFD Group's capacity to fulfil its mandate. These activities enable the Group to define its actions more effectively and bolster its power of action. AFD Group will continue to focus on research and evaluations that have an actionable and strategic aim, and which formulate concrete recommendations useful to strategic policymaking on development challenges in the regions where it operates. This research and evaluation work will rely on AFD Group's experience to identify, jointly with the authorities in its intervention regions, the research avenues relevant to each context.

The strategy brings in four key changes to the directions followed until now.

**1- AFD Group will work to increase collaboration with locally rooted research partners,** to foster decision-makers' ownership of research, formulate research questions that match actual grassroots realities and strengthen the research ecosystem in the Group's intervention regions. To this end, AFD Group will draw primarily on the partnership network of French research bodies present in the Group's intervention countries. Collaboration with locally based research partners will also help to ensure greater sustainability for research projects thanks to knowledge transfers. AFD will continue to develop strategic dialogue memoranda with some of the countries where the Agency has a substantial financing capacity, to structure exchanges and promote interactions between researchers and decision-makers on various research themes.

**2- AFD Group will focus its research agenda on the themes of French development policy, laying emphasis on several flagship themes and their interactions: climate/biodiversity, inequalities and social link, and economic growth, including in conflict zones.** To further both the paradigm shift for sustainable development and the analysis of its complexity, AFD Group will work in priority on cross-cutting challenges involving the interactions between climate, economy and society, at the nexus where the tensions inherent to sustainable development appear. Multidisciplinarity must become AFD Group's hallmark. Together with its partners, AFD Group will seek to explore new fields, particularly in the technology sector, such as artificial intelligence, blockchain and the intelligence of things, and to maintain its capacity to anticipate possible futures in a fast-changing world.

**3- AFD Group will strengthen its support to innovation and experimentation.** In-house, it will consolidate the recent drive to structure its innovation-related activities – a dynamic formalised in 2017 when AFD created its Innovation Unit. Both in-house and externally, it will explore new organisational modes, tools, methods and decision processes adapted to complex development issues. It will promote experimentation to co-build innovations with its partners.

**4- AFD Group will adopt a reflexive positioning on its action by improving its evaluation of this action and structuring itself into a learning organisation.** To increase the relevance of its response to sustainable development challenges, the results of evaluations and research will be used to inform AFD Group's operations and strategic thinking. In the "AFD platform" spirit, exchange of good practices and knowledge capitalisation with AFD's partners will be crucial.

All of the activities involving research, innovation and knowledge support and help to continuously bolster the resources entrusted to AFD by the French government, or delegated by other institutions (especially the European Union, Global Partnership for Education, or Green Climate Fund). These activities extend and complement the Group's financial instruments. In an increasingly competitive development financing market, the production and sharing of knowledge, and innovation, are thus key components to strengthen French influence and AFD Group's attractiveness.

At the CICID of 8 February 2018, it was decided to integrate Expertise France, the flagship agency for French international technical cooperation, into AFD Group. A joint strategic project is now being finalised by the supervising ministries of the two organisations. In view of this integration and without pre-empting the orientations of the strategic project, the capacities of Expertise France could supplement the financial solutions proposed by AFD. This would mean that modalities for producing and sharing knowledge presented in the present strategy could be extended to the activities of Expertise France, particularly project engineering and technical assistance. For example, in the area of training, the project engineering capacities of Expertise France and its experts' knowledge could be leveraged to expand AFD Group's training offer and scale up its programmes.



**3.**

**STRATEGY**

# 3.1. COMMITMENT I: Mobilise knowledge and innovation to serve public policies

AFD Group is positioned at the interface between the academic world and the world of policy makers, and more broadly development actors in both the Global North and Global South. The Group's research and evaluation work informs decision-making to improve the impact of public policies on territories. In its statement of conclusions, the CICID of November 2016 expanded AFD's mandate to include higher education and research: "the AFD will promote research and higher education more systematically in the operations that it finances". Through its activities to disseminate and promote research and evaluation work, AFD Group intends to put all of its knowledge at the service of actions in favour of sustainable development.

## 3.1.1. Foster synergies between research and public policies

The research conducted by AFD Group aims to produce knowledge and know-how to inform public policymaking decisions and their implementation. In some countries with whom France has privileged relations and in which AFD has substantial financing capacity, the Agency fuels a strategic dialogue on public policymaking. In 2016, AFD initiated a strategic policy dialogue in Côte d'Ivoire to support the transition of the Ivorian growth model towards greater sustainability and social cohesion. This new form of partnership has created a space for interaction and discussion between the research community and decision-makers and helps to formulate public policy. In this way, AFD funds research activities on themes of interest chosen by the country's authorities and for which the AFD has developed an expertise. These activities mobilise local research centres, in partnership with French research institutions. AFD also contributes to training future researchers by incorporating doctoral students into various research programmes. The research results are discussed at ministerial level. Building on this successful experience – which will continue over the 2019–2021 period at the request of the Ivorian authorities with the signing of a second memorandum – the approach was extended to Tunisia in 2018 and Morocco in 2019. **By 2022, AFD will have established partnerships for strategic dialogues with six countries or regional organisations.**

## 3.1.2. Contribute to knowledge-sharing

### → Support locally rooted research

To promote the joint building of solutions and knowledge-sharing, **AFD will intensify its collaboration with research partners in the regions in which it operates** (research centres, think tanks, national statistics institutes, regional institutions such as WAEMU or continental bodies such as UNECA or ECLAC). By 2022, 90% of all new research projects<sup>1</sup> are to involve at least one partner from the region concerned by the research project. When research projects are implemented under North-South partnerships, AFD Group will ensure that these partnerships are balanced and that the regional partners involved can effectively play a central role in these projects. AFD can draw on the partnership network of French research bodies present in its intervention countries.

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*By 2022, 90% of all new research projects are to involve at least one partner from the region concerned by the research project.*

While remaining open to supporting research in all of its intervention countries, including English- and Spanish-speaking countries, AFD will be attentive to promoting research in African countries in the Francophone region, as this is insufficiently connected to international research networks. More particularly, it will support the broader dissemination of African research<sup>2</sup>. AFD will amplify the African footing of the journal **Afrique Contemporaine**.

<sup>1</sup> For research projects that are submitted to AFD's internal Research and Development Committee (CORED).

<sup>2</sup> To this end, in 2019, AFD could support setting up a Dakar office for The Conversation France, an online platform publishing topical articles based on researchers' expertise and analyses.

