FRANCE

Development Assistance Committee (DAC)
PEER REVIEW

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT
The OECD is a unique forum where the governments of 30 democracies work together to address the economic, social and environmental challenges of globalisation. The OECD is also at the forefront of efforts to understand and to help governments respond to new developments and concerns, such as corporate governance, the information economy and the challenges of an ageing population. The Organisation provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

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OECD Publishing disseminates widely the results of the Organisation's statistics gathering and research on economic, social and environmental issues, as well as the conventions, guidelines and standards agreed by its members.

This work is published on the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of the Organisation or of the governments of its member countries.

Also available in French under the title:

Examen du CAD par les pairs
France
The Peer Review Process

The DAC conducts periodic reviews of the individual development co-operation efforts of DAC members. The policies and programmes of each member are critically examined approximately once every four or five years. Five members are examined annually. The OECD’s Development Co-operation Directorate provides analytical support and is responsible for developing and maintaining the conceptual framework within which the Peer Reviews are undertaken.

The Peer Review is prepared by a team, consisting of representatives of the Secretariat working with officials from two DAC members who are designated as “examiners”. The country under review provides a memorandum setting out the main developments in its policies and programmes. Then the Secretariat and the examiners visit the capital to interview officials, parliamentarians, as well as civil society and NGO representatives of the donor country to obtain a first-hand insight into current issues surrounding the development co-operation efforts of the member concerned. Field visits assess how members are implementing the major DAC policies, principles and concerns, and review operations in recipient countries, particularly with regard to poverty reduction, sustainability, gender equality and other aspects of participatory development, and local aid co-ordination.

The Secretariat then prepares a draft report on the member’s development co-operation which is the basis for the DAC review meeting at the OECD. At this meeting senior officials from the member under review respond to questions formulated by the Secretariat in association with the examiners.

This review contains the Main Findings and Recommendations of the Development Assistance Committee and the report of the Secretariat. It was prepared with examiners from the United Kingdom and Sweden for the Peer Review on 6 May 2008.

In order to achieve its aims the OECD has set up a number of specialised committees. One of these is the Development Assistance Committee, whose members have agreed to secure an expansion of aggregate volume of resources made available to developing countries and to improve their effectiveness. To this end, members periodically review together both the amount and the nature of their contributions to aid programmes, bilateral and multilateral, and consult each other on all other relevant aspects of their development assistance policies.

The members of the Development Assistance Committee are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom, the United States and the Commission of the European Communities.
### List of Acronyms

**AFD***: French Development Agency (*Agence française de développement*)

**CICID***: Inter-ministerial Committee for International Co-operation and Development (*Comité interministériel de la coopération internationale et du développement*)

**DAC***: Development Assistance Committee

**DCP***: Partnership Framework (*Document cadre de partenariat*)

**DGCID***: General Directorate for International Co-operation and Development (*Direction générale de la coopération internationale et du développement*)

**DGTPe***: General Directorate for the Treasury and Economic Policy (*Direction générale du trésor et des politiques économiques*)

**EDF***: European Development Fund

**EU***: European Union

**FSP***: Priority Solidarity Fund (*Fonds de Solidarité Prioritaire*)

**GNI***: Gross National Income

**HCCI***: High Council for International Co-operation (*Haut conseil de la coopération internationale*)

**LOLF***: Constitutional Bye-law on Budget Acts (*Loi organique relative aux lois de finances*)

**MAEE***: Ministry for Foreign and European Affairs (*Ministère des Affaires étrangères et européennes*)

**MDF***: Millennium Development Goals


**MINEFE***: Ministry for Economic Affairs, Finance and Employment (*Ministère de l’Économie, des Finances et de l’Emploi*)

**NGO***: Non-governmental organisation

**ODA***: Official Development Assistance

**PRSP***: Poverty Reduction Strategy Paper

**SCAC***: Co-operation and Cultural Action Office (*Service de coopération et d’action culturelle*)

**SCTIP***: International Technical Co-operation Police Department (*Service de coopération technique internationale de police*)

**SGAE***: Secretariat-General of European Affairs (*Secrétariat général des affaires européennes*)

**WAEMU***: West-African Economic and Monetary Union
**ZSP** (*) Priority Solidarity Zone (*Zone de solidarité prioritaire*)

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Slight discrepancies in totals are due to rounding.

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**Annual average exchange rate (EUR per USD)**

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France’s Aid at a Glance

### FRANCE

**Net ODA**
- **Current (USD m)**: 10,006 to 10,601, change of 5.7%
- **Constant (2005 USD m)**: 10,026 to 10,313, change of 2.9%
- **In Euro (million)**: 8,067 to 8,445, change of 4.7%
- **ODA/GNI**: 0.47% to 0.47%
- **Bilateral share**: 72% to 75%

### Top Ten Recipients of Gross ODA (USD million)
1. Nigeria: 1,741
2. Iraq: 713
3. Congo, Rep.: 676
4. Morocco: 355
5. Cameroon: 291
6. Mayotte: 273
7. Algeria: 251
8. Senegal: 249
9. Tunisia: 222
10. China: 186

### By Income Group (USD m)
- LDCs
- Other Low-Income
- Lower Middle-Income
- Upper Middle-Income
- Unallocated

### By Region (USD m)
- Sub-Saharan Africa
- South and Central Asia
- Other Asia and Oceania
- Middle East and North Africa
- Latin America and Caribbean
- Europe
- Unspecified

### By Sector
- Education, Health & Population
- Production
- Debt Relief
- Other Social Infrastructure
- Multisector
- Economic Infrastructure
- Programme Assistance
- Humanitarian Aid
- Unspecified
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THE DAC’S MAIN FINDINGS AND RECOMMENDATIONS

Summary

France is one of the international community's key players in development co-operation, where it has some specific assets, in particular its close ties with many partner countries and its ability to combine multiple tools in support of their development. The DAC invites France to continue to play its leading role and, to this end, to pursue its efforts, undertaken since 2004, to enhance the impact of its aid and the efficiency of its system. In particular, France could reinforce its strategic approach to development co-operation and ensure that its resources and instruments are guided by a clear policy with a primary focus on combating poverty. Greater geographic concentration on the least developed countries and fragile states would allow France to have an impact commensurate with its weight in the international donor community. France should also ensure that its ODA volume will rise in accordance with the pledges it has given. Finally, France should rationalise its institutional arrangements under a unified aid management strategy and a tighter and more efficient system that assigns a clear mandate to each player. This reform should take account of the need to implement the Paris Declaration. France could also take advantage of its heavy multilateral financial involvement through a more strategic approach and the strengthening of synergies with its bilateral programme. In addition, France could capitalise on its long experience in capacity building to formalise its approach, to develop operational tools, and to contribute to international thinking about this key issue, as it has done in the area of supporting fragile states.

The framework for development co-operation

Legal and political orientations

A key player in addressing the challenges of development assistance

France, ranked third among DAC members in 2007 in terms of its official development assistance (ODA) volume, is a world leader in the field of development co-operation. In addition to its extensive efforts in favour of peace and security, France has been one of the drivers on the international scene since 2004 in key areas such as development financing, involvement in fragile states and the protection of global public goods. It has also taken innovative approaches at the regional level. For historical reasons, France has close ties with many partner countries, which are reflected in political, economic and cultural terms and also in the different facets of its co-operation, which include development assistance, monetary co-operation, and military co-operation. France can thus combine different approaches involving various stakeholders, including for example the police, and it could build further on this asset by reinforcing synergies among these approaches. France's role in the European Union and its permanent seat on the UN Security Council give it both more weight and greater responsibility.

It is essential that France plays an exemplary role within the international community, at a time when the pledges given in New York in 2000 concerning the Millennium Development Goals (MDG), at Monterrey in 2000 concerning development finance, and at Paris in 2005 concerning aid effectiveness represent challenges to which all aid players are rising. The general review of public policies and the drafting of a white paper on foreign policy that is now underway should bolster this positioning and this approach. In doing so, France should take into account both the assets and the
constraints inherent in its legacy from the past, which still largely conditions its co-operation system. The geographic and sectoral priorities of French co-operation, its complex institutional arrangements, and the instruments and the nature of its partnership relations all reflect the influence of history in a system that needs to be adapted to the requirements of the new international context for development assistance.

High-level strategic guidance is needed for co-operation policy

The new Institutional Act on Financial Legislation (LOLF), which came into effect in 2006, makes official action in favour of development co-operation significantly more transparent. Yet France has no strategic document setting out its co-operation policy and explicitly defining medium-term objectives and strategy. Strategic guidance comes essentially from ministerial statements and, since 2006, from the cross-cutting policy document attached to the budget. Economic growth, poverty reduction, and access to global public goods thus appear as the three main objectives of French co-operation policy. This constitutes an essential dimension of French diplomacy in contributing to the goals of better global governance, including risk management and prevention.

Within this general framework, each institution pursues its own objectives with the instruments at its disposal, with the result that these objectives translate into a wide range of sectors and types of action, with no real assignment of strategic priorities. This complexity is perceived as a strength, since it means that several objectives can be pursued by combining different skills, with an offering suited to each country. But it is also a source of confusion, and sometimes of tension, between the objectives pursued, and it can reduce the impact of action. A high-level formulation of medium-term objectives and strategy for development co-operation is needed to restore the primary focus on combating poverty. This would allow the various players to co-ordinate their mandates more closely and would give greater strategic guidance to the geographic and sectoral allocation of financial and human resources.

Bring Parliament and civil society organisations more prominently into the strategic dialogue

Parliament's ability to oversee and evaluate foreign policy was strengthened in 2006 with entry into force of the LOLF, and could be further reinforced by technical improvements. The creation of a “parliamentary delegation for co-operation” could also be helpful with a view to instituting parliamentary debate that goes beyond budgetary matters and deals with the strategic directions of government policies relating to development, including their multilateral implications. This is all the more important because Parliament, through its legislative work, plays a key role in bringing coherence to development policies. As to strategic consultation with civil society organisations, this should be placed on a new footing with the announced creation of a Strategic Council on Official Development Assistance. The Council's membership and terms of reference, and its relations with strategic co-operation bodies, should be such as to favour wide-ranging and constructive dialogue about French co-operation policy as a whole.

Maintain public support through development education

The French are strongly in favour of development assistance, as demonstrated by the many mass-membership associations and twinning arrangements with organisations in the South. Yet a portion of public opinion remains sceptical about the effectiveness of ODA, and insists on more information. It is essential to take these demands into account, and also to expand public understanding of development issues, for France is one of the European countries where awareness of the MDG is weakest. France should therefore step up its development education effort, underway since 2004, taking advantage of the strategy it adopted in 2006 and the European Consensus on a
strategic framework for development education and awareness raising, launched in 2007, and reinforcing further the development education capabilities of NGOs and decentralised co-operation bodies, which are powerful channels for mobilising the public.

**Promote coherent development policies**

*Make coherence a political priority.* The Minister of State for Co-operation has the mandate to promote policy coherence for development within cabinet. Yet France does not have a general framework that provides a basis for structured inter-ministerial work on matters relating to policy coherence issues. France's understanding of policy coherence, which covers both the co-ordinated approach to development assistance and the enhancement of global public goods, is nevertheless limited because it plays down the impact of domestic policies on developing countries. It is important, then, for the government to make development policy coherence an explicit objective, understood as taking into account the impact that every domestic sectoral policy may have on developing countries. France could also enlist parliament and civil society in a broader debate on these questions, as input to French positions at the national and European levels.

*Establish a mechanism dedicated to coherence and reinforce analytical capacities.* France has no institutional mechanism dedicated explicitly to development policy coherence. Rather, its co-ordination mechanisms are targeted at specific fields such as development assistance or defining French positions within the European framework. For instance, the Inter-ministerial Committee on International Development Co-operation (CICID), chaired by the Prime Minister, is a key instrument for co-ordinating development assistance programmes, but it is not a tool for policy coherence. The government's institutional approach to dealing with a specific problem is generally to create an ad hoc commission to analyse and propose responses. The drawback is that it does not place sufficient stress on monitoring and evaluating the measures recommended. France would do well to establish an inter-ministerial body with an explicit mandate to promote policy coherence for development. Its mission would be to ensure that coherence issues are systematically analyzed in defining sectoral policies and evaluating their impact on developing countries. France should also strengthen its analytical capacity so that the Minister of State for Co-operation would have the tools needed to champion policy coherence in ministerial discussions. In doing so, France could take more advantage of the research work that is being done in France and internationally, particularly at the European level, where it contributes actively to thinking about policy coherence.

**Recommendations**

- The DAC invites France to draw up a co-operation policy framework document that specifies its medium-term objectives and strategy and is applicable to all players involved in official assistance.

- France should draw up an action plan for all sectoral and cross-cutting strategies, leading to a set of priorities that will be reflected in budget planning at the national level.

- The DAC congratulates France for the innovative approaches it has developed, based on its long experience in many fields such as fragile states, the regional approach and innovative financing, and encourages it to broaden the dialogue on these subjects internationally.

- France is invited to ensure that its domestic sectoral policies are coherent with the development objectives of partner countries by giving a clear political commitment and making better use of an existing permanent structure with a mandate to promote and monitor this coherence.
France is encouraged to pursue further its dialogue with civil society, in terms of both strategic consultation and the aid effectiveness agenda.

ODA volume, channels and allocations

French ODA stood at USD 9.94 billion in 2007, ranking France third among DAC member countries. French aid rose strongly both in absolute volume and in relative terms between 2000 and 2006 (a year that saw significant debt relief operations), and the ODA/GNI ratio went from 0.30% to 0.47%. This growth path reflected the public pledges announced at Monterrey in 2002 to achieve 0.5% of GNI in 2007 and 0.7% by 2012. However, aid growth has been largely driven by debt relief operations. The level of ODA in 2007, which was down from the USD10.6 billion recorded in 2006, also marks a retreat in the percentage of GNI, with a rate of 0.39%, placing it in 11th position within the DAC.

Programme ODA increases to honour commitments

The government recently postponed to 2015 its commitment to achieve 0.7% of GNI, in line with the collective undertaking of European Union members. France has pledged to respect this schedule, which is essential for the entire international community. Yet the level reached in 2007 showed that even the interim objective of 0.51% in 2010 will be difficult to achieve. Like many other countries, France faces a severe budgetary constraint, and it is therefore essential that it should plan for the resources that will be needed to honour its international commitments. It should in particular take advantage of the introduction of its first multi-year budget for 2009-11 to ensure that sufficient appropriations are included in the budget law.

In doing so, France should take account of two elements that will weigh negatively on ODA volume: (i) debt relief, which represented as much as 41% of bilateral aid in 2005-06, is going to decline sharply in coming years; (ii) the reporting of certain expenditures as ODA needs to be reviewed. This is the case in particular with tuition fees, which amounted to USD 1.097 billion in 2006, and for which France is urged to identify the specific beneficiaries so that only those outlays that actually meet eligibility criteria will be counted as ODA. France should also respect both the letter and the spirit of DAC concessionality criteria in reporting loans as ODA. On the other hand, the DAC encourages France to include the growing resources resulting from the innovative financing mechanisms that it has helped to introduce, in particular the proceeds from the “solidarity tax” on airline tickets, which are paid to UNITAID and amounted to USD 225 million in 2007.

France should also seek to maintain a high share of grants, where necessary, within its ODA, consistent with poverty reduction objectives. France has been increasing the proportion of concessional lending significantly, and in 2006 loans represented two-thirds of the country's programmable bilateral ODA. These loans can constitute an effective contribution to development when they are well conceived and adapted to the context, and, through their leverage effect, they can increase the volume of financing devoted to development without raising the cost to the French taxpayer. Yet loans are not appropriate in all sectors and in all countries, and it is essential that the choice of the geographical and sectoral allocation of aid should not be instrument-driven to the detriment of poverty reduction goals. This calls for a clearly established strategic framework applicable to all institutional players. In operational terms, France should consider the possibility of establishing fungibility between budgetary items for “loans” and “grants”, which are now managed by two different ministries.

France’s programmable aid represented only 29% of its total bilateral ODA in 2005, compared with a DAC average of 46%. When increasing its volume of aid, France will have to select
instruments that will give it the necessary margin to assume its full role as a leading player in priority countries and sectors.

**Bilateral aid: enhance geographic and sectoral concentration**

Concentrate bilateral aid on key countries. Bilateral ODA goes mainly to the 55 countries of the "Priority Solidarity Zone" (ZSP). The primary objective is to support achievement of the MDGs, with particular priority to Africa, which received 70% of allocable French bilateral ODA in 2006. Beyond the ZSP, France also extends its co-operation to the emerging countries of Asia and Latin America, through AFD's lending activities, with the objective of preserving global public goods. Therefore, apart from debt cancellation, geographic concentration is not progressing. At the same time, the portion of aid allocated to the least developed countries (LDCs) is declining. It accounted for only 20% of allocable bilateral aid in 2006, and only six LDCs figured among the 20 largest recipients of French aid in 2005-06, apart from debt relief operations. This dispersal tends to weaken France's position with most of its historic partners, and in particular with the LDCs. It is important that France should maintain the means to pursue an ambitious poverty reduction strategy in these countries, where it enjoys a comparative advantage because of its long and multifaceted relationship. It would be useful for France to draw up a geographic strategy targeting a smaller number of countries, especially among LDCs and fragile states. To this end, France should look closely at its value added in relation to the ongoing reflection on the division of labour at the European level.