**AFD will lead projects aimed at strengthening the research and promotion capacities of the institutions in the countries and regions in which it operates.** It will foster the elaboration of national-level research agendas, the development of research networks and the long-term ownership of research work. The platform APPRENDRE (*Appui à la professionnalisation des pratiques enseignantes et au développement de ressources* – Support to professionalise teaching practices and develop resources), which is supported by AFD and targets all Francophone developing countries, a €4M funding envelope aims, for example, to develop the capacities and production of educational research in the recipient countries.

### Support research bodies on the African continent

In Africa, whose research output accounts for only a small share of global scientific production<sup>3</sup>, AFD will support the consolidation and networking of research institutions and laboratories, as well as more individualised approaches to support researchers, teacher-researchers and doctoral students<sup>4</sup>.

AFD could co-finance with the World Bank the African Centers of Excellence (ACE Impact) programme<sup>5</sup>, which is the third phase of the regional project for capacity building in African centres of excellence. The first two project phases provided support to 46 research centres across 16 countries continent-wide. The project aims to stimulate the quality and attractiveness of higher education in sub-Saharan Africa by structuring regional hubs and support for training and research capacities. It aims to respond to the skills shortage at Masters-doctoral level for high-growth sectors (extractive industries, energy, infrastructure, health, telecommunications, etc.), and also to heighten the visibility and relevance of African research.

AFD will continue to provide direct support to the public research system in Côte d'Ivoire, under the Debt Reduction–Development Contract (C2D). €6M have been dedicated to structuring the institutional framework of Ivorian research and, added to this, are specific direct forms of support for scientific equipment in higher education institutions. In 2019 and 2020, the Agency will appraise various projects to support Djibouti, Niger, the Congo and a partnership programme between African and French universities and research bodies, including support for doctoral studies and the research development.

Initiatives to establish research networks at national, regional and continental level in AFD Group's priority intervention zones or themes could receive support. In Africa, networks contribute to the effort to link research work with development actions – for example, the proposal to create the African Research Capacity or the Sahel Chair launched in 2018 to provide a space for reflection on the impact of policies deployed in the Sahel.

To support actors of change in partner administrations, and more broadly to help to capacity building and innovation culture for young leaders in the Global South, **AFD will support projects that focus on collective intelligence, through the courses offered by its Development Campus :**

- The MODEV Masters (Project management for development), created by AFD together with Clermont-Auvergne University, could be reviewed and jointly restructured with African and French university partners to integrate more participative formats, improve the impact of the training and increase the number of beneficiaries.
- A new and more ambitious phase of the LeAD Campus and Young Leaders programmes for young talents in the Global South will be launched. The LeAD Campus programme could be rolled out in four African countries.
- The Social and Inclusive Business Camp, which helps entrepreneurial initiatives to accelerate their project, could be rolled out in two countries in the Global South every year.
- The PLAY programme, which develops creativity by encouraging collective intelligence, could also be tested in new formats via partnerships with Global South stakeholders.

On the basis of the experiment conducted with the Andean Development Corporation (CAF) on sustainable cities, AFD will continue to develop its training courses in partnership with actors in the countries where it operates, and in particular in partnership with IDFC members.

<sup>3</sup> Only 2.6% of scientific publications across the world are from African researchers, and Africa accounts for only 1.3% of global spending on research and development.

<sup>4</sup> "Recherches africaines et rôles de l'aide internationale: le cas des sciences sociales", *Note Technique AFD n°52*, March 2019.

<sup>5</sup> One example of a more individualised approach in the funding of individual scholarships through calls for projects (cf. project for the African Research Center).

<sup>6</sup> AFD's support should focus particularly on three countries: Côte d'Ivoire, Nigeria and Benin.

## → Mobilise AFD Group as a bilateral platform to implement French development policy

AFD Group intends to encourage the mobilisation of French and international actors to finance and implement knowledge-sharing for development in its countries of operation. Through its partnerships and the launch of joint initiatives, it will work to build bridges between stakeholders in the Global South and Global North. For this purpose, AFD will adopt a coherent partnership approach with French and international institutions involved in research and innovation activities for development policies:

- development banks, both national (especially IDFC members) and multilateral (e.g. World Bank),
- international organisations,
- major universities and research institutions,
- think tanks,
- foundations,
- companies,
- civil society organisations.

Depending on the contexts and possible inputs from its partners, AFD Group will choose the most relevant mode of action, out of three main options: “doing it oneself”, “doing it with others”, or “having others do it”.

AFD will promote synergies between its research partners in the territories where it operates and other donors active on the research front with whom it has close ties, notably the European Union and the World Bank.

**AFD Group will seek to maximise synergies with French partners on projects for which their skills, activities and expertise are complementary.** It will seek to mobilise joint resources to strengthen the overall effectiveness of France’s actions in countries where both AFD and its partners operate. AFD will aim, for example, to strengthen its relations with its long-standing partners IRD and CIRAD, as well as with the UMIFRE network (Mixed Units – French Research Institutes Abroad). It will examine the possibility of exploring synergies with campuses in developing countries that are supported by the French government.

## Strengthen ties with French actors conducting research on the Global South – focus on partnerships with IRD and CIRAD, two public entities working to reinforce research in the South

• Recognised for its scientific excellence and its close ties with university teams in the Global South, IRD is a valuable partner for AFD Group. Since the signing of a three-year partnership framework agreement in 2012, to be renewed in 2019, the two institutions have been engaged in a joint-action programme in the field of research and sustainable development. Examples of collaboration between the two institutions includes a project to monitor water resources in the Congo Basin and the Arc d’Émeraude Project to preserve coastal ecosystems in Gabon. The new partnership framework agreement for 2019–2022 will help to deepen collaboration on cross-cutting themes: the water cycle and climate, urban dynamics, the preservation and enhancement of biodiversity, the resilience of oceans and coastal areas to global change, and the impact evaluation of development projects and/or programmes in conjunction with partners in the Global South. These priority focus areas can be developed on the basis of the Sustainability Science approach, fostering inter-disciplinarity and bringing scientific knowledge and other development actors’ knowledge closer together.

• AFD has developed a close partnership with CIRAD, the main French organisation for agricultural research on development. Formalised since 2005 under a partnership framework agreement that will be renewed in 2019, the collaboration between AFD and CIRAD covers topics of joint interest: territorial development, structuring value chains, climatic and environmental transition, and agro-ecology. The partnership jointly funds research programmes carried out by CIRAD (along the lines of the Niayes 2040 territorial spatial foresight project) and projects in which CIRAD is a partner. It also co-organises joint events (for example at the Paris agricultural fair).