Makes sectoral strategies operational. France has prepared sectoral and cross-cutting strategies in all key areas of its assistance, and it is attempting to concentrate its aid in three sectors in partner countries. Despite this effort, an examination of sectoral allocations gives the impression that there is no very clear link between French aid sector allocation and its declared objectives. Thus, of the USD 1.6 billion earmarked for education in 2005-06 (or 17% of bilateral ODA), only USD 151 million went to basic education, far short of the amount devoted to tuition fees and higher education grants. France also devotes a larger amount (EUR 164 million in 2006) to cultural diversity, which includes maintaining a network of more than 250 institutions for supporting cultural activities and promoting the French language. France should assess the impact of these different types of support on the development of its partner countries, and on this basis adjust their weighting so as to maximise the impact on poverty reduction and economic development. Because of historical as well as political and administrative factors, French aid in fact remains highly scattered in partner countries. France is advised to adopt a clearer vision of sectoral priorities in order to integrate them more effectively into the programming process. This would help to make sectoral and cross-cutting strategies operational, including the gender strategy adopted in December 2007, which needs a more clearly defined action plan.

Position multilateral aid more strategically

France allocated 27% of its ODA through multilateral channels in 2006, with a preponderant place reserved for the European Community—France was the largest subscriber to the ninth EDF—and very significant contributions to certain vertical funds as well as to development banks. The remaining third of multilateral aid goes to some 150 institutions, a degree of dispersal that could dilute French influence internationally. The lack of a strategic, medium-term global vision of multilateral aid, moreover, limits the scope and impact of articulations with the bilateral side of French aid. The government would do well to prepare a more explicit strategy covering all of multilateral players, and to re-examine its portfolio of multilateral commitments in that light, in order to target both its bilateral and multilateral aid more effectively in terms of positioning and partnership building.
Recommendations

- The DAC invites France to respect its international commitments regarding the volume of ODA. To that end, it invites France to draw up a roadmap for moving towards the European ODA objectives for 2010 and 2015, and to take advantage of its three-year finance legislation to record the corresponding appropriations.

- At the same time, France should seek to bring the allocation of its aid and its choice of instruments into line with its new strategic guidelines.

- France should ensure that the ODA statistics it reports annually are consistent with the ODA eligibility directives established by the Committee.

- France should concentrate its aid on a smaller number of countries, especially among least developed countries and fragile states. In so doing, it should strike an appropriate balance between grants and loans.

Management and organisation

Rationalise institutional arrangements and integrate the efforts of all players more effectively

Despite the reforms introduced since 1998, the institutional system remains a complex and fragmented galaxy with a great many players revolving around three key institutions: the Directorate-General for International Co-operation and Development (DGCID), the Directorate-General of the Treasury and Economic Policy (DGTPÉ), and the French Development Agency (AFD).¹ There is some overlapping in the mandates of several entities, none of which is devoted exclusively to ODA. Strategic aid management appears to be scattered among several centres. The 2004 reform improved co-ordination among the various players, particularly with the activation of the CICID and its secretariat, but it has not succeeded in simplifying the system, and this hampers its efficiency. The current combination of institutional approaches and budget allocation mechanisms tends to make the system rigid.

The DAC encourages France to pursue efforts to rationalise its institutional system and enhance its efficiency. This will require a clearly identified strategic management centre that can establish strategic objectives and impose them on all players, together with a single budgetary mandate and a “principal operator” to harmonise the deployment of human resources and aid instruments. In redesigning its system, France should seek to reflect the real priority accorded to development co-operation by positioning the system's senior policymaking institution in such a way as to rally the various agencies around a clear vision. The strengthening of the AFD as the key operator should be accompanied by further attention to its organisation, its human resources and its operating procedures, as well as to its legal status, recognising that the co-operation agency must be accountable to the political level responsible for strategic leadership. Within the DAC there are many models, and France could find these examples useful in defining its own system.

The French aid system embraces many other players, in particular non-governmental organisations (NGOs), research institutes, and decentralised co-operation agencies, with which French co-operation could work more closely. This would require the establishment of stronger strategic and

operational partnerships, reflected in greater co-ordination in the field. Specifically, the DAC encourages France to increase significantly the portion of ODA allocated through NGOs, as it has undertaken to do, and to draw greater advantage from the resource they represent, particularly in the poorest and most fragile countries. At the same time, there are some 3 250 local governments engaged in decentralised co-operation projects. This rich profusion is valuable in terms of mobilising development efforts, but it translates into a proliferation of stakeholders and projects in some partner countries, for an often very limited financial commitment, with the exception of a few regional councils. To make this support more efficient and effective, France could encourage greater reliance on common approaches and procedures and the search for synergies among players.

**Improve aid management**

*Make further improvements to aid programming.* Since the last DAC review there have been three major innovations that should help France to programme its aid more strategically. These are: (i) implementation of the 2006 Institutional Act on Financial Legislation (LOLF) which, together with the cross-cutting policy document, brings greater transparency to co-operation policy; (ii) the introduction of the Framework Partnership Documents (DCP) in 2004, intended to guide French co-operation in partner countries over a five-year period; and (iii) the Strategic Guidance and Programming Conference (COSP), which meets to validate an indicative programming schedule for funds allocated to each country and to review the portfolio of operations. These mechanisms are an essential starting point, and they should be further strengthened in coming years as a way of instituting strategic aid programming reflecting France’s co-operation objectives and the priorities established in the DCPs.

*Strengthen management from the field.* France has a very extensive network for diplomacy and co-operation, and there are often several institutions active in partner countries. Management of French aid in the field is essentially shared between the Co-operation and Cultural Action Office (SCAC) and the AFD, under the overall co-ordination of the ambassador. Yet each player retains a broad degree of independence and works according to its own modalities and procedures, in sectors that sometimes overlap. For the most part, the AFD and the SCAC maintain parallel working communications between the field and Paris. France could usefully reform its field arrangements in order to enhance efficiency and to facilitate alignment and harmonisation. It should take into account the following aspects: (i) further transfer of operations to AFD; (ii) inclusion in the DCP of programming frameworks and strategic tools for all public players (research centres, decentralised co-operation institutions etc.) active in the field; and (iii) more delegation of powers to the field for managing and delivering aid.

*Maintain and renew the pool of human resources.* France has a great wealth of competent and committed personnel in the field of development. The three main institutional players employ some 2 600 people, in addition to 1 200 technical assistants. Institutional compartmentalisation, however, is such that these resources do not function as an integrated pool of expertise in the service of national development objectives. Moreover, there is no specific human resources policy for development co-operation. Various statutes apply, and some departments are clearly at risk of losing their qualified personnel. Consistent with its action plan for aid effectiveness, France should take steps to upgrade development expertise in its human resource management and to adapt staffing profiles to the new skills required. At the same time, France would do well to strive for greater complementarity among development experts within the system, and with other European or international donors; to offer adequate incentives in support of decentralisation and implementation of the aid effectiveness agenda; and to encourage greater reliance on local managers.
**Strengthen results-based management.** A performance culture is taking root at all levels of the French administration, as can be seen in the introduction through the LOLF of results-based management tools, the reinforcement of evaluation units, and the implementation of new methodological tools. Further progress is needed, however, in particular the introduction of performance indicators in the DCPs and the establishment of interim and final evaluations. The results of these evaluations should also be used more systematically as strategic input for the decision makers, at both the technical and the political levels. AFD’s initiatives to capitalise knowledge could point the way.

**Recommendations**

- To make its system more efficient, France should pursue the institutional rationalisation of co-operation, by combining a clearly identified strategic management centre, a single budgetary mandate, and a principal operator, and amending the status of institutional players accordingly. In the field, the redesigned operational system should allow for greater integration of the strategic frameworks and tools of the various players, and to decentralise decision-making more thoroughly to the local level.

- France should make further improvements to its aid programming mechanisms, in order to have available a strategic, medium-term programming tool that reflects the objectives of French co-operation and is consistent with the priorities established in the DCPs.

- The DAC encourages France to make more use of NGOs as a resource and congratulates France for its commitment to increase the share of ODA allocated through NGOs.

- France should define a comprehensive strategy for staff working in the field of development co-operation, in order to foster greater complementarity between specialists within the system and with its partners. It should regularly review the profile of its specialists in line with trends in the responsibilities of French development co-operation.

- The DAC encourages France to pursue its efforts to institute a results-based management system and to strengthen “learning through doing” by systematically using the results of evaluations as input to the programming process.

**Practices for enhancing impact**

**Deliver aid effectively**

In order to give effect to its commitments under the March 2005 Paris Declaration, France adopted an aid effectiveness action plan in December 2006. However, it has been hesitant in implementing that plan, and the 2006 *Survey on Monitoring the Paris Declaration* conveys a mixed image of the French performance. France has committed itself essentially on two fronts: strengthening governance in partner countries to ensure proper aid management, and advocating greater inter-donor co-ordination, with active support for formulating the EU Code of Conduct on Division of Labour in Development Policy. France favours the project approach and is little involved in general budgetary support (which accounted for 3.8% of programmable bilateral aid in 2006). It champions the principle of a multifaceted approach to aid management, one that is flexible enough to adapt the full panoply of aid instruments to different settings, and one that is not limited to the governmental domain covered by the Paris Declaration. Some key changes are needed, however, requiring strong political will, if French aid is to be more open to ownership, alignment and harmonisation. This exercise is made more complex by the historical and cultural legacy (particularly in terms of its impact on the nature of
bilateral relations), the institutional fragmentation of the co-operation system, and budgetary procedures that make the management of each aid instrument rigid.

The aid effectiveness action plan should be the driving force in improving conditions for implementing the Paris commitments. In particular, as noted above, France should move ahead with the renewal of its programming process, begun in 2004, by strengthening the partnership aspect and enhancing ownership of the DCP by the partner country, and by linking that exercise more closely to resource programming, in order to make aid more predictable. Promoting ownership and alignment also requires reviewing the ways in which the national partner is associated with implementation of projects and programmes contained in the DCP. Moreover, France should re-examine its intervention modalities and, if necessary, revise them so that they can be integrated more readily into the sector approaches, consistent with the objectives of the Paris Declaration. France could also pay more attention to the division of labour, both in terms of geographic concentration on certain countries and, within those countries, the selection of sectors of concentration. In the field, there are still few examples of French participation in delegated partnerships, particularly those where France is a “silent partner”.

France is seeking to shift the nature of its relations with the governments of some partner countries where its colonial history still weighs heavily, by involving new donors. In these countries, France is therefore reluctant to accept the role of leader, which its expertise might entitle it to play, within the donor community. It should ensure that the renewal of bilateral relations encourages a dialogue that embraces all donors, without avoiding its own responsibility. In close consultation with the donor community in each country, France could examine just what its role should be, given each party's comparative advantages.

Learn from experience with priority issues

Strengthen national capacities

France has a long tradition of supporting national capacity building through training, technical co-operation projects, and institutional support. France has no global strategy for capacity building, but it is aware of the need to adapt its tools and to approach this dimension as a cross-cutting concern. Thus, there is major emphasis on capacity building both in the aid effectiveness action plan and in France’s governance strategy. The latter calls for a global approach that takes into account the need to strengthen the capacities of all local players and to foster interaction between stakeholders and institutions. Pursuit of this governance strategy could allow France to continue its support on the institutional front (public service reform, improved fiscal management) while exploring other approaches to capacity building (use of local experts and South-South co-operation, greater complementarity between the public and private sectors) and taking greater account of the efforts of players such as decentralised co-operation agencies and civil society organisations, including immigrants’ associations.

In the field, France has long had a high profile in capacity building, through its important technical assistance presence. Staffing has now been cut back, and technical assistance is provided increasingly in the form of targeted, short-term expertise. France should press ahead with this repositioning of technical assistance in order to promote the development of local expertise and integrate it more thoroughly into joint approaches to capacity building that will encourage ownership and reduce the risks of substitution.

France could usefully formulate a framework strategy that embraces all its priorities and establishes operational guidelines together with progress indicators in the field of capacity building.
Such guidelines should apply to all players to ensure the relevance, coherence and complementarity of their interventions. They should be established on the basis of the results of perception surveys and impact evaluations of the various approaches to capacity building. Therefore, France should reinforce its evaluation effort and capitalise on its actions in this field.

Conflict, peace, security and fragile states

France has long and broad experience with fragile partner countries, and it has given much thought to the most effective forms of aid in such settings, both internally and within the DAC. That thinking was distilled in 2007 in a French position document on “Fragile States and Situations of Fragility”, and preparation of a diagnostic tool, the Grille de lecture des fragilités (“Fragilities Grid”). France’s approach is to create an environment conducive to reducing poverty and fostering sustainable development, by restoring the legitimacy of the State and rehabilitating the deteriorated relationship between the State and civil society. Like other donors, France faces problems in putting these ideas into effect. Moreover, in some countries classed as “aid orphans”, France finds itself as virtually the only bilateral donor, and faces the challenge of avoiding dependency and guiding the donor community when it returns to these neglected countries. Consequently, as suggested in the document on fragile states, France will have to remain involved in situations characterised by weak performance, and to differentiate its approach country by country.

Given its major involvement in fragile states, France should consider ways to strengthen inter-ministerial co-operation, both at the strategic level, in defining guidelines for government action in fragile states, and at the direct operational level. This could be done by establishing formal financing structures and mechanisms involving the entire administration, and ensuring that interventions are coherent, which is essential when it comes to reforming the security sector. To this end, France could continue to draw upon the tools developed by the DAC in this field.

With respect to tools, France should consider ways of making the DCP mechanism more flexible in fragile states and to include the humanitarian dimension. In other countries, it could use its “Fragility Grid” to make programming sensitive to conflicts in the process of formulating the DCP, and to strengthen its capacity to monitor and adapt programmes as the context evolves. France should also profile and position its technical assistance so that, to the extent possible, it will no longer rely on substitution to address institutional capacity shortcomings. France is also advised to consider the means at its disposal for building civil society, which is bound to become a key element of its programmes, according to the positioning document. Finally, the DAC encourages France to strengthen its support for multilateral programmes in fragile states, in playing a more active role in international forums and in developing joint strategies with international agencies.

Recommendations

- France is invited to establish a schedule and to make appropriate provisions to implement its aid effectiveness action plan. In particular, it should reinforce the partnership nature of the DCP and take the operational steps necessary to use the most appropriate means, including general or sectoral budgetary support, within its bilateral aid and pay greater heed to the division of labour among donors.

- The DAC encourages France to play a leading role in partner countries where it enjoys a special relationship, working in close consultation with the other donors and taking into account its comparative advantage.

- The DAC encourages France to capitalise on its experience with capacity building in order to establish a framework in this area that combines institutional support for strengthening
public systems—essential if the impact is to be lasting—with other forms of capacity building.

- The DAC appreciates the key role that France plays in many fragile states. It encourages France to step up inter-ministerial collaboration on issues relating to the fragility of states, both at headquarters and in the field in order to better combine the different approaches and tools, particularly when it comes to reforming the security sector, and to adapt the DCP procedures to achieve the greater flexibility needed in unstable situations.

**Humanitarian action**

France was one of the first countries to endorse the Principles and Good Practice of Humanitarian Donorship in Stockholm in June 2003. It is considered a reliable donor and one that is engaged in the field, and it participates actively in the various forums dealing with humanitarian aid. A high proportion of its humanitarian aid is not earmarked in advance, and this facilitates an appropriate response to emergencies. France is currently preparing a plan to align its action with the Stockholm principles. From this perspective, the DAC invites France to take into consideration the following aspects.

France would be well advised to adopt a general policy statement on humanitarian action, setting out the objectives and the strategy for humanitarian aid and covering all players and all resources. This could lead to a strategic framework that would integrate these strategic orientations into the systems and procedures of French aid. As well, given France's role within the international humanitarian community and the universal scope it gives to its humanitarian action in the name of humanity and solidarity, the overall amounts allocated to the sector appear modest. In fact, with 1% of bilateral aid allocated to humanitarian assistance in 2005-06, it is well below the DAC average (8%). However, these amounts are to some extent underestimated, and should be more accurately assessed. In this light, France should consider increasing the volume of aid allocated to humanitarian action, as the Stockholm principles call for sharing the humanitarian effort among donors.

In institutional terms, support for humanitarian action is divided among three funding windows managed by different divisions within the Ministry of Foreign and European Affairs. Other institutions deal with prevention, early warning and transition aspects. France could rationalise the management of humanitarian aid by consolidating responsibilities within a single division. As well, it could review institutional arrangements and funding procedures to integrate development assistance and humanitarian aid more closely and achieve greater continuity. This effort should be reflected operationally by incorporating crisis prevention and mitigation activities into the DCP, in order to keep a close link between humanitarian and development components in the programming of aid. The evaluations should also be taken into greater account in defining the programmes, as was the case with the French response to the Indian Ocean tsunami.

**Recommendations**

- The DAC invites France to formulate a general policy statement defining the strategic objectives and priorities of government humanitarian action, as well as an implementation plan.
- France should consolidate institutional responsibility for managing the response to humanitarian emergencies, and examine ways of articulating it with development assistance.
SECRETARIAT REPORT

Chapter 1

Strategic Orientations

A major player in development assistance...

France is one of the world's leading providers of development co-operation, claiming third place in the 2007 DAC ranking with USD 9.94 billion of official development assistance (ODA). In addition to its extensive efforts in favour of peace and security, over the last four years France has been one of the drivers on the international scene in key areas such as development financing and involvement in fragile States. It has also taken innovative approaches which contribute to international thinking about development, especially in relation to regional support and emphasis on global public goods.

Which benefits from advantages linked to its history

France has close and historical links with many partner countries, not only political and economic but also in development co-operation, monetary co-operation and defence. In most countries of French-speaking Africa, a common language and currency and multiple exchanges between civil society organisations combine with institutional relations to create links at many different levels. These links are assets. In domestic terms, they are reflected in the strength of French society's commitment to support for development. In external terms, they mean that France can call on an extensive international network and combine a range of approaches to development assistance. For example, being able to couple military co-operation with development co-operation as a result of bilateral agreements concluded with many countries, especially in Africa, has proved crucial in several countries in crisis. France's role in European construction – it will be president of the European Union in the second half of 2008 – and its permanent seat on the United Nations Security Council also give it both more weight and greater responsibility.

While the heritage of the past is an advantage, its imprint continues to mark the entire co-operation system, to a certain extent making it difficult to manipulate. Elements such as the geographical and sectoral priorities of French co-operation, an institutional system which brings together a wide range of players in a complex mesh, the channels for assistance and the nature of partnerships all reflect the influence of history in a system that needs to be adapted to the requirements of the new international context of development assistance.

Real advances since 2004

France has made real advances in key areas since the last peer review (Annex A). The new Institutional Act on Financial Legislation (LOLF), which came into effect in 2006, makes official
action in favour of development co-operation significantly more transparent and paves the way for a results-based approach. France's overall development policy and its budget implications are henceforth presented in a single, cross-cutting policy document that accompanies the Budget Act each year and contains qualitative and quantitative progress indicators (Chapter 4). Other tangible examples of progress include the establishment of new sources of development finance and a continuing strong commitment to multilateral initiatives (Chapter 3), a greater role for the Interministerial Committee for International Cooperation and Development (CICID), the introduction of partnership framework documents and the framing of sectoral strategies (Chapter 4), and the development of a policy on fragile States (Chapter 6).

The examiners invite France to keep up its efforts in order to continue playing its part on the international scene. To do so, in addition to complying with its international commitments concerning the amount of aid, it must adapt to the new international context of development assistance and improve its efficiency. That implies continuing to rationalise its institutional development assistance system and taking a more strategic approach to co-operation. France can draw on the desire for reform expressed by the Head of State, reflected inter alia in a general review of public policies (RGPP) and a foreign policy White Paper, both processes to be completed in the spring of 2008. As regards development assistance policy, the RGPP focuses on the following five priorities: i) completing existing steering tools; ii) targeting assistance more precisely; iii) completing the reform of the institutional system; iv) identifying opportunities for leverage, especially through innovative financing; v) helping to frame a European policy that co-ordinates action taken by Member States.

A complex institutional system despite reforms

The institutional reform begun in 1998 resulted in the integration of the staff of the former ministry of Co-operation into the Ministry of Foreign Affairs, the establishment of an interministerial committee (CICID) and the designation of the French Development Agency (AFD) as a “pivotal operator”. Further reforms were carried out in 2004-05, but about a third of bilateral assistance commitments were still being delivered by players other than the AFD in 2006. Efforts to reform the system must continue, especially in order to clarify responsibilities in the strategic management of French assistance and complete the transfer of operational competence to the AFD. That will mean reviewing the functions and status of the key players which are, apart from the AFD, the Directorate-General for International Co-operation and Development (DGCID) at the Ministry of Foreign and European Affairs (MAEE) and the Treasury and Economic Policy General Directorate (DGTPE) at the Ministry of the Economy, Finance and Employment (MINEFE). It will also imply adjustments to the French assistance mechanism on the ground, currently dispersed between embassy Co-operation and Cultural Action Departments (SCAC) and local AFD offices.

The general review of public policies must be grasped as an opportunity to complete this rationalisation of the system, where necessary casting off the inheritance of the past. The system's complexity is partly due to the stacking-up of structures created successively (Figure 1). It is also due to the fact that there is no central government department devoted exclusively to official development assistance. The various co-ordination mechanisms introduced to ensure overall coherence create a culture of consensus; while it enables the different institutions to find real synergies, steps should also be taken to ensure that it does not curb innovation. They also generate high transaction costs. The reform should be carried out in such a way that possible cuts in administrative resources do not affect the quality of the co-operation programme (Chapters 4 and 5).
The need to step up strategic management of assistance

Among the recommendations of the 2004 review still to be implemented are those that require a more formal structuring of strategic guidelines (Annex A). There is a need for greater clarification of assistance objectives and how they are reflected in geographical and sectoral strategies, both bilateral and multilateral. Objectives for greater policy coherence for development could also be defined more precisely (Chapter 2). When revising its strategic approach to development assistance, France will have to consider where it can add value in the new international context. The allocation of tasks within the framework of the European code of conduct, to which France is actively committed, is particularly relevant in this regard (Chapter 5).

Figure 1. Chart of the French institutional system in 2007

![Diagram of the French institutional system in 2007]

Clarifying assistance objectives

CICID, the interministerial co-operation and development committee, defines priorities for French development assistance policy. Inter alia, it sets guidelines for the objectives and terms of international co-operation policy and ODA. However, the minutes of conclusions of CICID meetings do not give a comprehensive overview of France’s development assistance policy. Consequently, apart from the cross-cutting policy document annexed to the Budget Act, there is no strategic document that sets out co-operation policy and explicitly defines its objectives.

It is nevertheless clear, as the integration of co-operation into the Ministry of Foreign and European Affairs suggests, and as the Minister of Foreign and European Affairs said in his speech to

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2 The minister responsible for co-development has been co-secretary of CICID since the end of 2007, in the same way as MAEE and MINEFE, and is due to take a seat on the board of the AFD in the near future.
ambassadors in August 2007, that development assistance is an “essential aspect” of French diplomacy (Kouchner, 2007). The memorandum submitted by the French authorities to DAC on 20 February 2008, referred to below as the “Memorandum”, states that “going beyond the rationale of solidarity alone, illustrated by the Millennium Development Goals or greater fairness in world trade, ODA also corresponds to the crucial objectives of better global governance, risk management and prevention for the benefit of the entire international community”. As described in the cross-cutting policy document and the minutes of CICID meetings, growth, poverty reduction and access to global public goods are the three major objectives pursued (Box 1). However, these objectives are then translated into a whole range of sectors and types of action, with no real assignment of strategic priorities.

Box 1. Main goals of French development policy

The 2008 cross-cutting policy document states that, in the 55 countries in France's priority solidarity zone, “the key aims of French development policy are to foster growth, reduce poverty and give easier access to global public goods, thus helping to achieve the Millennium Development Goals to 2015. These goals have been divided into nine sectors on which France is focusing most of its resources: education, water and sewage, health and the fight against AIDS, agriculture and food security, infrastructure development in sub-Saharan Africa, protection of the environment and biodiversity, development of the productive sector, governance, higher education and research [...] France must be able to respond to crisis situations of any sort (natural, military, political, etc.) as effectively as possible, by rapidly allocating suitable human and financial resources to the urgent needs of those affected [...] Outside the priority solidarity zone, France helps emerging countries in their transition by supporting their economic and human development. Technical, cultural, academic and scientific co-operation is the reflection of its policy of making the country concerned more attractive.”

Concerning recent policy guidelines, the cross-cutting policy document confirms CICID’s call in June 2006 to “promote and support the role of migrants in the development of their region of origin”. CICID also called for greater integration of global public goods into development strategy, with action targeting three priorities: combating transmissible and emerging diseases, combating climate change and preserving biodiversity.


Within the overall framework described above, each institution pursues specific objectives with the resources at its disposal. This complexity is perceived as a richness, since it means that several objectives can be pursued by combining different skills, with an offering suited to each country. Echoing this, in July 2007 the Minister of State for Co-operation invited French players to “move on from an approach which sees assistance merely as a gift and adopt an investment approach in which donors and recipients have joint responsibility” (Bockel, 2007). Thus, the DGTPPE links the financial and fiscal approach with ODA, while the AFD combines loans – soft or hard – and donations to provide a suitable response to those involved in development (central government, local government, firms, civil society, NGOs). The AFD sees itself as a financier of development and not merely a source of ODA. It aims to promote fair and sustainable development, with a clear emphasis on economic growth and private-sector development as well as on protecting global public goods, making best use of the instruments at its disposal. Like the AFD, the DGTPPE emphasises that development assistance cannot be reduced merely to transfers of public money. It spans a wide variety of approaches that need to be used in synergy for maximum effectiveness and impact. Bringing together three departments within the new DGTPPE has paved the way for better links between trade and development and between debt cancellation and lending policy.

However, tensions may arise between different objectives, reflected in incoherence between strategic approaches. There may also be some overlapping, not least as a result of the strengthening of the AFD’s strategy unit, which helps to inform thinking about the challenges of French ODA. In a fragmented system, it is all the more necessary for the strategic objectives of development assistance
to be defined at high level. The Minister of State for Cooperation remarked in July 2007 on the need to focus on the essential and to reach a common definition of a small number of clear priorities, meeting the five main challenges facing the human race: ecology, demography, rural development, governance and cultural and linguistic diversity (Bockel, 2007). The need to redefine the priorities and principles of co-operation is clearly stated in the mission letter sent by the President to the Minister for Foreign and European Affairs in August 2007 (MAEE, 2007). The minister is given the task of proposing “a new co-operation and development assistance policy based on the following essential principles:

- avoiding the dispersal of our resources and, on the contrary, focusing them on geographical and sectoral priorities. These should include Africa, of course, and the health, education and training sectors and sustainable development;
- defining development assistance, taking account of respect for democracy and the rule of law and of the fight against corruption in partner countries, giving priority to practical projects with visible results on the ground that are of direct use to the men and women who live in the countries we help;
- giving our diplomacy the tools and resources it lacks at present to make an effective bilateral or multilateral contribution to crisis resolution;
- monitoring the use of resources and evaluating the results achieved.”

The foundations have thus been laid for a fresh look at what French assistance is for. Such a review should produce a clear policy message concerning the medium-term objectives and strategy of development co-operation. This would make it possible to articulate the players’ missions more clearly and guide the allocation of overall financial and human resources in a more strategic way around a smaller number of countries, targeting the least developed countries as a priority with the aim of reducing poverty. A strategic vision of this sort is also essential in order to provide a basis for the general review of public policies and the resulting rationalisation of the system.

Translating sectoral and cross-cutting strategies into operational terms

The government, after consultation, has drawn up multi-year sectoral strategies in seven sectors: education, health and the fight against AIDS, water and sewage, agriculture and food security, protection of the environment and biodiversity, development of infrastructure in sub-Saharan Africa and development of the private sector. These strategies were validated in May 2005. Strategies have also been framed in three cross-cutting sectors: i) governance, with a strategy validated in 2006; ii) sustainable development, for which a national policy was defined in 2003, including a strand on poverty and international challenges relating to sustainable development; iii) gender equality, with a document containing strategic guidelines presented in December 2007. The strategies are updated at regular intervals and may be sub-divided into strands with a more specific focus. For example, strategic guidelines on combating desertification and land degradation, a strand of the environmental protection strategy, were validated in December 2006 and a new health strategy is being prepared. Likewise, the sustainable development strategy will be revised in 2008. It will benefit from an evaluation of French co-operation initiatives in favour of sustainable development, which was carried out in 2006 and led to the creation of a multi-player working group in 2007.

France could reap more benefit from strategic exercises of this kind by increasing coherence between strategies and by identifying methods and resources for putting them into practice and assessing their impact. A pragmatic approach has been taken to the translation of sectoral strategies into operational terms, *inter alia* through the AFD’s sectoral intervention framework, but it does not
cover all the components of French assistance and does not satisfactorily address the issue of how they connect with the identification of each country's sectoral priorities, which emerge from a dialogue with partner countries. France should think about drawing up an action plan for all sectoral and cross-cutting strategies, referring to the overall objectives of French co-operation and ensuring that the timetables and budget data proposed by the sectoral working groups are coherent. The plan would have to be translated into priorities and budget programming at national level. The resources to be mobilised for each partner country would then have to be defined in accordance with the partnership framework documents drawn up with the countries in the priority solidarity zone, which identify one to three focal sectors for French assistance in each country. These sectors must be established taking account of the country's needs, the positioning of other donors and France's comparative advantage, particularly with reference to the sectoral action plan. Particular attention will have to be paid to implementation of the new gender strategy, especially as the previous review already revealed that the programme gave insufficient consideration to this aspect (Box 2).

**Box 2. Giving greater consideration to gender issues in French co-operation**

The 2004 Peer Review revealed shortcomings in the cross-cutting consideration given to gender equality in French co-operation. Gender was included in the education and healthcare sectors but widely ignored in other areas, such as the productive sectors, calling into question the relevance, fairness and effectiveness of the policies implemented. For a number of years, France has also supported projects focusing on efforts to combat violence against women, the promotion of women's rights and capacity-building. However, since France does not use the "gender equality" marker, this effort is difficult to quantify. France has also sought to step up efforts to mainstream gender in its international co-operation. In March 2006, the Minister for Co-operation asked for gender equality to be given systematic consideration in co-operation actions, inter alia by including practical actions in partnership framework documents. A strategic planning document, drawn up with the active participation of the "Gender and Development" platform created by the ministry in 2006, was validated in December 2007.

The gender strategy guidelines define two objectives: i) to achieve profound and lasting changes in relations between men and women so that the fundamental rights and freedoms of both sexes are respected; and ii) to make development policies and programmes more effective, more relevant and more sustainable by incorporating a more precise sociological analysis of gender issues and the relations of power that define them. France takes a rights-based approach in the document, emphasising the defence of and respect for universal rights and the fight against discrimination. In doing so, it focuses on women as victims and does little to highlight the role of women as key players in development, which should complement the "victim" approach and could be a powerful vector of interest for the gender approach. This would be all the more important since the administration seems not to have gone very far in mainstreaming and taking ownership of the gender approach.

Implementing the gender strategic guidelines will imply identifying appropriate resources, on the basis of an action plan, including quantitative objectives, setting out the strategy and the institutional system. At present, the allocation and positioning of human resources are such that the gender approach cannot be given the necessary weight. The resources allocated to gender have been reduced recently and are minimal (the gender post at the AFD has been replaced by 20% of a full-time post at DGCID). The strategy calls for a gender focus within each institution, which will be responsible for setting up a network of correspondents to give impetus to implementation of the gender approach. This implies specific training, which should be incorporated into the training policy for central and field staff. New methodological tools also need to be prepared, to identify, frame and evaluate programmes. The "gender equality" marker would be helpful in measuring the strategy's impact.

**Enhancing regional approaches**

France has been able to take advantage of its development co-operation in many adjacent countries in Africa and Asia to roll out regional approaches that have proved to be relevant, since many problems facing developing countries can be solved only at regional level. The Congo Basin forests partnership, set up with the support of Germany and the United States, provides a regional response to the problem of managing natural resources common to riparian States. Likewise, France is...
seeking to combine its assistance instruments to help anchor the Central African Republic in its region (Annex E). Elsewhere, the establishment with UNESCO of the “Dakar pole” helps to support the education sector in 18 countries of sub-Saharan Africa. France is also seeking to amplify regional initiatives by supporting a large number of regional institutions.³ In western and central Africa, support for economic and monetary integration is provided through support for CFA franc zone institutions (Box 3). However, France needs to give fresh impetus to its efforts to co-ordinate its regional and bilateral co-operation, and the French authorities could consider an operational approach that would revive synergies between the two levels. France could also make greater use of its experience to promote the regional approach to other DAC Member States, as it did in connection with the fragile states approach.

Box 3. Regional monetary co-operation: the CFA franc zone

The CFA franc was created in 1945. At present, the monetary co-operation agreements between the Member States of the CFA franc zone are based on the three international treaties concluded between France and, respectively, the eight Member States of the West African Monetary Union, the six Member States of the Central African Monetary Union and the Comoros Union. The agreements were supplemented in 1994 by the treaties creating the West African Economic and Monetary Union (WAEMU) and the Central African Economic and Monetary Commission (CAEMC).