## Help to federate French expertise on development questions: the example of the Initiative for Development and Global Governance

AFD has supported the IDGM (Initiative for Development and Global Governance) project since 2007. The project aims to unite the expertise of FERDI and IDDRI around a common scientific research agenda for the effectiveness of development policies, sustainable development (particularly, biodiversity and climate policies) and global governance. A sign of the success of this initiative is that, in February 2019, the French government renewed the LabEx label of excellence for the IDGM+ project (second phase of the IDGM project). The label had already been granted in 2011 to FERDI, IDDRI and CERDI under the “**Investissements d’avenir**” programme and is now extended for a further five years. As AFD’s support for IDGM+ ends in early 2023, the Agency will reflect on the future of AFD’s partnership with IDGM+ stakeholders, between now and 2022.

### 3.1.3. Make knowledge available to stimulate discussion on sustainable development

The research programmes, studies and evaluations funded by AFD Group need to inform the debates of policy makers, practitioners and researchers who are interested in development issues. **For each funded research project<sup>6</sup>, a plan for the utilisation of results will be drawn up.** These plans will primarily target policy makers, academics interested in sustainable development issues and the sustainable development ecosystem (donors, NGOs, foundations, companies, journalists, etc.). These plans will also incorporate an in-house component for the AFD Group to ensure that this work is embraced by the Group as a whole. In particular, the plans will help to promote partners' contributions to this work.

AFD will focus on widely disseminating the results of its research and evaluation work. As part of its mandate for education on development and international solidarity conferred on it by CICID, research and evaluation projects will provide input for publications on sustainable development and development aid for a general-public audience, as well as educational material. In particular, these will help to raise awareness of development issues.

Depending on the projects and contexts, AFD Group will mobilise a variety of formats and channels to share knowledge on sustainable development: the Internet, social networks, workshops, dedicated training modules, educational videos, interviews to help the media to decipher research, blog posts, and institutional publications. More specifically, AFD will strengthen digital communication on its work and explore play-based, knowledge-sharing formats accessible to as broad an audience as possible: comic strips, short videos, infographics, longer documentary formats, motion design, serious games. Data visualisation tools will be used to make research more easily understood. AFD Group will also seek to increase the visibility of its research in the local and international press and media. On this count, AFD's biennial international conference will be a good opportunity to highlight to the press and the general public the agency's position on a given theme<sup>7</sup>.

To promote the dissemination of research data, which constitute a common good, AFD will encourage the use of open data, collected and analysed in a transparent and collaborative way in compliance with the European Union's general data protection regulation. **AFD will systematically make**

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*The research programmes, studies and evaluations funded by AFD Group need to inform the debates of policy makers, practitioners and researchers who are interested in development issues.*

**the data collected via AFD-funded research and studies available to the public, unless its partners explicitly object.**

In the spirit of France's Open Government Partnership<sup>8</sup>, the Agency will develop a simple legal framework to define AFD's governance with respect to open data. This “open source” approach will also apply to AFD-produced content (infographics, texts, research, etc.). For this purpose, the use of Creative Commons-licensed content and visuals will be encouraged.

There will be an overhaul of AFD's published material. Two new series will be launched – **Policy Briefs** and **Policy Papers** – to inform debate and propose policy recommendations on development topics. Co-publications partnered by donors or publishers will be fostered where relevant to create heightened leverage for the dissemination and promotion of AFD's key themes. In 2020, AFD will publish its first annual book on Africa in partnership with publisher La Découverte in its “Repères” collection. AFD will also diversify its collaboration with journals specialising in development, such as the **Revue d'Economie du Développement** and the **Revue internationale des études du développement**. To increase the visibility of AFD's research work among non-Francophone audiences, the publications targeting policy makers will be systematically translated into English (**A Question of Development, Policy Papers**) and, whenever relevant, into the language of the country concerned by the publication.

AFD will contribute to promoting excellence in research on sustainable development. With the Sorbonne Institute of Development Studies' (IEDES) UNESCO Chair, AFD will support the prize for young researchers in the Global South. In France, AFD will launch three calls for projects every year to fund Ph.D. theses under the CIFRE<sup>9</sup> scholarships. AFD will also launch a grand prize for research on biodiversity.

<sup>6</sup> For projects amounting to over €100,000.

<sup>7</sup> The theme of the 2018 edition was “Inequality”: <https://www.afd.fr/en/international-conference-inequality-and-social-cohesion-2018>

<sup>8</sup> The Open Government Partnership is an initiative launched in 2011 to promote open, shared and transparent democracy, notably through the use of new technologies.

<sup>9</sup> The CIFRE (*Conventions industrielles de formation par la recherche* – industrial agreements for training through research) scheme is run by the French Ministry of Higher Education, Research and Innovation to promote exchanges between public research laboratories and socio-economic circles and help doctoral students to find employment in companies.



## 3.2. COMMITMENT 2: Focus knowledge production on the interactions between climate, social link and economic growth

AFD Group will concentrate its research efforts on some of the key thematic areas of French development policy by focusing on the interactions and potential contradictions between some foundational themes, namely (i) climate and biodiversity, (ii) inequalities and social link, and (iii) sustainable economic growth, including in conflict zones. On these subjects, AFD Group will seek to build multidisciplinary teams that will enable it to (i) have sufficient leverage to drive transition dynamics in the countries that it supports, (ii) base AFD Group's operations and strategies on a sound scientific footing (particularly its monitoring and implementation indicators), and (iii) heighten the influence of France's positionings in European and international discussions.

As a result, **AFD will earmark 80% of the resources it dedicates to studies and research to the following priority thematic areas: 100% Paris Agreement and Biodiversity, 100% Social link, 3D development (Defence–Diplomacy–Development), and priority to non-sovereign actors.** To maintain its capacity to explore emerging topics in national or international development debates, **AFD will earmark the remaining 20% of its studies and research resources to topics that help to anticipate tomorrow's world and support AFD Group's adaptation to constantly shifting contexts.** In line with AFD Group's geographical priorities, AFD's research efforts will lay particular focus to studying the challenges facing the African continent.

Through its research, AFD Group will seek to reduce the tensions inherent to reconciling economic, environmental and social issues. The research work will lie at the intersection between several disciplines: economics, a discipline for which AFD Group has been developing a strong in-house research capacity for many years, but also environmental sciences, sociology, demographics, anthropology, political science, etc. This work is in line with the sustainability science approach, which aims to integrate all disciplines to help shift development models towards sustainability. The work will also enable AFD Group to focus more on operating over the long term, which is the only relevant time scale for tackling not only the challenges of managing and preserving natural areas, but also the structural economic and social dynamics involved.

### 3.2.1. Reconcile climate, social link and economic growth

AFD's studies, research and evaluation will support the definition of low-carbon and resilient development trajectories that integrate economic and social issues.

#### → 100% Paris Agreement and biodiversity

In accordance with AFD's 2017–2022 "climate–development" strategy, **the studies, research and evaluation projects will enable AFD Group to develop a strong capacity to analyse transition dynamics and national trajectories that are compatible with the objective of the Paris Agreement:**

- AFD will continue to implement the GEMMES (General Monetary and Multisectoral Macrodynamics for the Ecological Shift) programme, which models the impact of climate change on a country's macroeconomic dynamics. This programme, which is systematically implemented with local partners, will be deployed in at least six countries (Côte d'Ivoire, Brazil, Vietnam, Colombia, Morocco, Tunisia).
- AFD will conduct in-depth analyses to study what changes in approach are required for the energy and ecological transition. It will examine, for instance, the social impacts of low-carbon transitions, the possible roadblocks to implementing climate policies, and the associated opportunities, such as developing climate services. This work will facilitate the achievement of the objectives of the 2050 Facility, which is dedicated to the elaboration of countries' long-term, low-carbon and resilient development strategies .
- Work on climate-finance risks will continue in order to more effectively study investment choices in sectors subject to (i) transitional risks, i.e., where business environments are likely to be affected by changes caused by the ecological transition; and (ii) physical risks, i.e., environments where economic and financial performance may be affected by the climate. This research on climate risks will also inform AFD Group's reflections on the extent to which its own assets are exposed to physical deterioration and on the ways to reduce this.

To help to redirect global financial flows towards investments that are resilient and compatible with a 2°C trajectory (and if possible to 1.5°C), AFD will develop methodologies and engage in more in-depth reflection on the norms, indicators and modalities underlying the models for more sustainable development. AFD will contribute in particular to developing the following tools and/or analyses:

- an aggregate index showing the tensions between economic, environmental and social issues,
- a methodology to improve the climate impact assessment of projects, in particular regarding adaptation and resilience to climate change,
- the design of innovative financing tools that leverage private-sector resources and promote more sustainable investments.

The implementation of the Paris Agreement requires actions and changes in practices at grassroots level in the territories concerned. AFD will enrich and deploy its training programme for local government and private-sector actors, the goal of this programme being to imagine and build sustainable territories. It will continue to improve its production of MOOCs in these areas (ecological and energy transition, sustainable cities, sustainable mobility, etc.) in collaboration with its partners.

**AFD's research work will also seek to more deeply explore and support thinking on ecosystem management and biodiversity conservation.** To combat biodiversity erosion, work can be conducted on financing for biodiversity management and on mainstreaming biodiversity into public policies and AFD's intervention sectors (financial support, support to the private sector, urban projects, etc.). For ecosystem management, studies can be undertaken on the deployment of agro-ecological practices, the sustainability of agricultural production systems (including livestock and forestry), the protection of natural areas, and the contribution of nature-based solutions to both sustainable development and adaptation to climate disruption.

#### → 100% Social Link

AFD will deepen its understanding of social links in its countries of intervention and the French Overseas Territories, while at the same time reflecting on the related notions of inclusion, justice and social mixity. AFD's research will examine what effects AFD-supported projects and public policies have on social cohesion. Through new, more experimental approaches drawing, for example, on culture or sport, this work will afford greater insight into the notion of social link in different social contexts. It will help to identify and share solutions so that the support for locally rooted policies and stakeholder coalitions can restore and reinforce social cohesion at the territorial level. The funded research will help to create indicators that qualify and measure the density and quality of the social fabric by drawing on existing studies that deal with the relational capability and social cohesion indicator.

Social cohesion is impaired in situations of economic and social exclusion. **To promote social link, AFD will step up its work on inequality, a central theme of the French G7 presidency**, with support from the European Union, which also sets this as a priority. It will reinforce work on gender equality, which has been declared a flagship cause for this presidential term.

AFD will continue to work on the commons, which help to build social ties, and more broadly on new forms of governance that empower communities to participate in decision-making and evaluation processes (cf. box below). It will strive to develop an approach at the intersection of ethnography, sociology and anthropology, to better understand the social phenomena at work in each country in which it operates. It will work on questions of gender and gender inequalities, economic and social inclusion, training, employment, social protection, social and territorial cohesion, including in contexts where jobs are mostly in the informal sector and where the demographic transition is still underway. It will contribute to social inclusion by investing in actions in areas conducive to greater social cohesion, particularly those aimed primarily at African youth, involving sports or the cultural and creative industries, for example. Finally, it will examine the impact of the interventions it finances on social links in the territories in which it operates.

#### **The commons, a form of governance that can strengthen social link and the preservation of natural resources.**

Following in the footsteps of global public goods, the commons are fuelling a new development narrative that renews the notion of resource governance. Since 2015, AFD has been implementing an ambitious work programme on this cross-cutting theme. The Agency has positioned itself as a key actor on the topic by producing research articles that encompass a broad spectrum of analyses (land, natural resource management, employment, health, transport, access to water and energy, irrigation, the sharing economy, digital). In the years ahead, it will pursue this existing line of research and broaden its scope, especially to include the study of countries in crisis or the global commons (ocean, biodiversity). It will continue to make the concept of commons actionable within AFD's operations, for example, by supporting the organisation of specific local commons based on managing natural resources or infrastructure, and by strengthening local community participation in the decision-making processes of AFD-funded projects.

## French Overseas Territories, choice areas for studying interactions

The French government's Overseas Trajectory 5.0 strategy aims to operationalise the 17 sustainable development goals at territorial level by focusing on five objectives: zero carbon, zero waste, zero agricultural pollutant, zero exclusion and zero vulnerability. Research, evaluation and innovation work will help to implement this strategy and AFD Group's Three Oceans strategy and will be deployed in partnership with the stakeholders present in these territories. In view of this, several directions of work will be undertaken in 2019.

- An analysis of public policymaking in Réunion Island will be launched, partnered by Sciences Po's CEVIPOF.
- A broad-scope assessment of AFD's activities in New Caledonia will also be conducted.
- A training offer on the sustainable development goals for local government executives will be launched.
- At the end of 2019, AFD will organise a conference on research and innovation in the French Overseas Territories, bringing together institutional partners working on the CEROM (Rapid economic accounts for the French Overseas Territories) project (e.g., INSEE, IEDOM...), and IRD. This conference will aim to improve the social and environmental impact of research programmes (mainly by bringing research communities and civil society closer together), and the economic effectiveness of innovation support schemes.