Monetary co-operation favours monetary and financial stability in CFA franc zone countries because of the fixed parities with the euro and the guarantee of convertibility of the two CFA francs and the Comorian franc. By removing exchange-rate risk within the zone and establishing a set of common rules and institutions, the CFA franc zone also fosters regional integration.

France guarantees the convertibility of CFA francs into euros without limit. In return, a portion of foreign currency reserves (50% for WAEMU and 60% for CAEMC) must be deposited in an operations account opened by each central bank with the Treasury. France pays a preferential interest rate on these mandatory deposits. The high rate of interest, not declared as ODA, generates substantial gains for the central banks. France also provides technical and financial support to CFA franc zone institutions, especially WAEMU and CAEMC (Annexes D and E).

Greater strategic involvement of Parliament and civil society organisations

Because of its power to adopt and monitor implementation of Budget Acts and to pass laws, Parliament can and does wield genuine influence over co-operation policy. The LOLF gives Parliament greater control over the budget, including development assistance. Each year, during budget discussions, the Foreign Affairs and Finance, Economy and Planning Committees submit detailed and substantiated reports on the provisions of the Budget Act relating to ODA. The committees hold in-depth discussions and hear the ministers concerned. Since 2007, these discussions may also be informed by the three reports submitted by the Court of Auditors to Parliament each year as required by the LOLF. The report on outcomes and budget management, for example, includes a section on ODA. The oversight and evaluation of external policies could be further increased by various technical measures relating to the clarity of budget documents and the timetable of parliamentary debates. The creation of a “parliamentary delegation for co-operation”, proposed by several members of Parliament and umbrella organisations for French NGOs, could also be helpful with a view to instituting parliamentary debate on the strategic directions of government policies relating to development, including their multilateral implications. The government could also think about ways of exposing members of parliament to ODA issues (e.g. through missions in partner

³ Like the New Partnership for African Development (NEPAD), AFRISTAT and the Inter-State Committee on Drought Control in the Sahel (CILSS).
countries) within the context of the new international assistance agenda. This would give them greater insight into the subject, since in many cases their first direct experience of development co-operation was decentralised co-operation, which emphasises a project-based approach with an important element of intercultural exchange.

Parliament also has to vote legislation on development co-operation. In July 2006, it adopted the “co-development savings account” through an amendment of the immigration and integration bill introduced by the Senate. More broadly, Parliament has the potential to play a key role in ensuring policy coherence for development, as illustrated in relation to the management of migration flows (Chapter 2).

Operational consultation with civil society is based on two commissions, one focusing on NGOs and the other on local authorities (Chapter 4). At strategic level, a High Council for International Co-operation (HCCI) was set up in 1999 under the aegis of the Prime Minister to permit consultation with public- and private-sector players and to enlist public support for development assistance. The High Council has helped to decompartmentalise thinking on development co-operation, but it is difficult to measure the extent of its influence, since its work is not included in the process for defining strategy. On 12 December 2007, the first Public Policy Modernisation Council announced the decision to replace the HCCI with a Strategic Council on ODA, intended as a forum for debate with civil society on the key options for development co-operation strategy. The Council’s membership and terms of reference, especially its relations with other strategic bodies like CICID, should be such as to favour wide-ranging and constructive dialogue about French co-operation policy as a whole. More systematic hearings of representatives of civil society in parliamentary budget discussions would also be welcome.

**Keeping the support of public opinion: still a hot issue**

*Strong public support for development assistance*

Until 2006, support for development assistance policy in French public opinion was tracked only through Eurostat’s Eurobarometers and annual surveys of French attitudes to the fight against hunger commissioned by the Catholic Committee against Hunger and for Development. Since 2006, the AFD has carried out a specific annual survey of the French and development assistance (AFD/IFOP, 2006 and 2007).

The surveys show strong support for development assistance among French people. In 2007, 83% thought that France plays an important role both in humanitarian aid and in development assistance, and 75% thought that it plays a major role just in development. Perceptions of the effectiveness of ODA are starting to improve (54% of French people believe it to be effective, compared with 49% in 2006), but confidence is still muted (42% doubt its effectiveness). This may be due to the fact that many French people are still largely ignorant of the public-sector players in French assistance (though the major NGOs are generally well-known) and in some cases still retain the image of a past where co-operation was considered to be subordinate to political interests and subject to corruption. French people are looking for greater transparency and want to be better informed, including on the funding of assistance. They often overestimate the amounts involved but want to see them maintained or even increased, despite the country’s budget difficulties. France is also one of the European countries whose population is least familiar with the Millennium Development Goals (MDGs). Eighty-eight per cent of French people have not heard of them and only 12% know of the concept and/or contents (Eurostat,

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4 Decentralised co-operation, recognised by law since 1992, includes twinning and external actions by French local authorities with partners in southern countries.
These figures are worse than those for northern Europe countries, where public money has been used to fund specific campaigns on the MDGs. However, French people have clear ideas about assistance priorities: 67% consider that combating poverty in sub-Saharan Africa is the priority.

**Continuing efforts to be made in development education**

Since 2004, France has made an effort to raise public awareness of development issues, both through its own authorities and by playing an active role in the Informal Network of DAC Development Communicators co-ordinated by the OECD. It has had a development communication and education strategy since June 2006.

- As far as communication is concerned, France is seeking to improve the visibility of its co-operation in France and around the world. To do so, it has launched a single “France Co-operation” logo and systematically proposes a common stand under the aegis of the Ministry of Foreign and European Affairs at major events like European Development Days, UN summits, etc. France is also seeking to increase media coverage of co-operation and to develop partnerships with television so that international solidarity projects can reach a wider audience. One example is the partnership with TV channel France 3 established in 2005 to pass on the message of International Solidarity Week. The AFD overhauled its communication policy in 2005 (AFD, 2007), focusing on the modernisation of its resources (website, support for the international blog Ideas for Development, etc.) and the promotion of its outputs, as illustrated by the international conference run with the European Development Research Network since 2003. These communication initiatives are a response to public expectations and should be continued, emphasising the results of ODA and new methods for delivering assistance.

- Action to improve development education has also been stepped up since 2006, as illustrated by the organisation in November 2006 of the first International Solidarity Exhibition, open to NGOs and young people, and the provision of financial support for the organisation of the Solidarity Exhibition in 2007 and 2008. Educating young people in international solidarity and development, especially at school, is a government priority that still needs to be fully implemented, in particular as regards the involvement of teachers and parents. The Ministry is also raising awareness of the MDGs, inter alia by launching an information campaign in 2008 and supporting the film that illustrates the eight MDGs. France is also providing EUR 17 million a year to help send some 2,500 international solidarity volunteers into the field.

French initiatives, which need to greater co-ordination, focus more on communication to increase players' visibility than on development education. The financial resources allocated to development education have increased, rising from EUR 4.6 million in 2004 to EUR 9.4 million in 2006, but are still small in relation to neighbouring countries (EUR 19 million in Belgium and EUR 64 million in the Netherlands in 2006). Representing about 0.11% of French assistance in 2006, this falls well short of the 3% recommended by the European Conferences on Public Awareness and Development Education for North-South Solidarity at Brussels (2005) and Helsinki (2006) (Concord, 2007a). France could take advantage of the new “European Consensus on Development: The Contribution of Development Education and Awareness Raising” launched at the European Development Days in Lisbon in 2007 to step up its action in this area. One opportunity for doing so will be the organisation

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5 www.ideas4development.org.
of the event in Strasbourg in November 2008, on the subject of local governance in connection with the MDGs.

Decentralised co-operation, together with the many NGOs working in humanitarian and development assistance, are powerful vectors for mobilising public support for development assistance. French NGOs have an important role to play in development education. It is one of their essential missions, complementing the fieldwork they do. They are beginning to involve their southern partners in awareness-raising initiatives and to work together to enhance the image of development education in the eyes of the public authorities. One illustration may be found in the creation in 2004, with support from the ministry, of the French platform for education in development and international solidarity, Educasol. The platform, an umbrella organisation for about thirty NGOs, stresses the evaluation of development education in order to improve its quality and impact. The ministry, through the mission to support the international action of NGOs, gives financial support to awareness-raising and development education projects. Mostly carried out by NGOs, though also by local authorities and trade unions, they were funded to the tune of EUR 3.1 million in 2006. France must continue to offer NGOs financial support in order to build their capacity to raise awareness of and mobilise support for development issues and could increase its funding of development education campaigns.

**Future considerations**

- France is invited to draw up a co-operation policy framework document clarifying the objectives and medium-term strategy and serving as a single reference for all the players involved in its development co-operation.

- France should consider drawing up an action plan for all sectoral and cross-cutting strategies, referring to the overall objectives of French co-operation and leading to the establishment of priorities that will be reflected in budget programming at national level.

- France is encouraged to implement the new gender strategic guidelines in order to mainstream gender in its development programmes. That implies identifying appropriate resources on the basis of an action plan setting out the strategy, the institutional implementation mechanism and indicators of results.

- France is invited to draw on its experience of regional co-operation to promote regional approaches – including support for regional integration and the strengthening of regional organisations – to the other DAC Member States.

- France should continue its efforts to increase public support for development assistance, *inter alia* by communicating more on the legitimacy and effectiveness of assistance and by building capacity for awareness-raising and mobilisation on development issues among members of civil society. France is encouraged to pursue further its dialogue with civil society, in terms of both strategic consultation and the aid effectiveness agenda.
Chapter 2
Policy Coherence for Development

A vision focusing on development policies and the promotion of common interests

The Minister of State for Co-operation has a brief to promote policy coherence for development within the Cabinet. The decree of assignment states that “he shall be consulted on public action and on any decision that may have an effect on the development of the countries concerned”. Despite this explicit mandate, France does not have a general policy framework that reflects the importance placed on development and provides a policy basis for structured interministerial work on matters relating to policy coherence for development. The 2008 cross-cutting policy document may refer explicitly to policy coherence but it is a technical document which carries little political weight.

France's understanding of policy coherence covers both coherence in support for countries' development and the enhancement of common North-South interests through the promotion of global public goods.

- On the quest for coherent support for development, the 2008 cross-cutting policy document refers to non-development-related policies which help to finance development, such as the tax-deductibility of private giving, promotion of the private sector and trade policy (Parliament, 2008). Efforts are made along these lines and the interministerial committee plays a key role in this area. For example, a more integrated approach to development research was introduced in 2006.

- The 2008 cross-cutting policy document also refers to the second strand of France's approach. “France favours a cooperative approach to globalisation, emphasising the importance of conceiving and producing global public goods that contribute to the common resolution of problems central to common North-South interests”, such as illegal financial transactions and sustainable development. In 2006, the interministerial committee decided to include global public goods in international co-operation policy through three priorities: combating transmissible diseases, combating climate change and preserving biodiversity (CICID, 2006a). In 2006, France actively supported the creation of Unitaid, an international drugs purchasing facility designed to give easier access to drugs to treat HIV/AIDS, malaria and tuberculosis in developing countries by providing predictable long-term financing. Likewise, France and Sweden have set up an international task force on global public goods.

This dual approach to policy coherence is intended to give a unified thrust to French assistance that includes the treatment of global issues. It emphasises the idea of shared interests. In doing so, however, it fails to take account of the true dimension of policy coherence for development, since it largely ignores the impact of its own public policies on developing countries. The cross-cutting document does not mention public policies where coherence for development ought to be sought, for
example in investment, migration policy, arms exports or the environment.  
In practice, the choices made in co-ordination forums do not always favour development. Importance was given to coherence in the reform of food aid, which has shifted from aid in kind managed by the Agriculture Ministry to financial assistance allocated to the World Food Programme, NGOs and states, preference being given to buying locally; but the short-term national interest has sometimes interfered in the process of defining French positions within the EU, especially in trade negotiations, as for example in rules on origin and the sugar and banana regimes).

Because the French political system is so highly centralised, with the Prime Minister and/or the President settling conflicts of interest between ministries, the support that may be forthcoming from the highest level of government is a crucial factor in drawing all the necessary attention to these issues. It is therefore important that France should make policy coherence for development an explicit government objective, as recommended in the 2004 review, based on a comprehensive understanding of coherence that spans all national sectoral policies. To do so, France should develop an institutional framework to analyse the coherence of its own sectoral policies. An initiative along these lines will also be relevant in the European framework, since the European Council asks for policy coherence objectives to be systematically incorporated into decision-taking processes and therefore calls on the presidency to continue efforts to ensure that development issues are taken into consideration in the relevant policy areas (Council of the European Union, 2007).

As in other countries, public debate on these issues is limited, especially in areas like agriculture, fishing and trade where there is a common European policy. In administrative terms, the issues are currently dealt with by the General Secretariat for European Affairs, which reports to the Prime Minister. However, they could be debated more widely, including by Parliament and civil society, which would help to inform French positions and influence domestic and European policy. The example of migration policy is illuminating on this point.

**An illustration: migration policy and co-operative development**

As in many other DAC countries, migration is a sensitive issue on France's domestic policy agenda. The growth in the importance of migration policy since 2006 is illustrated by the passing of three laws on immigration, the creation in 2007 of a Ministry for Immigration, Integration, National Identity and Co-Development and, on the international scene, by the projection of a proactive policy with the aim of persuading the 27 Member States to adopt a “European Pact on Immigration” in 2008 (Sarkozy, 2008a). At the same time, a closer link has been forged with the development co-operation agenda. A plenary session of the 15th Ambassadors’ Conference in 2007, chaired by the Ministers for Immigration and Co-operation, was devoted to “Common challenges of the concerted management of migratory flows, development policies and co-development”. Here, we shall consider the extent to which the French institutional system favours policy coherence in this area.

The new Ministry for Immigration, Integration, National Identity and Co-operative Development, which has had its own staff and budget since January 2008, has three main missions: i) to implement immigration and asylum policy with the aim of controlling immigration, combating illegal immigration and encouraging economic immigration; ii) implementing the policy of integration and access to French nationality; iii) promoting a policy of supportive development with countries of

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6 In 2007, France was 13th of the 21 countries in the Commitment to Development Index ranking on policy coherence for development. It was top in terms of technology transfers and 8th on the environment but only 17th on security and migration policy.

7 The term “co-development” was replaced by the term “co-operative development” in March 2008.
The objectives of the co-development programme are: i) to promote concerted management of migratory flows and co-development (the target being the conclusion of six concerted migration flow management agreements and four co-development agreements in 2008); and ii) to contribute to individual or collective projects by migrants in their country of origin. They are reflected in: i) multilateral assistance backed by the setting up of a trust fund with an international bank; ii) bilateral assistance for countries with which concerted migration flow management agreements have been concluded; iii) help with resettling migrants in their country of origin; and iv) help with actions for migrants in their country of origin through support for associations or co-financing with French local authorities. The objectives for 2008 are the realisation of 700 individual co-development projects financed in migrants’ countries of origin, for an average amount of EUR 7 150 each, and 30 collective co-development projects financed in migrants’ countries of origin for an average amount of EUR 37 500 each (APD Mission, 2008).

Some of the tools introduced are relevant and make it easier for migrants to support development in their region of origin. The facilitation of financial transfers is one, with the opening of a website designed to reduce the cost of financial transfers through greater transparency (www. envoidargent.fr); the promotion of microfinance is another. Structural support for migrant organisations, the creation of co-development savings accounts encouraging productive investment and the co-financing of collective projects carried out by migrants also facilitate local development. In Mali, the Tokten programme managed by UNDP and 30% co-financed by France enables Malian academics in France to use their skills in short-term assignments with Malian universities.

However, the cost-efficiency of certain projects seems low and their impact on local development may be queried. That is particularly true for projects to support the voluntary return of migrants. In Mali, beneficiaries have received up to EUR 4 000, a hundred times more than average total assistance per inhabitant. Apart from the fact that the imitation effect could encourage young Malians to emigrate, it can also cause problems in communities that have difficulty gaining access to funding. The aim should therefore be to give migrants their place without upsetting local balances. The primary objective of co-development aid must be the development of the partner country, which is the primary response to controlling migration flows. An evaluation of the co-development programme would therefore be timely, in order to measure the impact on development.

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**Box 4. Co-operative development: a programme with a symbolic aim**

In the early 2000s, France introduced a co-development approach, named “co-operative development” in March 2008, linking migration with development. The aim of the approach is to increase migrants’ contribution to development in their region of origin. It is based in particular on migrants’ transfers of funds, since an estimated EUR 8 billion a year is sent from France to non-EU countries of emigration, foremost among them Morocco, Senegal and Mali. Co-development was integrated into the ministry responsible for immigration policy in 2007, in response to two fundamental principles: i) the chosen and concerted immigration policy must take account of the interests of countries of origin as well as those of the host country; ii) development assistance policy for countries that are the source of immigration must be framed with regard to migration flows.