### → Deepen thinking on vulnerabilities in crisis zones

The increasing fragility of states and societies in several of AFD's priority intervention zones (in the Sahel and the Middle East in particular) is spurring AFD to work on vulnerabilities in crisis zones and commit to more effectively combining defence, diplomacy and development policies, through an approach known as the "3D" approach. Studies, research and knowledge capitalisation, evaluations and training actions will help to operationalise this 3D approach. This will be done by concretely implementing the measures initiated under the partnership between AFD and the General Staff of the French Armed Forces, the agreement between AFD and the Barkhane force, and the provision of an AFD officer to the Barkhane force to advise on development. This will help to gain a better understanding of the intervention contexts, the local dynamics and the strategies of the actors involved (the development operators as well as the armed forces).

In these crisis zones, learning from experience – including from projects led by other development finance institutions – is key to identifying shared knowledge that can be reused in future operations implemented in similar contexts. AFD will focus on strengthening the monitoring–evaluation of its activities in crisis zones to strengthen its responsiveness to situations that necessarily change. Like the "Sahel Savoirs" project (cf. box), **AFD's research projects will give greater insights into the causes of insecurity and promote reflection on the policies, whether sovereign or development policies, that can provide**

**responses tailored to each territory.** They will focus on identifying and promoting local knowledge, as close as possible to the realities on the ground.

## The "Savoirs Sahel" Project

The "Savoirs Sahel" project will help to structure the production and development of knowledge on the Sahel. The project has a regional and multi-sectoral scope, and will help to finance applied research and experimental development work on innovative topics. It will also help to better understand and anticipate changes in the Sahel region: human settlement, informal education and employment, governance, agro-ecology and climate. The project will enable AFD to become better acquainted with Sahelian research structures. It also intends to support a Sahelian leadership community to make networking easier for actors in the region. Synergies will be sought with other members of the Sahel Alliance.

## 2.2. Anticipate tomorrow's world

In a fast-changing world, AFD must continue strengthening its capacity to pinpoint the themes that will shape tomorrow's world, and foster the emergence of new themes. Accordingly, the Agency will continue to monitor developments in sectors of key interest to France. In liaison with French, European and international think tanks and research bodies, AFD will develop its capacity to analyse the global challenges of sustainable development and its financing. This work will enable AFD to explore its new mandates (geographic and sectoral) and to reflect on what its future strategic directions could be with a view to preparing the next AFD Group Strategy. Liaising with foresight actors, the Development Campus will put in place educational formats designed to further an understanding of some of tomorrow's key issues, and will propose innovative tools for imagining desirable futures.

## AFD's Scientific Committee

AFD's Scientific Committee is an AFD consultative body that interfaces between academia on the one hand and AFD's operations and strategies on the other. Its fifteen or so members are from the scientific community and cover diverse disciplines (economy, sociology, climate sciences, demographics) and various horizons (Mexico, Lebanon, India, Côte d'Ivoire, China, Togo)<sup>10</sup>. It meets once or twice a year to discuss a key focus area of sustainable development and its discussions inform AFD's strategic agenda. In 2018, the themes of "Africa, home to 2 billion people in 2050" and "Migration" were discussed. In 2019, the session will focus on "The New Silk Roads".

<sup>10</sup> The following individuals are members of the Scientific Committee as at March 2019: Gaël Giradu (France), Francis Akindès (Côte d'Ivoire), Kaushik Basu (India), Élisabeth Claverie de Saint-Martin (France), Jaime De Melo (Switzerland), Guy Gilbert (France), Jean-Paul Moatti (France), Charbel Nahas (Lebanon), Sunita Narain (India), Kako Nubukpo (Togo), María Eugenia Ibararán (Mexico), Hervé Le Bras (France), Hervé Le Treut (France), Jean-Michel Severino (France), Thomas Sterner (Sweden), Lun Zhang (China).

## 3.3. COMMITMENT 3:

# Experiment with and support innovation for sustainable development

AFD will explore new topics that lie on the frontiers of the Agency's current operations, encourage the pursuit of innovative development strategies, both internally and with its partners, and anticipate more effectively for greater agility in an ever-changing environment.

### 3.3.1. Explore new frontiers in sustainable development

#### → Explore technological frontiers

Through research and innovation, AFD will explore the technological frontiers of sustainable development (tools, usage, ethics) and investigate the range of possibilities offered by emerging technologies. Digital technology in particular opens up multiple opportunities to implement adaptive ecosystem management (soil condition, water availability, weather monitoring, etc.) on different spatial scales, and to more effectively monitor public policy with respect to grassroots needs. The use of satellite imagery, rapid data capture systems (via sensors) and automatic data processing can, for instance, help to optimise public utilities management in both urban and rural areas. However, the use of these technologies is not without risk (effects of digital technology roll-out on job creation, social equilibrium and learning), and these need to be assessed. In the area of human rights and in particular the right to privacy in the digital age, **AFD Group will support research projects exploring the role of new technologies (data science, artificial intelligence, blockchain, etc.) in sustainable development.** For instance, it will continue to exchange with KfW, BNDES and DBSA on the use of blockchain to improve transparency in public finance and aid effectiveness. Special attention will be paid to digital sovereignty, net neutrality and data privacy.

Drawing on research findings in cognitive science, the Group will develop a better understanding of the factors that affect learning and knowledge-sharing in the 21st century. It will design training programmes on the topic and develop learning methods using these research findings.

#### → The financial frontier: funding the sustainable development goals, with an emphasis on mobilising the private sector

The scale of action required to achieve the development goals means that new sources of financing need to be explored, beyond official development assistance and public financing. Knowledge production and sharing, together with innovation, will inform thinking on how to redirect both public and private financing towards more sustainable investments, in line with the notion of sustainable development investment. AFD will seek to inform policy decisions by investigating a mix of private and public investment, the ways in which public-private partnerships and privatisation affect the economy and public spending, the quality of public spending, the leverage of financial innovation, the increased mobilisation of tax revenues, and the governance of state-owned enterprises. AFD will continue to develop communities conducive to sharing best practices in areas linked to the development of a socially responsible private sector and green investment.

### 3.3.2. Support high-impact innovation

Benefitting from its proximity to actors on the ground, AFD Group will continue to support innovative, high-impact projects to accelerate sustainable development. AFD Group wishes to support all forms of innovation (governance, social and technological innovation, etc.) that accelerate transitions, boost the efficiency of its actions and amplify the impacts of sustainable development. This means establishing ties with the broadest possible spectrum of local ecosystems, and being open to communities of stakeholders other than AFD Group's traditional interlocutors and partners. Creative, innovative communities that design and implement new solutions represent a potentially rich and productive pool of talent that could inspire a renewal of AFD Group's approaches. With the help of its network, AFD Group will work to identify such communities and outstanding grassroots innovations, thanks to its active monitoring and structured reporting. To stimulate and support these dynamics, the Group could launch campaigns for calls for innovative projects and organise events both in France and in the Group's intervention countries to develop exchanges with these ecosystems.

AFD Group will adopt a process that supports testing out new approaches. It will roll out initiatives and processes tailored to the broad diversity of stakeholders. Based on a structured approach, this will allow for greater risk-taking on innovative projects that encourage systemic change and increase efficiency. AFD Group will develop a structured approach to support entrepreneurship and start-ups. **Involving both AFD and Proparco, this will provide financing to the sector's actors and support the ecosystem and start-up incubators.** In 2019 and in line with the French president's announcements at the 2018 Vivatech trade fair, AFD will set up a €15-million innovation facility to support start-ups. Complementing Proparco's financing tools, this facility will include a financing scheme for African start-ups and a technical assistance scheme to support the structuring of digital ecosystems in Africa and build up the capacities of stakeholders in entrepreneurial value chains.

Based in part on private-sector implementation methods, AFD will develop a non-prescriptive "social and green open innovation" approach to tap into a pool of young companies, communities, civil society organisations and the social and solidarity economy to find innovative solutions to concrete issues. As part of this initiative, AFD Group will work to ensure that conditions are conducive to the growth and longevity of these actors' activities.

AFD will evaluate the effects and impacts of these approaches before scaling them up. This initiative is resolutely collaborative, open and multidisciplinary. It is also grounded on the principles of transparency and performance management to enable capitalisation on experiments, without fear of failure, and to allow the sharing of innovative experiences and solutions with all actors in the Global North and Global South.

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*AFD will promote the structuring of territorial innovation ecosystems, with an emphasis on the French Overseas Territories.*

### The diversity of innovation sectors supported by AFD

Support for innovation cross-cuts all AFD's sectors of activity (energy, health, biodiversity, water, digital technology). Below are some examples :

The Digital Africa initiative, supported by AFD, aims to accelerate entrepreneurial dynamism in Africa, and to back the development of digital innovation projects. The initiative will provide for the setting up of an online sharing platform and networking capabilities for start-ups and their ecosystems (<https://digital-africa.co>). It will also provide for the organisation of events fostering contacts between innovators and their partners and clients on the continent, as well as the creation of a label to identify and promote emerging actors for an innovative, sustainable and inclusive African entrepreneurship.

Through the new urban incubator scheme, AFD is testing new intervention modalities so as to involve local residents more effectively in developing urban projects. The objective is to design "frugal innovation" schemes that can foster and assist urban micro-projects centred on the initiative and skills of local residents, upstream of the parallel large-scale operations financed by AFD. In 2019, pilot projects will be tested in Burkina Faso, India and Tunisia.

Based on its conviction that innovation arises from collective intelligence and experience-sharing, AFD aims to bring together all stakeholders involved in innovation for sustainable development in the drive to find new solutions. In particular, the AFD will promote the structuring of territorial innovation ecosystems, with an emphasis on the French Overseas Territories. It will organise meetings and conferences on innovation, centred on flagship regions and themes and which dovetail innovative approaches or fields with sustainable development challenges.

### The French Facility for Global Environment

The French Facility for Global Environment (FFEM), hosted by AFD, promotes innovation to further environmental protection and sustainable development in developing countries. Its action, which focuses on five priority thematic areas for the 2019–2022 period (the protection and enhancement of biodiversity, sustainable forests and agriculture, the resilience of aquatic ecosystems, the energy transition and resilient cities, product life cycle, pollution and waste), allows innovative solutions to be tested so that lessons can be learnt. These solutions can then be deployed in other locations and/or scaled up, in particular through AFD projects.

Training in creativity and innovation-oriented thinking is key to spreading good innovation practices and to thinking and acting differently. AFD Group will continue to offer to its partners and its staff a diversified range of training courses dedicated to innovation. Within AFD Group, innovation capacities and interdisciplinarity will be promoted and supported among staff at all levels and across all professions. Project support and incubation schemes implemented by AFD Group agents and which are of formative importance for the collectivity will encourage agents to become involved in the innovation process. Proposals for meetings, workshops and learning expeditions will be developed to foster an open-mindedness vis-à-vis new areas and new practices (organisation of “offbeat workshops” on disciplines that are new to AFD, such as neuroscience or biomimicry, interactive experiences and spaces for discussions with social entrepreneurs, start-ups in labs or other venues unfamiliar to the development world, etc.).

### The Intraprenariat programme

AFD is trying out a new approach to be applied in-house in order to promote the “right of initiative” principle. This type of programme, which is being rolled out in several public and private organisations, helps to create an entrepreneurial thrust that fosters innovation and the renewal of an entrepreneurship culture. A first series of six projects were incubated in the second half of 2018, starting from design through to prototyping, from prototyping to testing or going to scale. A second group is being prepared for 2019. This process can take on board a wide diversity of initiatives (operations, professional activity, organisational or technological transformation) and incorporates varying levels of innovation.

### 3.3.3. Better anticipate in shifting contexts

AFD operates in an environment that by nature changes at a rapid pace. A better understanding of socioeconomic shifts in the countries where AFD operates and an analysis of opportunities in emerging countries are vital to AFD’s action. To assess risks accurately, AFD’s studies and research focus on characterising the mechanisms and determinants (economic, financial, socio-political and climatic) of crisis situations. This is in order to design actions with positive impacts for the populations affected or made vulnerable by such changes. AFD will continue to continuously monitor macroeconomic trajectories and will extend its analyses to other geographic areas of potential interest for the Agency. Drawing on this work, it will publish analytical studies on cross-cutting issues relating to macroeconomics which could interest the entire development ecosystem.

In recent years, AFD has introduced new aspects into its analysis to improve its understanding of the socio-political environment in its intervention countries. Political, demographic or historical vulnerabilities can lastingly hinder countries’ development processes and lead to a pronounced deterioration of their economic and financial risk components. A similar phenomenon occurs for climate-related risks. By 2022, AFD will further enhance its macroeconomic analysis by developing indicators on physical climate risks and transition risks. These indicators will inform policy dialogue with AFD’s countries of intervention and shed new light on the analytical tools used by AFD and by other development finance institutions.