The amount of money allocated to the co-development programme is increasing, with funding appropriations rising from EUR 13 million in 2007 to EUR 29 million in 2008. At the same time, the number of target countries – migrants’ countries of origin – rose from four in 2006 to 13 in 2007 and 20 in 2008. However, co-development represents only a tiny fraction of the ministry’s budget, since funding of EUR 605 million was allocated to its other two programmes in 2008. It also represents a tiny fraction of France’s bilateral aid: 1% to 2% of programmable bilateral aid. The amounts allocated to co-development are also small in relation to the amount of financial transfers made by migrants. The Malian community in France transfers over EUR 200 million a year to Mali (the AIDB gave an estimate of EUR 205 million in 2005), 70% of it in direct family support. In comparison, the co-development FSP (priority solidarity fund) for Mali over the period 2003-05 amounted to EUR 2.6 million, plus EUR 900,000 contributed by the Malian diaspora in France.

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The creation of the ministry is specifically presented as favouring the quest for policy coherence. As the Memorandum states, “it paves the way for closer interministerial dialogue by allowing for a link between migration control policy and development assistance policy”. This was given practical expression in a decree of 22 November 2007 giving the Minister for Immigration and Co-Development a seat on CICID at the same level as the Minister of State for Co-operation and the Minister of the Economy and Finance. However, CICID is not an instrument of policy coherence for development but a means of co-ordinating French development assistance. When CICID considered the issue of international migration and development in June 2006, it did so from a co-development standpoint, i.e. how French co-operation can support migrants’ initiatives in favour of their home country (development actions, facilitation of fund transfers, mobility assistance and the mobilisation of expertise). CICID has never considered the examination of current legislation on migratory flows to be part of its brief. Another committee, the interministerial committee on immigration control (CICI), considers immigration policy issues. Its general secretariat is provided by the secretary general of the Ministry of Immigration, Integration, National Identity and Co-operative Development, who organises interministerial meetings to prepare agreements on concerted management of migratory flows. The Director General of International Co-operation and Development is not one of the 17 directors of central government departments who are ex officio members of the CICI’s committee of directors, but regularly takes part in the committee's work. The fact that treatment of the same issue may be dispersed among different authorities according to their viewpoint can undermine the quest for a coherent overall approach.

In January 2008, the Minister for Immigration announced the creation of a working group to consider a constitutional amendment allowing for the introduction of a quota policy. The working group, made up of suitably qualified personalities, is due to report in April 2008. While it may be useful to bring together people from different backgrounds to provide input when policy is being framed, France could use an existing permanent body, involving the different ministries concerned and other qualified players, to monitor and evaluate migration policy measures, including the impact of such measures on partner countries' development. Likewise, Parliament should play a greater role in monitoring the policy. The minister’s proposal to institute an annual debate on migration policy in Parliament is a step forward in this regard.

The OECD considers that migration can help to combat global poverty and asks its members to give greater consideration to the impact of their migration policies on development (OECD, 2007a). France is committed to research in this area, as shown for example by the fourth annual conference on migration and development organised by the AFD and the European Development Network in November 2006. The aim of the conference was to examine the links between migration, trade, investment and assistance, the brain drain and migrants' transfers of resources (AFD/EUDN, 2007). It would be helpful if this research could better inform public debate on migration policy.

Organisational approach focusing on co-ordination and targeting Europe

France does not have an institutional system devoted explicitly to policy coherence for development. However, it has strengthened mechanisms to co-ordinate French positions in the European framework and with regard to development assistance co-ordination. The internal coherence of action by institutional players has been strengthened since 2005-06 by the creation of the General

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8. A representative of the Ministry of Immigration, Integration, National Identity and Co-operative Development will shortly take a seat on the board of the AFD.

9. The policy would differentiate economic migrants according to their country of origin and profession (radio interview with the Immigration Minister on Europe 1, 20 January 2008).
Secretariat for European Affairs and the more proactive role taken by CICID, together with certain institutional adjustments. For example, a post of trade and development advisor has been created at DGTE and the development directorate and policy directorates are encouraged to work together. The DGTE covers the economic, monetary and development co-operation dimensions with partner States, meaning that trade and development issues can be considered together. The new method for preparing Budget Acts also requires greater co-ordination between the institutional players involved in development.

The General Secretariat for European Affairs is the Prime Minister's department responsible for co-ordinating ministries' activity on issues relating to the European Union and the OECD. It acts as the interface between French and European institutions in all EU spheres of activity (except the common foreign and security policy), including development co-operation, and guarantees the coherence and unity of the French position within such bodies. The interministerial co-ordination mechanism is therefore operational as regards the preparation of France's strategic positions within the EU. The value added by CICID and the Strategic Orientation and Programming Conference as co-ordination forums for the main institutional players involved in co-operation is widely acknowledged.

Efforts are therefore being made to establish and activate mechanisms for co-ordination between or within ministries. However, their mere existence does not guarantee the policy coherence for development because that is not their explicit brief. That is the case with CICID. It has been considering coherence issues since 2006, though on an ad hoc basis and to a limited extent. Thus, the committee has tackled questions like global public goods, governance, higher education and research from a co-ordination standpoint and has looked at the subject of international migration through the prism of co-operation.

As illustrated in the case of migration, the government's institutional response to a specific problem is generally to set up an ad hoc committee to look at the issue and come up with answers. This has the drawback of not emphasising the monitoring and evaluation of recommended measures. Lasting systems need to be created for that purpose. A stronger CICID, with the support of its secretariat, could be a locus for the systematic examination of policy coherence issues, insofar as it brings together all ministerial departments that have a connection with development. In all events, whether through CICID or not, France should identify an interministerial structure capable of being given an explicit brief to promote policy coherence for development. The structure should be strong enough to defend solid positions on sensitive issues like trade and security.

The capacity for analysis and research is important in order to inform interministerial dialogue and ensure that France is able to assert positions favourable to policy coherence for development. Programmes of work bringing together different players around the same issue have been established, for example on support for African farming and the impact on European policies with the Ministry of Agriculture, the AFD, the International Fund for Agricultural Development and the OECD, and on farm trade with the World Bank, the AFD and CIRAD (International Cooperation Centre of Agricultural Research for Development). The Ministry of Foreign and European Affairs also heads up informal networks on specific issues like the environment and trade, involving players in French co-operation who are able to provide technical input. However, specific capacity remains small at the present time and France should increase its capacity for analysis of policy coherence in order to give the Minister of State for Co-Operation the tools that enable him to assert the policy coherence standpoint in discussions between ministers. In doing so, France could take more advantage of the research carried out by the AFD and development research centres and by civil society institutions.

Similarly, France could do more to set its effort in a European context by using existing capacity within the European Commission, which defined 12 priorities for policy coherence in 2005, and by
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continuing its active involvement in the informal forum for exchange and information on policy coherence created in 2003. This may be particularly useful for monitoring and evaluating action. France played an active part in work on European mechanisms for promoting policy coherence for development in 2007 (ECDPM, 2007) and contributed to the progress made by Member States in this area (European Commission, 2007). It is important now to establish a framework for the debate in France through reports on policy coherence, which could be achieved by means of a special section in the report on annual performance based on the cross-cutting policy document or the preparation of a specific annual report to parliament.

**Future considerations**

- France is invited to promote policy coherence for development through a clear policy commitment based on a comprehensive understanding of coherence that spans all national sectoral policies. The commitment could be supported by a wider public debate, including on issues related to EU policies.

- The government should give a precise mandate on policy coherence for development to a permanent structure operating at an appropriate level. The structure would be tasked with conducting a systematic analysis of issues relating to policy coherence for development when sectoral policies are examined. It would also be tasked with monitoring and evaluating the impact of these policies and their coherence with French co-operation objectives.

- France should increase its capacities for analysis and monitoring in this area while making full use of existing competencies in France, at the European Commission and among its international partners.
Chapter 3
ODA Volume, Channels and Allocations

Aid volume

Current level and trend of ODA volume

According to preliminary data received by the DAC, French ODA stood at USD 9.94 billion in 2007, ranking France third among DAC member countries. After declining overall during the 1990s, the volume of French aid has risen significantly and steadily since 2000, reflecting political commitments to increase aid (Table B.1): the share of ODA in French GNI rose from 0.30% in 2000 to 0.41% in 2004 and to 0.47% in 2005 and 2006.

The year 2007 saw a break in this trend. Aid volume retreated in real terms, vis-à-vis 2006, when it amounted to USD 10.6 billion, and the ODA/GNI ratio dropped from 0.47% in 2006 to 0.39% in 2007. While this performance places France first among G-7 countries, it ranks 11th among DAC countries, below the DAC country average, estimated at 0.45%.

Can France achieve its stated aid targets?

At the 2002 Monterrey Conference, France gave a Presidential commitment to increase its ODA effort so as to reach 0.5% of GNI in 2007 and 0.7% by 2012. It was thus the first G7 country to announce publicly a schedule for moving towards the United Nations aid target of 0.7% of gross national income. However, France did not meet the target it had set for 2007, and the government recently postponed to 2015 its commitment for reaching 0.7% of GNI, in line with the collective undertaking of European Union members.

It seems in fact that it will be difficult to achieve even the interim objective of 0.51% set by the European Union for 2010. To reach the short- and medium-term objectives, ODA would have to rise by more than EUR 1 billion each year to 2015. Yet in 2007, ODA spending fell short of the level forecast in the 2008 draft budget, according to which it would have amounted to 0.42% of GNI (down from 0.47% in 2006). The 2008 budget calls for increasing ODA by nearly EUR 1 billion over 2007, primarily on the basis of planned debt cancellation (a portion of which would be carried forward from 2007), but this cannot be regarded as certain. Moreover, government forecasts released in March 2008 show that France is facing severe budgetary constraints: its fiscal deficit exceeded 2.4% of GDP in 2007 whereas it is committed to achieving fiscal balance by 2010, if growth permits, and at latest by 2012. It is essential, then, for France to plan for the funding that will be needed to fulfil its international commitments. To this end, it will need to take account of the following factors: debt relief; new financing mechanisms; the use of concessional loans; and the eligibility of certain ODA uses.
Debt cancellation

As chair of the Paris Club, France has made a considerable effort at debt relief for developing countries over the last decade, most importantly for Nigeria (2005-06) and Iraq (2005-08). Between 2001 and 2006, annual debt cancellation increased by a factor of seven, from EUR 366 million to EUR 2.7 billion, and estimates for 2007 and 2008 are for EUR 1.3 billion and EUR 2.02 billion respectively. Over this time, France has continued to implement “debt relief and development contracts” (C2D) for funding poverty reduction programmes (Box 5). Debt relief represented 41% of France’s bilateral ODA in 2005-06 (Table B.5). Debt cancellation operations will decline swiftly, and it is therefore essential to begin planning now for the resources that must be mobilised to offset this decline and to keep ODA on an upward track.

Box 5. Debt Relief and Development Contracts (C2D)

The Debt Relief and Development Contract (C2D) is an additional mechanism for addressing debt issues under the HIPC initiative: it allows all remaining ODA maturities to be refinanced through grants, once the country concerned reaches the completion point. The grants are earmarked for poverty reduction programmes selected by mutual agreement with the partner country, in seven priority sectors, consistent with the guidelines in the Poverty Reduction Strategy Papers and with French priorities (education, water and sanitation, health and AIDS control, agriculture and food security, infrastructure development, environmental protection, and productive development). These grants generally take the form of global budgetary assistance and sectoral assistance, and they represent a foreseeable financing volume of around EUR 3.7 billion.

Around 20 countries have signed C2D agreements with France, or are eligible to do so. Nine of those countries, having reached the HIPC completion point, had already signed a first or even a second C2D between 2001 and 2006. With EUR 537 million over the period 2006-2011, the Cameroon C2D represents the most important official development assistance programme that France has yet signed.

New financing mechanisms

To pave the way for expanding its aid effort, France has been giving consideration since 2002 to the creation of new mechanisms for financing international assistance and mobilising the international community. Innovative approaches already under way include the following:

i. The “International Solidarity Tax” on airline tickets, launched in France in 2006, revenues from which, currently amounting to some EUR 160 million (USD 225 million), go essentially to financing the international drug purchases facility, UNITAID. France has not to date counted these funds as ODA.

ii. The International Finance Facility for Immunisation (IFFIm), launched in 2006 by the United Kingdom and France, attempts to raise non-ODA funds on capital markets to support programmes of the Global Alliance for Vaccination and Immunisation (GAVI). The French contribution to repayment of loans amounts to EUR 1.29 billion between 2007 and 2026 (the first tranche of which is covered by the airline ticket tax, up to 10% of its annual proceeds, with a state guarantee to pay any outstanding balance if those revenues are not sufficient).
iii. The Oudin-Santini law\textsuperscript{10} of 2005, which allows French municipalities to use up to 1% of their water and sanitation budgets for decentralised co-operation activities in these fields. This activity currently amounts to about EUR 15 million a year.

Taken as a whole, these measures now represent a welcome if modest contribution to overall French ODA

*The grants-loans debate*

In contrast to most other DAC member countries, France has been steadily increasing the volume of concessional loans and their share within ODA. At EUR 1 226 billion in 2006, loans represented two-thirds of France's programmable ODA flows in that year. The loans are made by AFD, and are targeted primarily at middle-income countries, where they are used for projects in infrastructure and urban development, environment and the productive sector. The share of non-sovereign loans, allocated to private enterprises or municipal governments, is rising. AFD also makes loans to some low-income countries, such as Senegal and Burkina Faso, recognising that these countries are at low risk of becoming over-indebted according to the “Debt Sustainability Framework” developed by the Bretton Woods institutions to avoid the risk of excessive re-indebtedness. To the same end, France has introduced a new instrument, the highly concessional “countercyclical loan”, under which repayments can be suspended without additional charges if the borrower's economic situation deteriorates because of an external shock.

In fact, because of their leverage effect, loans can increase the volume of developing financing – and thus put the French taxpayer's contribution to better use - while contributing effectively to development, provided they are well-designed and adapted to different contexts. ADF varies the degree of concessionality according to the recipient country's characteristics, ranging from grants (concessionality of 100%), for LDCs or social projects, to loans with very little concessional element in emerging countries, AFD has reduced the average level of concessionality, and is now generating as much as three euros of loans for every euro of interest subsidy. Loans are thus a way for AFD to increase its volume of activity and, consistent with the financial logic of any banking institution, to turn a profit. Since 2005, the dividend earned by AFD, 50% of which it used to keep, has been appropriated in full by the State, which returns it to the agency as supplemental funding for grant programs and for subsidising loans. The transfer amounted to some EUR 245 million in 2006. As with the World Bank, AFD's lending activity generates profits that help to finance ODA. France seeks in this way to optimise the use of available resources, expanding its lending activity while adjusting the degree of concessionality.

However, because it is important not to contribute to the excessive re-indebtedness of states, many of the poorest countries receive limited aid of this type (at least in terms of sovereign loans), which is reserved for middle-income countries (in Africa, only South Africa, Kenya and Ghana were eligible for loans in 2006). Moreover, loan funds are targeted for financing economic activities, while grants are preferred for financing basic social services. Thus, the availability of grant funds constrains the pursuit of poverty reduction goals in the poorest countries of the ZSP, whereas the objective of preserving global public goods in emerging and middle-income countries can be served through loans, authorizations for which are much higher. It is essential that the geographic and sectoral distribution of aid should be determined on the basis of a strategic vision, taking into account each country's needs and national strategies, and not on the basis of what best fits the instruments at hand. France needs

\textsuperscript{10} Law 2005-95 of 9 February 2005 on international co-operation by local governments and water agencies in the areas of water supply and sanitation.
then to ensure rising levels of allocations in the form of grants (or innovative loan instruments) where necessary so that priority ODA countries are assured of substantial support.

France should also ensure that both the letter and the spirit of DAC concessionality criteria are respected in reporting its ODA. While France indeed observes the minimum 25% grant element criterion for the loans it reports as ODA, shifting market conditions make it more difficult to ascertain that some of its loans really carry "favourable conditions" (which the directives also require), given the 10% discount rate currently applied. It should be noted as well that, under DAC rules, lending activity has the effect of increasing ODA flows upon disbursement, but reducing them when it comes time for repayment.

Eligibility of certain current uses of ODA

France records as ODA certain expenses – in significant amounts - that do not result in flows to developing countries, and that may be questioned in terms of their ODA eligibility. These expenses are considered “artificial” by some members of Parliament and by some NGOs (National Assembly, 2007). Among these expenses, the most important have to do with tuition fees (écolages), which represent the ex-post accounting of the cost of higher education offered to students from developing countries. These outlays have been rising sharply for the last five years, and stood at USD 1.097 billion in 2006 (Table B.2). According to the recent National Assembly report, France counts these expenses for all students from developing countries, whether or not they return to their country of origin following their studies, and regardless of their fields of discipline, in a manner contrary to DAC directives on this subject. France therefore needs to identify the beneficiaries more accurately, so that only those who actually meet the eligibility criteria are recorded in its ODA figures. Other expenses that are ODA-eligible are now reported more extensively, and these can increase the volume of ODA without actually expanding aid flows. They have to do in particular with: (i) refugee reception expenses, which represented EUR 376 million in 2006,11 and (ii) development research outlays, which amounted to EUR 524 million in 2006, and have been rising sharply since 2003 (Table 1).