In countries experiencing economic or financial crises, AFD must reconcile its objective of risk management with its ambition to contribute to a counter-cyclical dynamic to promote economic revival and ensure sustained public spending on social sectors. Research and innovation informs decisions regarding AFD’s risk appetite framework and contributes to developing financial tools adapted to interventions in environments at risk. More specifically, AFD will work to identify the debt-related vulnerabilities of both public and private actors (households and businesses) that impede development in countries in greatest need of investment. AFD will explore, together with stakeholders in the Global South, the financial implications in terms of the risks and debt levels induced by the Silk Roads.

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*By 2022, AFD will further enhance its macroeconomic analysis by developing indicators on physical climate risks and transition risks.*

Identifying the fragility factors of a country or region and the root causes of its population’s vulnerability is crucial to any AFD commitment. Similarly, it remains essential to monitor how this fragility evolves and to prevent crises or potential conflict, the aggravation of any ongoing crisis or conflict and a possible resurgence during the recovery period. With this in mind, a risk monitoring tool for fragility, conflict and violence will be developed in collaboration with other partners in the 3D (Defence–Diplomacy–Development) approach. The tool will provide upstream information for AFD’s country strategy and projects depending on how the risks develop and, if necessary, enable adaptive steps to be taken. Risk monitoring will thus be an opportunity for AFD to work more effectively in the area of crisis and conflict prevention and, ultimately, to make this a strategic line of action.

## 3.4. COMMITMENT 4: Evaluate and capitalise on knowledge for the purpose of learning and sharing

To improve the relevance of its approaches and the effectiveness of its projects, AFD Group will work to continuously improve its operations and their impacts. It will broaden the scope of its evaluations and better capitalise on them in order to learn from the successes and failures of its projects. It will implement a proactive knowledge management approach in order to convert its agents' personal knowledge into collective knowledge, useful both to AFD Group and its partners.

### 3.4.1. Evaluate with, for and by others

In line with the French President's desire to "strengthen the culture of evaluation" (Ouagadougou speech, November 2017), **AFD will take a three-pronged approach to extend the scope of its evaluations:**

→ **expand the portfolio of evaluated projects:**

by 2020, AFD is committed to ensuring that 50% of the projects it finances are evaluated.

→ **step up efforts on the Sahel region,** given the major learning and capitalisation challenges in the area: by 2020, 75% of projects implemented in the Sahel will be evaluated.

→ **focus on policy-based loans,** a financial instrument launched in 2008 to support public, sectoral or multi-sectoral policies in partner countries: project completion reports already include an evaluation of results, but this will be reinforced. Each year as from 2020, AFD will evaluate at least 50% of all completed policy-based loans.

AFD will work to evaluate more systematically how environmental and social risks, as well as gender issues, are taken into account in projects. It will ensure that social and environmental impact evaluations of projects improve both in terms of quantity and quality, especially for projects deemed at risk (projects rated from B through A+ by AFD). **It will also aim to ensure gender mainstreaming in evaluations and to expand the evaluation of projects focusing on gender as a "principal" objective** (marked 2 on OECD's DAC gender equality policy marker).

**AFD will improve its project monitoring–evaluation system, which is a valuable tool for managing activities and results.**

It will enhance data collection particularly through the use of new digital tools, and will improve the structure of feedback on results. This will improve AFD's accountability for funded projects and help the shift from communicating on commitments to communicating on results, in line with AFD Group's 2019–2022 communication strategy.

To enable evaluation of the results and impacts of projects implemented in crisis and conflict zones, AFD together with its partners will develop harmonised databases and tools for remote monitoring and project evaluation, in particular within the framework of the Sahel Alliance.

AFD will also promote the use of mid-term assessments to correct the course of projects that may not be achieving their targeted results. More generally, AFD will improve the quality of decentralised project evaluations carried out by its local agencies to foster dialogue with the project partners involved. A review of AFD's project portfolio will be carried out to improve their "evaluability", i.e., the quality of their intervention logic and their monitoring–evaluation mechanisms.

AFD will continue to use non-traditional forms of evaluation, such as participatory or filmed evaluations, which facilitate exchange with partners, beneficiaries and peers. Participatory evaluations foster greater involvement of key stakeholders, especially project beneficiaries, in the evaluation process. Filmed evaluations, which make project results visible, are very useful when discussing these results with stakeholders, training development practitioners and creating broader awareness of sustainable development challenges.

To go beyond a numbers-based approach and fuel discussion on the quality of projects and the impacts of intervention strategies, the evaluations will focus on explaining the differences between expected results, actual outcomes and the final impact of projects.

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*By 2020, AFD is committed to ensuring that 50% of the projects it finances are evaluated.*

In keeping with the notion of AFD as a “platform” to serve knowledge, AFD will conduct joint evaluations with actors recognised for their work in the field of sustainable development evaluation (scientists, IRD, CIRAD, development banks such as KfW or the World Bank, on-the-ground actors and civil society organisations). In order to exchange with its peers and improve the content of its evaluations, AFD will continue to participate in peer networks, such as the IDFC evaluators network (cf. box).

### Jointly evaluate and capitalise with IDFC peers

In 2018, AFD initiated an evaluator network with IDFC development banks. Within this network, IDFC members’ evaluation departments share best practices in order to promote cross-learning opportunities and discussions, in particular regarding the evaluation methodologies used (peer-based evaluation at KfW, biannual evaluation reporting, etc.). In 2019, work began on a common methodology for measuring the reductions in greenhouse gas emissions attributable to projects.

Much like the already active collaboration with the Observatory for the Development and International Solidarity Policy, AFD will endeavour to link its evaluation work with that of the independent evaluation committee that could be set up by the future law on development policy. AFD will carry out evaluations with this independent committee on the key issues of French development policy and inform the committee’s work with its own project evaluations.

To increase the transparency of its action and improve the exchange of good practices with other sustainable development stakeholders, **AFD intends to systematically publish its evaluation results.** AFD already publishes broad-based reports online on the afd.fr website (geographic, thematic, strategic and impact evaluations). Starting in 2019, it will systematically publish summaries of its project evaluations on the opendata.fr portal, absent any explicit objection from its partners. In 2020, 100 evaluation summaries will be published. Every two years, starting in 2019, AFD will publish a report to publicise the results of its evaluations in more detail. The first report, which will be published in 2019, will present a review of AFD’s 2017–2018 evaluation activities and will include a special section on biodiversity.