The French government should ensure that its ODA reporting respects the DAC rules, so as to enhance the integrity of the data and improve the transparency of ODA, as the National Assembly and the general public have insisted. France should notify as ODA all eligible flows, such as the proceeds from the airline ticket tax and financial flows from decentralized cooperation, but it should adhere strictly to the DAC eligibility criteria and principles, particularly those relating to education fees and loan concessionality.

The need for detailed programming of ODA increases

France intends to respect its commitments to increase its ODA volume by 2015, and this is of great importance for the entire international community. The DAC team urges France to establish a roadmap for moving toward these objectives, with the target dates as milestones. France should also take advantage of the establishment of its first multiyear budget (2009-11) to insert adequate allocations in the budget law. The law could be supplemented by a note explaining the use of these funds (modalities, bilateral or multilateral, impact on institutional capacity). In this way, France could

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11 France reports nearly all these expenses as ODA. Yet according to DAC rules, they should be limited to outlays for transferring refugees, and then for their temporary maintenance. The National Assembly report notes that these expenses "seem to have more to do with controlling migration flows and managing asylum-seekers on French soil than with aiding refugees."
draw full benefit from the important innovation that the new organic law on budget preparation represents (Chapter 4).

**Bilateral aid**

As illustrated above, bilateral ODA, which represented 73% of total French ODA in 2006, has evolved greatly since the last review, in terms both of volume and of structure (influence of debt and non-programmable or non-budgetary expenditures). This section offers a closer assessment of "programmable bilateral aid", which lies at the core of the strategic effort that French co-operation is now making.

**Limited programmable bilateral aid**

As Figure 2 below shows, the portion of programmable bilateral aid in total French ODA is relatively low. France’s programmable aid represented only 29% of its total bilateral ODA in 2005, compared with a DAC average of 46%. This reflects the very high share of non-programmable budgetary expenditures (tuition fees, refugee costs), non-budgetary outlays (a portion of debt cancellation), as well as the heavy support that France provides to several global funds, and the non-compressible portion of its multilateral commitments, within the programmable aid budget (Table 1). This trend is continuing. Thus in 2008, programmable aid allocations recorded in the “ODA mission” of the budget law rose by EUR 524 million over 2007, but this had more to do with the replenishment of several multiyear multilateral funds than with any significant plan to increase the level of bilateral aid allocations in particular. This reduces the manoeuvring room for France's bilateral co-operation. When increasing its volume of aid, France will have to select instruments that will give it the necessary margin to assume its full role as a leading player in priority countries and sectors.

**Geographic concentration**

*The principle of geographic selectivity: the Priority Solidarity Zone*

In 1998, France created a “Priority Solidarity Zone” (ZSP), in order to focus French aid more closely on a limited number of countries. Since 2004, the ZSP has embraced 55 countries, including the old “ambit” countries (pays du champ, primarily the former French African colonies) and other countries of sub-Saharan Africa, the Middle East, Indochina, the Caribbean, and the Pacific, plus...
Afghanistan on a provisional basis. Within the ZSP, the primary objectives of French policy are to help achieve the Millennium Development Goals by 2015.

The ZSP includes 43 African countries in a total of 55. In 2006, 70% of French allocable bilateral aid went to Africa, and 58% of this to sub-Saharan Africa (Table B.3). This is consistent with France's reiterated commitment to earmark two-thirds of its aid for Africa, in order to help achieve the MDG there, and reflects France's strong historic ties with that continent. On the other hand, France is reducing its support for the least developed countries (LDCs). The share of aid allocated to these countries has declined in recent years, and represented only 20% of allocable bilateral aid in 2006 (38% for other low-income countries).12

Table 1. Breakdown of French ODA since 2003 (in EUR million)

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>MULTILATERAL TOTAL</td>
<td>1,805.28</td>
<td>2,338.78</td>
<td>2,242.53</td>
<td>2,136.07</td>
</tr>
<tr>
<td>Community aid</td>
<td>1,160.33</td>
<td>1,499.80</td>
<td>1,457.20</td>
<td>1,543.80</td>
</tr>
<tr>
<td>Multilateral aid</td>
<td>644.95</td>
<td>838.98</td>
<td>785.33</td>
<td>592.27</td>
</tr>
<tr>
<td>BILATERAL TOTAL</td>
<td>4,614.29</td>
<td>4,468.80</td>
<td>5,792.59</td>
<td>6,298.76</td>
</tr>
<tr>
<td>Programmable bilateral aid</td>
<td>1,653.61</td>
<td>1,877.99</td>
<td>1,832.72</td>
<td>2,262.28</td>
</tr>
<tr>
<td>Financial assistance (GROSS ODA) (= (a + b + c))</td>
<td>993.49</td>
<td>1,095.81</td>
<td>1,171.08</td>
<td>1,610.34</td>
</tr>
<tr>
<td>a) Loans (disbursements)</td>
<td>395.24</td>
<td>409.27</td>
<td>446.04</td>
<td>679.44</td>
</tr>
<tr>
<td>b) Grants arranged by AFD &amp; MAEE</td>
<td>402.81</td>
<td>464.15</td>
<td>506.27</td>
<td>585.80</td>
</tr>
<tr>
<td>c) Grants arranged for French overseas territories</td>
<td>195.44</td>
<td>222.39</td>
<td>218.77</td>
<td>345.10</td>
</tr>
<tr>
<td>Aggregate programmes (= (d + e + f + g + h))</td>
<td>1,054.27</td>
<td>1,132.44</td>
<td>1,106.83</td>
<td>1,228.41</td>
</tr>
<tr>
<td>d) Comprehensive aid from MAEE (including technical co-operation)</td>
<td>541.15</td>
<td>591.34</td>
<td>559.16</td>
<td>570.86</td>
</tr>
<tr>
<td>e) Comprehensive aid from local authorities</td>
<td>30.21</td>
<td>32.94</td>
<td>29.96</td>
<td>38.95</td>
</tr>
<tr>
<td>f) Humanitarian aid</td>
<td>63.1</td>
<td>58.9</td>
<td>54.8</td>
<td>55.4</td>
</tr>
<tr>
<td>g) Research to promote development</td>
<td>322.43</td>
<td>396.11</td>
<td>415.13</td>
<td>525.90</td>
</tr>
<tr>
<td>h) Miscellaneous comprehensive aid from other ministries</td>
<td>97.41</td>
<td>56.17</td>
<td>47.74</td>
<td>29.34</td>
</tr>
<tr>
<td>i) Administrative costs</td>
<td>226.83</td>
<td>294.72</td>
<td>268.80</td>
<td>272.26</td>
</tr>
<tr>
<td>j) Loan repayments</td>
<td>-626.98</td>
<td>-644.97</td>
<td>-713.99</td>
<td>-848.67</td>
</tr>
<tr>
<td>Other types of bilateral expenditures</td>
<td>2,960.67</td>
<td>2,590.81</td>
<td>3,959.87</td>
<td>4,036.46</td>
</tr>
<tr>
<td>k) Debt cancellation and rescheduling</td>
<td>1,925.40</td>
<td>1,411.54</td>
<td>2,706.04</td>
<td>2,782.61</td>
</tr>
<tr>
<td>m) Accommodation expenses for foreign students</td>
<td>640.03</td>
<td>735.53</td>
<td>764.46</td>
<td>894.26</td>
</tr>
<tr>
<td>n) Accommodation expenses for refugees</td>
<td>394.04</td>
<td>438.08</td>
<td>470.39</td>
<td>376.17</td>
</tr>
<tr>
<td>o) Miscellaneous expenditures by contributors other than MAEE</td>
<td>1.29</td>
<td>5.87</td>
<td>14.98</td>
<td>63.41</td>
</tr>
<tr>
<td>TOTAL net ODA</td>
<td>6,419.56</td>
<td>6,807.58</td>
<td>8,035.12</td>
<td>8,434.83</td>
</tr>
</tbody>
</table>

Source: Memorandum of France.

The geographic concentration of aid seems to be increasing: the share of bilateral aid going to the 15 largest beneficiaries of French aid rose from 62% in 2000-04 to 70% in 2005-06, a level close to the DAC median of 73% (Table B.4). But this trend is due essentially to the volume of debt cancellation. Excluding debt relief, the first 15 beneficiaries accounted for only 59% of allocable bilateral aid in 2005-06. With a relatively limited volume of programmable bilateral aid, scattered over a large number of countries, and with the arrival of new donors, France no longer occupies the position it formerly held in many African countries, as can be seen in the case of Mali (Annex D). While the fact that France is not now the almost exclusive bilateral partner it once was may make for a healthier partnership, it is important that France should retain the means needed for an ambitious strategy to combat poverty in these countries, where it enjoys a competitive advantage stemming from its multifaceted historical relationship, which includes a long-term cooperation effort.

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12 This represents 0.07% of gross national income, below the United Nations target of allocating 0.15% of GNI to LDCs.


Strengthening and implementing a targeted geographic strategy

As stated in the Memorandum, and confirmed in the guidelines established by the President of the Republic, France intends to concentrate its programmable budgetary funds more closely on a limited number of key countries, primarily in Africa, with priority to the least developed ones. In future years, France will therefore have to be careful to ensure that the low level of budgetary resources now allocated to grants does not compromise achievement of this objective. This is all the more important at a time when France is extending its co-operation to the emerging countries of Asia and Latin America, in particular through AFD's lending activities. Thus, the DAC encourages France to prepare a geographic strategy targeting a smaller number of countries, especially among LDCs and fragile states, with a view to fighting poverty. A differentiated country approach could help avoid distortions inherent in the instruments and could also allow France to achieve a critical mass that would give it greater clout within the international community. From this viewpoint, in redefining its priority zone, France should consider its value added vis-à-vis the partner countries, within a more global context of the division of labour within the European Union, and the implementation of the Paris agenda on aid effectiveness (Chapter 5).

Sector concentration

Heavy concentration on the social sectors

The main features emerging from the sector distribution of French bilateral aid, as it appears in Table B.5, are the following. Excluding the item relating to debt relief, which represented 41% of commitments in 2005-06, the “infrastructure and social services” item is the most important one, with 28% of bilateral ODA: (i) Education (USD 1 625 billion) alone accounts for 70% of bilateral ODA, and goes essentially to university education (basic education takes only one-tenth of bilateral education flows). In 2006, the most important education outlays reported as ODA were tuition fees (USD 1 097 billion) and university scholarships, in particular at the Master’s and doctoral level (USD 102 million). At USD 151 million in 2005-06, basic education in fact represents only 9% of bilateral commitments in the education sector. Outlays for basic education can be expected to rise in the future, as France has signed a number of international initiatives such as the Dakar Declaration and Education for All as part of its education strategy; (ii) water and sanitation (USD 176 million) now receive a sharply rising share, through public-private partnerships and joint work with the multilateral initiatives to which France contributes heavily.

The “economic infrastructure and services” item represented only 8% (USD 738 million) of bilateral ODA in 2005-06. This item can be expected to grow significantly in coming years. The President of the Republic announced in February 2008 a new initiative to support economic growth in Africa (Sarkozy 2008b). The prospects for greater involvement in emerging countries and for growing use of loans, which are appropriate in sectors such as transportation, energy or banking activity, also point in this direction.

A special interest in cultural diversity

An interesting aspect of French ODA (and that of some other DAC members such as Spain, Portugal and Italy) is its particular focus on promoting cultural diversity as a factor for development. France maintains a network of 83 French cultural centres and institutes, as well as five

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13 It is important to note that the sector distribution does not take account of France’s very substantial allocations to certain multilateral thematic funds, in particular those in the health field and, to a lesser extent, in education.
“Franco-national” cultural centres, 170 Alliance Française branches, and other institutions, which (i) support cultural activities in developing countries, and (ii) serve to promote the French language (which is seen as an important aspect of social cohesion and economic progress in Francophone countries and regions). France supports local artistic creativity in developing countries, and it strives to develop reading, to promote the development of local cinema and media producers, and to give them access to information and communication technologies. Its financial effort in this field was estimated at EUR 164 million in 2006. Given the scope of this effort, an impact evaluation of these activities would be useful for guiding future actions by France in support of cultural diversity. Box 6 describes an example of such support in Mali.

**Box 6. Cultural diversity in Mali**

Over the last 10 years, the government of Mali has sought to engage local communities more closely in managing their cultural heritage, by establishing regional offices and cultural missions. Through the project for “cultural diversity in Mali” implemented by the French Cultural Centre in Bamako, France is attempting to:

(i) strengthen existing domestic capacities both in the institutional field and in mounting major cultural events;
(ii) encourage contemporary creativity and the production of cultural goods; and (iii) safeguard significant elements of the cultural heritage as a means of preserving cultural diversity and promoting cultural dialogue. This project, supported by another regional project focusing on “artistic expressions in ZSP countries”, covers the period 2007-2009, at a cost of EUR 1 billion.

*Source: Centre culturel français, Bamako.*

**Toward a more strategic approach?**

As mentioned in Chapter 1, France has prepared sectoral and cross-cutting strategies in all the key areas of its development assistance. It is also trying to focus its aid on three sectors in partner countries. However, historical as well as political and administrative factors have meant that French aid remains highly dispersed in its partner countries. As with the geographic distribution of its aid, France would do well to define more clearly its current vision of sectoral priorities in order to integrate them better into the programming process (Chapter 4).

**There are many other players in development co-operation**

Beyond their awareness-raising and public education role, French NGOs and decentralised co-operation bodies are also important channels of development assistance and humanitarian aid. The 2007 inventory of “international solidarity players” lists nearly 400, to which may be added thousands of local associations and twinning arrangements. Despite this diversity, the 20 leading French NGOs account for more than 75% of the total budget of French NGOs. Their global resources were estimated at EUR 652 million in 2003, 63% of which came from private funds (CCD, 2005). French NGOs serve as channels for only a very modest portion of official development assistance, around 1% (EUR 53 million), while the average figure for DAC countries is 6%. The government has undertaken to double the ODA share for NGOs by 2009, to bring it to 2% of French aid. The examining team encourages this effort and invites France to take greater advantage of the resource represented by NGOs, which play a significant role especially in the poorest and most fragile countries.

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14 Including contributions to the central budget for NGOs, some USD 50 million in 2005-06.
Some 3 250 local governments are involved in decentralised co-operation projects with partner countries of the South. According to the government, however, the amounts committed are limited, and represent only 0.03% of the French ODA/GNI effort. Decentralised co-operation is financed essentially by the municipalities from their own funds, but it is augmented by co-financing from the Ministry of Foreign and European Affairs. In 2006, ODA earmarked for decentralised co-operation was estimated at, EUR 59 million a year, and the preliminary figure for 2007 is EUR 65 million.

The important place of multilateral aid

France maintains a strong commitment to providing aid at the European and multilateral levels (Table B.2), with a gross volume of USD 3 291 billion (constant dollars of 2005) in 2006, representing 27% of its total net ODA. Three institutions account for 66% of multilateral aid: the European Community, the World Bank, and the Global Fund to fight AIDS, Tuberculosis and Malaria. The remainder is scattered among 150 other international institutions. France would do well to re-examine its portfolio of multilateral commitments with a view to targeting its contributions to these organizations more closely.

The European Community occupies a dominant place...

The French contribution to European aid includes France's participation in the European Development Fund (EDF) and the external assistance programmes funded by the general budget of the European Commission. France contributes around 15% of its development assistance through the European channel (USD 1 885 billion in 2006). France is the largest subscriber to the ninth EDF, providing 24.3% of funds (in contrast to its 15.9% budgetary share). However, its share will decline to 19.55% for the 10th EDF, placing it in second position behind Germany.

... and France contributes to many non-European institutions

Since the last review, France has substantially expanded its contributions to "vertical" multilateral funds (in particular the Global Fund to fight AIDS, Tuberculosis and Malaria, with a commitment of EUR 900 million over the period 2008-10), as well as to development banks, in particular to compensate for debt cancellation. According to DAC statistics (Table B.2), France channels around 11% of its total aid, or USD 1 406 billion, to non-European multilateral institutions (World Bank, UN agencies, regional development banks and others). France also provides support to many international institutions in the form of experts and consultants.

Towards a more strategic multilateral approach

The lack of a strategic, medium-term global vision for multilateral aid limits the scope and impact of articulations with the bilateral side of French aid, and may also reduce French influence in international organisations. The approach taken by the Ministry of Finance which sends to parliament every year a summary report on IMF and World Bank activities, including the question of the French presence in those institutions, is one route to be pursued. The government should follow up on this example, and on the progress made in the health field, to prepare a more explicit strategy with all multilateral players, which would allow efforts to be better targeted in terms of positioning and alliance building, both bilaterally and multilaterally. To this end, the strategy could take into account the results of the evaluation work in which France has participated. Like other members of the international community, France is paying greater attention to evaluating the performance of the institutions it finances through its contributions. Thus, it is part of the Multilateral Organisations Performance Assessment Network (MOPAN) and is helping these organisations to develop evaluation tools, in particular through the COMPASS initiative of the multilateral development banks.
Future considerations

- France is committed to respecting its international commitments to increase its aid volume, and it is essential for the international community that France should do so. It would be well therefore if France were to adopt as soon as possible a road map for moving steadily towards the European ODA objectives for 2010 and 2015, indicating as well the necessary operational measures of support.

- France should take advantage of the establishment of multiyear budgeting to provide for adequate ODA allocations in the budget law, and to give a higher profile to co-operation policy.

- France should ensure that the ODA statistics it reports annually are consistent with the ODA eligibility directives established by the Committee.

- France should concentrate its aid on a smaller number of countries, especially among least developed countries and fragile states. In so doing, it should strike an appropriate balance between grants and loans.

- Given the size of its commitment, France would benefit from defining its multilateral strategy more closely, both with respect to more targeted positioning vis-à-vis multilateral players and in terms of articulations among the different instruments and channels of French ODA.
Chapter 4

Organisation and Management of Aid

The institutional organisation of French co-operation

The system remains complex, despite reforms

Created in 1961, the French aid system originally revolved around a Ministry for Co-operation, which implemented the broad lines of government policy, including grants, and a “Central Fund for Economic Co-operation” (the French Development Agency after 1998), which operated as a bank and provided loans. The institutional arrangements for French co-operation still reflect the postcolonial heritage, even if they have evolved greatly over the last five decades. The last major reform of the co-operation system was launched in 1998, and revived in 2004. That reform was intended in particular to strengthen interministerial co-ordination and to simplify the institutional landscape.

The French memorandum provides a full explanation of how the French aid system works today (Figure 3). Generally speaking, responsibilities and tools are shared among the three main players (DGCID, DGTPE and AFD),15 with the addition of a number of entities and co-ordination structures intended to make the overall effort coherent. Since 2007, the Ministry of Immigration, Integration, National Identity and Co-operative Development (MIIIDS) has also been involved in the planning of development assistance policy. The specific role of each institutional player within this system is summarised in Table 1 below. The DGCID guides the government’s overall assistance policies in conjunction with the DGTPE. These two offices manage bilateral activities jointly with the French Development Agency. The ADF, however, has gradually been taking on a more visible role as a “principal operator” in French aid, and has become a centre of expertise and experience in implementing French aid programmes in the field. The AFD has also strengthened its intellectual output, especially in the strategic planning and research departments. When it comes to multilateral aid, the DGTPE has institutional responsibility for the development banks and certain thematic funds, while the MAEE manages funds earmarked for United Nations institutions and the “health sector” funds.

The current institutional arrangements for France’s development co-operation are more coherent than those that the DAC reviewed in 2004, but they are still complex. The multiplicity of objectives is reflected in a multiplicity of players, instruments and procedures, and the division of responsibilities is not always clear. Indeed, it is a feature of the French system that, despite the many players involved, none is devoted exclusively to development assistance:

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15 The Directorate-General for International Co-operation and Development (DGCID) is part of the Ministry of Foreign and European Affairs (MAEE). The Directorate-General of the Treasury and Economic Policy (DGTPE) is part of the Ministry of Economy, Finance and Employment (MINEFE). The French Development Agency (AFD) is a government agency that reports to these two ministries.
(i) The DGCID has worldwide responsibilities that are not confined to ODA-eligible countries, and some of its mandates (e.g. audiovisual development abroad) are not related to official development assistance.

(ii) The DGTPE is responsible for multilateral and bilateral economic, financial and international questions that go well beyond the scope of official development assistance.

(iii) The AFD is responsible for three areas of policy: national solidarity, through its involvement in the Overseas Departments and Territories; international solidarity, through its activities in the Priority Solidarity Zone in particular; and global governance, through the promotion of global public goods, especially in emerging countries. Its activities in the overseas departments as well as the non-concessional loans it provides are not part of ODA.

(iv) The Ministry of Immigration, Integration, National Identity and Co-operative Development is primarily responsible for immigration and asylum policy, integration policy and access to French nationality, and the promotion of a co-development policy with the country of origin (the only objective that relates to official development assistance).

(v) In addition, a number of line ministries contribute expertise to co-operation programmes. The Ministry of National Education controls significant amounts of ODA through its training programmes.
### Table 2. The institutional players in French ODA

<table>
<thead>
<tr>
<th>Actors</th>
<th>Attributions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Policy</strong></td>
<td></td>
</tr>
<tr>
<td>CICID</td>
<td>Interministerial co-ordination of the broad guidelines of French ODA policy and objectives.</td>
</tr>
<tr>
<td>Secrétaire d’État Coop. &amp; Francophonie</td>
<td>Lead government agency for ODA policy, under the authority of the Minister of Foreign and European Affairs.</td>
</tr>
<tr>
<td>COSP</td>
<td>Validates the framework partnership documents and sector strategies and establishes indicative programming of resources. Chaired by the Secretary of State</td>
</tr>
<tr>
<td><strong>Operations</strong></td>
<td></td>
</tr>
<tr>
<td>MAEE (DGCID)</td>
<td>Strategic co-ordination and management of aid. Co-Secretariat of the CICID. Responsible for the “sovereign” sectors (law enforcement and governance), cultural co-operation, UN multilateral funds and the “vertical” health funds. Manages around ¼ of bilateral ODA, with a staff of 1500, 2/3 of them in the field.</td>
</tr>
<tr>
<td>MINEFE (DGTEP)</td>
<td>Multilateral issues (debt, monetary cooperation) and co-Secretariat of the CICID. Responsible for development banks and certain thematic funds. Manages around 1/10 of bilateral ODA. Has a total staff of 53, all at headquarters</td>
</tr>
<tr>
<td>AFD</td>
<td>“Public industrial and commercial establishment” under the joint supervision of MAEE, MINEFE and Ministère d’Outre-mer. Its affiliate PROPARCO supports private sector development. Principal operator for bilateral ODA, with around 2/3 of the total and a staff of 1089, 405 of them in the field. Since 2005, it has managed bilateral aid in the MDG sectors.</td>
</tr>
<tr>
<td>MIIDS</td>
<td>Created in 2007. Part of the CICID Co-secretariat. Manages activities for the social and economic re-insertion of immigrants in their country of origin and their integration during their stay in France. An initial ODA program of “co-development” is included in the 2008 budget.</td>
</tr>
<tr>
<td><strong>Coordination with civil society</strong></td>
<td></td>
</tr>
<tr>
<td>HCCI</td>
<td>Co-ordination between public and private players in international co-operation, and public awareness raising.</td>
</tr>
<tr>
<td>Commission Coop. Développement</td>
<td>Interministerial consultation and co-ordination between public agencies and NGOs engaged in development and emergency assistance.</td>
</tr>
<tr>
<td>Commission nationale Coop. Décentralisée</td>
<td>Dialogue between ministries and local governments involved in decentralized co-operation. Chaired by the Prime Minister or the Secretary of State. 16 full members and 16 alternates for each party.</td>
</tr>
<tr>
<td><strong>Technical support</strong></td>
<td></td>
</tr>
<tr>
<td>ADETEF</td>
<td>Reports to MINEFE. Fields experts from the Ministry to partner countries in support of their development and reform projects.</td>
</tr>
<tr>
<td>FCI</td>
<td>Reports to the MAEE and the Public Service Ministry. Co-ordinates the work of French technical experts abroad and promotes French public and private expertise.</td>
</tr>
<tr>
<td>CampusFrance</td>
<td>A public agency reporting to the MAEE and National Education Ministry. Hosts foreign students and researchers</td>
</tr>
<tr>
<td>CulturesFrance</td>
<td>Operator delegated by MAEE and the Ministry of Culture and Communication for international cultural exchanges.</td>
</tr>
</tbody>
</table>

**Toward new institutional arrangements for French aid**

In 2008, the Secretary of State remarked that “managing French ODA is like manoeuvring an ocean liner—it takes two or three years to change course” (Bockel, 2008). A new phase in the reform of development co-operation is now imminent, as part of the profound changes that the overall review of public policies will bring to the French public administration. To take advantage of the institutional vision proposed in 1998 and reaffirmed in 2004, the DAC team urges France to pursue its efforts to rationalise its institutional arrangements and enhance their efficiency (Chapter 5). To do so will require combining a clearly identified strategic management centre, a single budgetary mandate, and a principal operator to harmonise the deployment of human resources and aid instruments. Within the DAC there are many models, ranging from a specialized ministry or a department within the ministry of foreign affairs that runs the entire aid system, or perhaps the twinning of a policy ministry and an implementation agency, to an independent agency that sets and executes cooperation policy. France could find these examples useful in defining its own system.
The 1998 reform created an Interministerial Committee for International Co-operation and Development (CICID) that co-ordinates development assistance policy, and is chaired by the Prime Minister. Since 2004, the Secretary of State for Co-operation and the Francophonie (MAEE) has had the lead in the government's development policy. The experience of other DAC member countries demonstrates the importance of political management of the co-operation system and the positioning of that function within the government. In reconfiguring its system, France has the opportunity to reflect adequately the priority assigned to development co-operation by positioning the system's senior policymaking institution in such a way as to rally the various agencies involved around a clear vision.

The role of the AFD as the key operator needs to be strengthened. Currently, the agency is responsible for the seven sectors linked to the Millennium Development Goals, but is not involved in such fields as governance, higher education, and cultural diversity. This reinforcement should be accompanied by further attention to its legal status. A co-operation agency should be accountable to the political level, to ensure clear articulation between strategic policy guidelines and implementation of aid policy. The organisation, operating methods and human resources of the AFD should also be reviewed. While the functions of the former “Central Fund” have changed greatly over nearly 50 years, the development bank culture of this “public industrial and commercial establishment” persists and needs to evolve to make more room for ownership and alignment in the field. In particular, a regrouping of development tools around the AFD should be accompanied by more decentralised decision-making. As AFD takes on new dimensions in its role as a development co-operation agency, it will need at the same time to adapt its modes of intervention so as to respond to the political purposes of its activity.

The need for greater reliance on other players

The French aid system has many other players, notably NGOs, research institutes and decentralised co-operation agencies that provide important assistance in meeting worldwide development goals. Collectively, these other players represent a force with which French co-operation could work more closely. This would require the establishment of stronger strategic and operational partnerships that would lead to greater co-ordination in the field.

France provides support for the international solidarity work of French NGOs through various subsidies, channelled via the MAEE, the AFD or French offices in partner countries, for their activities in France as well as in the field. As noted in Chapter 2, the Ministry of Immigration also provides subsidies to immigrant associations to support their work in migrants’ home countries. However, the level of co-financing is still very low, as discussed in Chapter 3. While increasing the funds available for co-financing NGO projects, France would do well to develop a more strategic approach to NGOs and to pursue the use of innovative mechanisms such as three-year financial allocations covering several countries. AFD’s practice of calling for proposals from NGOs is one useful approach for mobilising their expertise. NGOs could in fact play a bigger role in many target countries, especially poor countries or fragile states, where they are well placed to strengthen the capacities of civil society. France could step up its support for NGOs in these countries. For example, the initiative taken by French humanitarian NGOs to expand their presence in the Central African Republic through the provision of start-up funds is a useful contribution to the international humanitarian effort. What is needed now is to improve the linkage between the financing of humanitarian operations and the funding of reconstruction and development activities (Annex E).

When it comes to decentralised co-operation, the 26 regions of France, more than three-quarters of departments, nearly all the major cities, and a great many communes and intercommunal structures are involved in international cooperation projects. In total, nearly 3 250 local governments and nearly 6 000 co-operation activities were listed in 2006. A National Commission on Decentralised
Co-operation (CNCD) oversees these decentralised activities. It is chaired by the Prime Minister or the Minister for Co-operation and comprises local and national government representatives on an equal footing. Although it accounts for only a small portion of French ODA, decentralised co-operation is politically popular, partly because it gives local authorities a chance for involvement in international support work, and partly because it helps the government in its effort to give greater public visibility to its co-operation policy. Locally-based French associations play an important role in United Cities and Local Governments (UCLG), a worldwide organisation founded in Paris in 2004 and headquartered in Barcelona.

**Improving aid management**

*More strategic aid programming*

Since the last DAC review there have been three major innovations that should help France to programme its aid more strategically.

First, implementation of the 2006 organic law governing budget preparation (LOLF) gives greater visibility to co-operation policy (box 7), as the bulk of official aid allocations will now be grouped under the single heading of “Official Development Assistance”. Moreover, the draft budget law is accompanied by a horizontal policy document (DPT) that lists virtually all programmes under France's development policy. There is now an overall strategic framework for adjusting the distribution of funds in light of the government's strategic objectives, and because the DPT contains 12 precise objectives with a full set of indicators it could also induce a culture of results-based management. After two years of experimentation, these progress indicators need to be refined. All the players in French co-operation should be involved in this review, which should seek to (i) achieve greater coherence between the objectives and their respective indicators; (ii) ensure that they are consistent with development objectives; (iii) distinguish among the different levels of indicators (impact, process, means); and (iv) guarantee their measurability.

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**Box 7. The LOLF: improving policy transparency and promoting management for results**

The organic law governing budget preparation (LOLF) took effect on 1 January 2006. It provides for a new presentation of the State budget, which will now be organised not by the nature of expenditures but by policy “missions”, covering programmes consisting of a set of activities. Development co-operation policy falls under the interministerial mission for “official development assistance”, and covers allocations to two programmes: (i) the "Economic and Financial Aid for Development" programme, run by the Ministry of Economy, Finance and Employment, and covering the cost of loans and a portion of debt relief; and (ii) the "Solidarity with Developing Countries" programme, run by the Ministry of Foreign and European Affairs, which consists of grants. As of the draft budget law for 2008, the ODA mission also includes the new “co-development” programme of the MIIIC. These allocations are presented in the budget document known as the “Annual Performance Plan” (PAP) for the ODA mission (Parliament, 2008b).

Since 2006, a Horizontal Policy Document (DPT) accompanies each draft budget. Transmitted to Parliament in the course of the annual budget debate, it defines the strategic framework for the government's horizontal policy, lists the co-operation programmes and activities under them, and details the ODA provisions covering all expenditures involved in the French aid effort. The DPT for 2008 translates France's commitments into 12 strategic objectives, grouped around three themes: (i) participating in the international commitment to achieve the eight Millennium Development Goals; (ii) promoting the French vision of sustainable development and global public goods; and (iii) helping to mobilise international efforts to enhance aid effectiveness.
Second, the introduction of the Framework Partnership Documents (DCP) in 2004 allows the strategic programming of aid to take account of realities in the field. The strategic documents, which are prepared for each country of the ZSP (there are now around 30 such documents), are intended to provide guidance for French co-operation over a period of five years. In principle, they involve all government players in the French aid system. They are prepared locally under the authority of the ambassador, and are co-signed by the local authorities. They must be consistent with the Poverty Reduction Strategy Papers adopted by governments and with the country strategy papers prepared by the European Commission, and they must take into account the activities of other development partners. The DCPs specify the one, two or three sectors of concentration, which must normally account for 80% of the aid earmarked for the country. These documents (minus the financial annex) are published once they are officially adopted. There is still room for improvement, however, in terms of preparation and field monitoring (Chapter 5).

Finally, a Strategic Guidance and Programming Conference (COSP) is held every year, chaired by the Secretary of State for Co-operation, where official aid players meet to validate an indicative programming schedule for funds allocated to each country under the DCPs, and to review the portfolio of operations under way. This programming exercise is supposed to take into account the outcomes from previous years, and the various criteria selected for allocating funds. To date, the mechanism has not been fully functional, partly because of its timing (the COSP would have a greater impact on the geographic allocation of aid if it took place earlier in the year) and partly because of unresolved conflicts between different approaches, and in particular the fact that loan and grant instruments are allocated to separate budget items managed by different ministries, and for this reason are not fungible. At the central level, the government has yet to reconcile its new country programming approach with management constraints, which imply reliance on programming by instrument.

These innovations, supplemented by the preparation of sector strategies, are the key tools for making French aid programming more strategic. France should pursue the effort along the lines suggested above, taking advantage as well of the introduction of multiyear budgeting. The essential points are (i) to reinforce the set of indicators in the horizontal policy document; (ii) to use the DCP as a strategic programming instrument, focused on a limited number of priorities; (iii) to adjust the workings of the COSP in order to strengthen its strategic role; and (iv) to examine the possibility of making loan and grant allocations fungible. A more strategic approach would provide better guidance for all French co-operation players. At the same time, it will have to take into account the European development strategy.