## 3.4.2. Make AFD Group a learning organisation

Sweeping transformations are underway both within AFD Group (increase in staff numbers, integration of Expertise France) and its ecosystem (growing importance of new actors, stronger accountability requirements). As a result, knowledge – of the environment, all the stakeholders’ interests, the available expertise and results achieved – is becoming a key asset that needs managing and fully optimising. The knowledge management approach should enable AFD Group to firmly establish its scope of competence and expertise by bolstering the Group’s presence whenever justified and by maximising synergies with partners operating on the periphery of its action.

AFD will adopt a roadmap to embed the knowledge management function into its business processes. This roadmap will have three objectives: (i) to enhance collective efficiency through better mobilisation of available knowledge and skills; (ii) to develop AFD Group’s human resources by systematising the acquisition and transmission of knowledge throughout its agents’ career paths; and (iii) to foster innovation and collective intelligence by encouraging closer collaboration between the Group’s various lines of expertise and its external partners; which will thus help to reinforce the influence of AFD Group as a platform. This roadmap will propose a structure that will not only help to organise the collection and transfer of various types of knowledge for learning purposes – especially using collaborative tools –, but also to structure networks that enable available technical skills to work together unhindered by organisational silos. The roadmap is intended to be of use across the entire range of AFD’s specialties. In order to better manage the information life cycle, archivists and records managers will empower the knowledge management system.





*AFD will adopt a roadmap to embed the knowledge management function into its business processes.*

The knowledge management approach is resolutely cross-cutting. The roadmap will thus focus on bringing together initiatives that are currently being elaborated at AFD and which encourage collaborative practices, such as the digital transformation project, the creation of sectoral expertise and the setting-up of communities through enterprise social networking. Using its roadmap, **AFD will support greater professionalisation of the communities of practice that are working on cross-cutting issues** (crisis and conflict, policy support, etc.), **sectoral issues** (energy, transport, etc.) and **geographical issues** (e.g., in the Sahel region). It will work to connect them with existing information or exchange networks and to open up these networks to external partners.

Enhanced in-house knowledge management will make it easier to identify expertise gaps and better fill these by calling on external resources. The aim is to harness experience and expertise from outside AFD Group in order to learn from organisations that are on the cutting edge of issues of concern to the Agency (e.g., climate change adaptation or interventions in conflict zones). Making facilitation and management tools available will also improve exchange with partners.

To promote learning loops and ensure that the lessons drawn from experience are well integrated into new projects, AFD will focus on making better use of the results of project evaluations. Broad-scope assessments are already subject to reinforced capitalisation through workshops organised for AFD's operational staff. **AFD Group will systematically take into account the results of ex-post project evaluations, notably through communities of practice, to define new operations right from the project identification phase.** From 2019, a capitalisation document on policy-based lending evaluations will be presented to AFD's Board of Directors. This capitalisation will inform assessment and foresighting work aimed at improving how this financing tool is used.

### The Development Campus: learning differently

The Campus is a laboratory of ideas and a resources and exchange platform based on collective intelligence to support transitions in a complex world. It helps to enhance skills and projects to enable AFD Group's partners to become agents of change, more aware of sustainable development challenges and committed to this transformation towards a more sustainable world. Its teams design, manage and run educational courses that offer innovative formats (face-to-face, digital, hybrid) and methods (committed pedagogy, peer-exchange, mobilisation of collective intelligence and creativity), and a lasting involvement in driving learning communities, in line with the Group's strategic priorities and its partners' needs. The Campus proposes an adaptive offer to respond to the needs of its partners and build together with them. It is supporting and implementing several flagship projects (see section 3.1.2.).

# ACRONYMS AND ABBREVIATIONS

**3D:** Defence–Diplomacy–Development

**ACE:** African Centers of Excellence

**AFD:** Agence Française de Développement (French development agency)

**BNDES:** Banco Nacional de Desenvolvimento Econômico e Social (National Bank for Economic and Social Development, Brazil)

**C2D:** Debt reduction–development contract

**CAF:** Development Bank of Latin America

**CERDI:** Centre d'études et de recherches en développement international (Center for Studies and Research in International Development)

**CEROM:** Comptes économiques rapides pour l'Outre-mer (Rapid economic accounts for the French Overseas Territories)

**CEVIPOF:** Sciences Po's Centre for political research

**CICID:** Comité interministériel pour la coopération internationale et le développement (Interministerial Committee for International Cooperation and Development)

**CIFRE:** Conventions industrielles de formation par la recherche (Industrial agreements for training through research)

**CIRAD:** Centre de coopération internationale en recherche agronomique (Agricultural research for development)

**CORED:** Comité de recherche et développement de l'AFD (AFD's internal Research and Development Committee)

**DBSA:** Development Bank of Southern Africa

**ECLAC:** Economic Commission for Latin America and the Caribbean (UN)

**FERDI:** Fondation pour les études et recherches sur le développement international (Foundation for Studies and Research on International Development)

**FFEM:** French Facility for Global Environment

**GEMMES:** General Monetary and Multisectorial Macrodynamics for the Ecological Shift

**IDDRI:** Institut du développement durable et des relations internationales (Institute for sustainable development and international relations)

**IDFC:** International Development Finance Club

**IDGM:** Initiative for Development and Global Governance project

**IEDES:** Sorbonne Institute of Development Studies

**IEDOM:** Institut d'émission des territoires d'Outre-mer (French Overseas reserve bank)

**IRD:** Institut de recherche pour le développement (Institute for research on development)

**KfW:** Kreditanstalt für Wiederaufbau (German development bank)

**LabEx:** Laboratories of excellence programme

**MODEV:** Masters in project management for development

**MOOC:** Massive open online course

**NGO:** Non-governmental organisation

**UMIFRE:** Unités Mixtes – Instituts français de recherche à l'étranger (Mixed Units – French Research Institutes Abroad)

**UNECA:** United Nations Economic Commission for Africa

**UNESCO:** United Nations Educational, Scientific and Cultural Organization

**WAEMU:** West African Economic and Monetary Union

## **What is AFD ?**

AFD is an inclusive public financial institution and the main actor in France's development policy. It makes commitments to projects that genuinely improve the everyday lives of people, in developing and emerging countries and in the French overseas territories.

AFD works in many sectors – energy, health, biodiversity, water, digital technologies, training – and supports the transition to a safer, more equitable and more sustainable world: a world in common. Its action is fully in line with the Sustainable Development Goals (SDGs).

Through its network of 85 agencies, AFD operates in 115 countries and is currently supporting over 4,000 development projects. In 2018, it earmarked EUR 11.4bn to finance these projects.

<http://www.afd.fr>



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