Allowing for greater management input from the field

France is officially represented in many beneficiary countries. It has diplomatic offices in 142 developing countries. The DGCID is represented in 113 countries, and the AFD in 43 countries. As well, the DGTPE has commercial offices in 70 countries. Management responsibility for French ODA in the field (Figure 4) is essentially shared between the DGCID and AFD representatives, under the overall co-ordination of the ambassador.¹⁶

¹⁶ The ambassador also oversees the consistency of other French activities that could have an impact, even indirect, on French ODA, and that relate for example to trade, defence, police, immigration, research, and decentralised co-operation.
Figure 4. Standard co-operation arrangements in developing countries

The DGCID representative's office is located within the embassy, and is known as the Co-operation and Cultural Action Office (SCAC). In Mali and the CAR, the SCACs have seven and five expatriate staff, respectively (Mali also has two local officers), who are responsible for the sectors of governance and higher education. They also handle the granting of scholarships, technical assistance to ministries, and a broad range of small projects under the Priority Solidarity Fund (FSP). The AFD has its offices outside the embassy. In Mali, the AFD office has six expatriate staff and six local employees, all under term contracts. In the CAR, the office (which was reopened in 2005) is run by two expatriate officers with support from Yaoundé regional bureau and from headquarters in Paris. The AFD covers most of the French aid sectors in these two countries, and works jointly with the SCAC in fields where the two offices have joint involvement (such as education and, in the CAR, river transport and forestry development). For the most part, the AFD and the SCAC maintain parallel working communications between the field and Paris.

As viewed from the field, it would again be desirable for France to complete the reform regarding the distribution of sector responsibilities for the AFD and the DGCID. It would also be advisable to integrate the programming frameworks and strategic tools of the different players more thoroughly, and to ensure that they are set out in the DCP. In the course of reorganising the system in the field, France should also consider ways of devolving more power over aid management to the front lines, in order to facilitate alignment and harmonisation. Currently, while project implementation has been largely decentralised, financial decisions and instructions are still issued from Paris, despite the enhanced role of the ambassador.

**Integrating and decentralising human resources**

The government is proud of “the wealth of the human resources pool” that it has mobilised for its aid programmes. In total, the three main agencies employ some 2 600 people in development work, 17 The FSP, along with technical assistance, is the instrument that the DGCID uses most widely in the field. In 2006, the average amount was around €2.6 million, for a total of 50 approved projects.
and slightly more than half of these are in the field. These agencies can also draw upon a network of around 1,200 technical assistants who work under specific terms of reference but who can often provide formal and informal support to the administration as well. Institutional compartmentalisation, however, is such that this body of experts does not function as an integrated pool of expertise in the service of national development objectives, and they conduct their professional field activities in relative isolation, despite some existing bridges. French aid would benefit from greater cohesion among its different players.

There is no specific human resources policy for specialised development personnel, either generally or for individual institutions. Various statutes apply, and some departments are clearly at risk of losing their qualified personnel. Consistent with its action plan for aid effectiveness, France should place greater value on development expertise in its human resource management (CICD 2006b). Potential improvements might include adoption of a global strategy to achieve greater complementarity among experts within the system and better sharing of resources with other European or international donors. France should also take steps in terms of recruitment, training and career development to modify the profile of its personnel. For example, it needs economists if it is to become more involved in programming and budgetary approaches. The framework that the AFD has developed for monitoring social data on its staff could serve as a benchmark for other institutions. This is a useful tool for managing human resources, combining data on age, seniority, gender, employment level, training, and mobility.

The current emphasis on decentralised decision making means that donors, including France, must offer their best experts special incentives if they are to accept a posting in the field. France could make greater use of local staff to reduce operating costs and to foster greater continuity in activities. Under current administrative arrangements, the ambassador has a very important role in identifying strategies and in co-ordinating the various players involved in co-operation. The criteria for selecting ambassadors should take into account strategic skills in the area of development and in making trade-offs, in posts where France has a dominant presence in the area of co-operation.

Establishing a broader framework for monitoring performance

At headquarters, the monitoring and evaluation system is being thoroughly overhauled to reflect in particular the results-based management approach, which flowed from the 2005 Paris Declaration, was enshrined in the 2006 LOLF, and was adopted in 2007 by the new government. At the same time, the “evaluation culture” has spread more widely through French aid institutions since the last peer review. The penetration of this results-based culture within French co-operation institutions can be seen, for example, in the recent introduction of impact evaluations and, in the AFD, the establishment of a systematic framework for measuring results. This initiative is to be welcomed, for impact evaluations in sectors of importance for France (codevelopment, cultural diversity, training and capacity development) can be a useful tool for strategic aid management, as demonstrated in the cases of Mali and the Central African Republic (Annexes D and E).

There are currently three units conducting evaluations of international co-operation policy—the DGCID, the DGTPES and the French Development Agency—and they have a total of perhaps 20 specialists. Each of the three main players has reinforced its evaluation units in recent years, and they are co-ordinating their actions more closely, as evidenced by the holding of informal joint meetings. The DGCID has published an evaluation methodology paper (MAEE 2007c) that offers a solid basis of guidance for the various French players in this field. The evaluations of the three units are regularly entrusted to external consultants, under the supervision of a steering committee. These units, located within their respective administrative hierarchies, could be put to greater use in
providing strategic input to the system’s decision makers, at both the technical and the political levels, something that would enhance the accountability of all aid players.

In the field, where the system's databases are located, efforts have begun to evaluate and contribute to the preparation of progress indicators for French aid. In Mali and the Central African Republic, the DAC team noted that most AFD and SCAC projects and programmes are subject to regular monitoring and to evaluation upon completion. However, the resulting information does not seem to be used systematically for assessing specific operational objectives and ensuring a coherent approach. Global performance monitoring is made more difficult by the fact that the DCP make no mention of the anticipated strategic outcomes, and the interim and final evaluations originally called for are not yet operational.

The international community, the general public and the French parliament are insisting that management should in future be based more thoroughly on results. The fact that these evaluation units along to different administrations tends to fragment their collective effort. Beyond France, the international community (e.g. the DAC EVALUNET) and Europe (EUHES, the network of European Union Heads of Evaluation Services) are attempting to integrate collective efforts more thoroughly to achieve greater effectiveness and greater impact from their aid. Within the French system, it will be important to seize the possibilities for synergy among the various evaluation units, or perhaps even to integrate them institutionally.

It is interesting to note that the initial decree giving rise to the CICID in 1998 called for creation of a formal interministerial working group with a representative of each of the ministries concerned. That group was to draft an annual report on the overall evaluation of French aid, for submission to the committee and to the chairs and rapporteurs of the competent committees of parliament. The group existed for several years and focused on three issues: (i) strengthening interministerial co-ordination to permit concerted multiyear programming; (ii) reconciling the intervention methodologies used; and (iii) conducting joint evaluations. It ceased to exist in 2002. In light of its review, the DAC team suggests that the government consider the usefulness of reviving this group and strengthening its role in areas including the three themes noted above, and giving it a mandate to provide unified and independent assessments of the French system directly to the CICID and to parliament. At the same time, the systematic use of a results-based approach would help France in making strategic choices and in establishing a more rigorous approach to making initial geographic and sectoral choices.

**Future considerations**

- France should complete the reform of its co-operation system by introducing a simplified institutional configuration, drawing upon examples from other DAC member countries. In particular, it should rethink the link between the policy dimension of managing official assistance and its operational dimension, and it should make the consequent adjustments to the status of the various institutional players.

- The programming of aid should become more operational by making more strategic use of the tools that France has developed for this purpose. The indicators in the Horizontal Policy Document should be refined in consultation with all players in French co-operation.

- France should seize the opportunity offered by the redefinition of its operational system in the field to allow greater integration of the strategic frameworks and tools of the various players, and to decentralise decision-making more thoroughly to the local level, so as to work more closely with its partners and enhance the functioning of the overall system.
• The DAC encourages France to make more of NGOs as a resource and congratulates France for its commitment to increase the share of ODA allocated through NGOs.

• Development co-operation deserves special attention to human resource management in the various administrations concerned. France should define a global strategy for development cooperation personnel, to achieve greater complementarity among experts within the system and with its partners. It should regularly review the profile of its specialists as the responsibilities of French co-operation evolve.

• The monitoring and evaluation systems of each of France's three main development actors now operate in parallel and should be better integrated and simplified. A more coherent national approach to evaluation would help France monitor its performance and better use its experience when designing its strategies.
Chapter 5
Aid Effectiveness

France's commitment to implementing the Paris Declaration

In March 2005, France played host to the second High Level Forum on Aid Effectiveness, which adopted the Paris Declaration. France is a party to the Declaration and, with a view to its implementation, formulated an action plan for aid effectiveness which was validated in December 2006. The three key co-operation institutions helped prepare the plan, which contains twelve proposals revolving around the five core commitments of the Declaration, with special emphasis on capacity building, enhancing the predictability of aid and promoting the complementarity and division of labour. In particular, the plan calls for expanded use of programme approaches, transfer of decision-making to representatives in the field, and adjustment of human resource policy. The plan involves all stakeholders and instruments of French co-operation and specifies the means to be deployed in order to meet the objectives that have been set for 2010.

Nevertheless, adoption of the action plan was not followed up by an expression of firm political support for its implementation. Ministerial pronouncements, for example, make no mention of the plan, and references to aid effectiveness suggest a concern more with bolstering governance in the partner countries to ensure that assistance is managed properly, than with the need to alter French procedures and practices – which is nonetheless a stated goal of the action plan. France also advocates the principle of a multifaceted approach to aid management, whereby the full panoply of aid instruments can be modulated to suit circumstances, and means of support can continue to be provided to civil society and to the regional level – areas that are not covered by the Paris Declaration. The areas in which France has been most mobilised have thus been capacity building, via its governance strategy, and advocacy of better co-ordination amongst donors, with in particular its support for formulation of the EU Code of Conduct on Division of Labour in Development Policy, which was adopted in May 2007.

But strong political determination is needed to go further and implement the changes that would make French aid more open to ownership, alignment and harmonisation, insofar as France, like other donors, must adjust its mechanisms and procedures for delivering aid. Inter alia, as stipulated in the action plan, France must continue to overhaul the scheduling process undertaken in 2004 and take steps to shift certain functions to its representatives in the field and re-assign staff to high-priority countries, while adjusting staff profiles and repositioning its technical assistance. In the process, it could introduce an incentive for promoting alignment and harmonisation into its staff evaluation grids.

And yet, as pointed out earlier, France must also meet special challenges in implementing the Paris commitments that are linked to historical factors, the break-up of the institutional mechanism and the instrument-based structure of French aid:

- The legacy from the French presence in numerous partner countries – which was massive over a long period of time, having a distinct impact on the national directions taken in much of French-speaking Africa – and the continuation of close political relationships that in some
cases have kept technical assistance at the highest levels of State, as in the Central African Republic (Annex E), can in certain instances hamper partnership and impede ownership. Moreover, because of the centralising tradition of the French system, key decisions are still taken in Paris, despite the institution of partnership framework documents (PFDs) and expansion of the ambassador’s role in aid administration. Lastly, in the field, the deep-seated tradition of French presence in a multiplicity of social and economic sectors makes it difficult to achieve the sectoral concentration needed for the division of labour.

- The institutional break-up of the French system complicates harmonisation and alignment efforts insofar as each institution follows its own procedures and operates in different ways. For example, the level of decentralisation that is needed to extend the scope of political dialogue and to align and harmonise aid is not the same at the AFD and the Ministry of Foreign Affairs. As a result, harmonisation of procedures within the French system may be seen as a prerequisite to harmonisation with other donors. In Mali, the team also noted that for some partners the large number of parties involved was a source of confusion (Annex D).

- Because some aid instruments are administered by special institutions, choices as to the mix of instruments have an impact on the volume of the institutions’ activities. In a climate of resource constraints, institutional considerations may take priority over adjustment to national circumstances, with each stakeholder seeking first and foremost to ensure the continuity of its own financing. Such considerations may have an impact on choices between loans (administered by MINEFE) and grants (administered by MAEE), on the mix of technical co-operation, which depending on the area is shared between the AFD and the Ministry, and on budgetary aid, which is administered by the Ministry of Finance. The challenge for co-ordinating and planning bodies is thus to ensure that the policy vision and the best interests of development prevail over institutional considerations.

A strong political push is therefore necessary to overcome these constraints and ensure that reform of the French co-operation mechanism is conducive to implementation of commitments as to aid effectiveness. This should involve preparation of a timetable for implementing the action plan, along with measures and resources needed at each step along the way. France is one of the 20 countries that have decided to assess follow-up to the Paris Declaration, which can be expected to supply input for prioritising its actions. The need for such a commitment is underscored in the 2006 Survey on Monitoring the Paris Declaration (OECD, 2007c), which conveys a mixed image of French performance. This initial survey, which covers only a small fraction of French aid, shows that in some areas France is making efforts, but that it could do better with regard to certain indicators, such as those involving co-ordination of technical assistance, use of common arrangements and joint missions (Box 8).

Implementation in the field

Ownership and alignment

Partnership framework documents: an achievement that France should consolidate

As stated in Chapter 4, the introduction of partnership framework documents (PFDs) marked a turning point in the French approach to co-operation, which is conducive to ownership as well as to alignment and harmonisation. In particular, the documents can facilitate improved dialogue with partner countries. They are also conducive to better predictability of French aid insofar as they contain an annex providing an indicative schedule of actions by sector, suggesting forecast disbursements and
commitments in the form of approximate ranges. But this new instrument needs to be fine-tuned. In particular:

- It is necessary to enhance the partnership dimension and ownership by PFD partner countries. In both of the countries visited by the review mission, the level of participation in the formulation process was found to be low. In Mali, country authorities and other development partners considered that they had not been sufficiently included in the formulation of the PFD. In the Central African Republic, these parties had not been asked to help prepare the first draft of the PFD. Moreover, the decision taken in Paris to change one of the sectors of concentration stipulated in the PFD submitted by the ambassador was taken without consulting the government. Ownership by the partner country therefore remains a key challenge for France.

- It is also necessary, at the partner country level, to bolster the ranking of priorities in order to move towards a more targeted sectoral approach and to prevent aid from being spread too thin. The examples of Mali and the Central African Republic show that country programmes are still highly dispersed, despite the strides towards concentration that are being taken through the PFDs and through co-ordination amongst donors (Annexes E and F). In Mali, for example, the current PFD provides for three cross-functional sectors, three “non-focal” sectors and budgetary aid on top of aid for the three sectors of concentration.

- The desire for predictability that underlies the inclusion of indicative ranges in PFDs is thwarted by the principle of annual budgeting. Extending the State’s multi-annual commitment authority to budgetary instruments involving the State’s multi-annual legal commitments, as recommended in the action plan, would be a key step in improving aid predictability.

- France might also want to consider the need to tailor its PFD mechanism to the circumstances of fragile States (Chapter 6).

**Box 8. How France scores on indicators of aid effectiveness**

The 2006 Survey on Monitoring the Paris Declaration, which was conducted by the DAC/OECD with participation by 34 volunteer partner countries and 60 donors covering 37% of scheduled global aid in 2005, is a benchmark for gauging the progress made by donors in the realm of aid effectiveness. France provided data for 26 of the 34 countries, corresponding to 15% of its scheduled country aid for 2005. According to the survey, France was above average with regard to use of national procurement systems (60%) and untied aid (90%). However, it ranked below average with regard to the recording of aid in national budgets (52%) and co-ordination of its technical assistance (20%), use of partner country public financial management systems (28%), aid predictability (45%) and the use of common arrangements (28%), joint missions (10%) and co-ordinated country analysis (41%). In addition, France has 2.4 parallel implementation structures per country. The second monitoring survey, to be presented at the Accra Forum in September 2008, will stipulate whether in the interim France has made any progress in fulfilling its commitments.

The country chapters in the 2006 Survey show that France’s actions vary from one partner country to another. In Mali, for example, only 15% of French aid paid to the public sector was recorded in the 2005 budget – far below the 60% average for Mali’s donors – which is due to the high proportion of non-schedulable French aid to Mali, such as debt-reduction operations and school fees. However, France awards fairly co-ordinated support for capacity building (41%, versus an average of 15%), and its compliance ratios with national procurement systems and national public financial systems are respectively 50% and 20%. The predictability of French aid shows wide room for improvement (25%, while the average is 70%), as does the use of common procedures – such as budgetary support – (34%). With regard to the missions that France performs in Mali, 11% involve co-ordination with other donors operating in the country.

**Source:** 2006 Survey on Monitoring the Paris Declaration, OECD.
A still-pressing challenge: how to build national capacities?

Ownership entails building up national capacities – an area in which France has a long tradition of support, and to which it takes a cross-functional approach in its aid programmes. France is aware of the need to keep updating its capacity-building tools, as shown by the substantial dimension that this is given in the action plan for aid effectiveness, as well as in France’s governance strategy (Chapter 6). This new strategy maps out a comprehensive approach that factors in the need to build the capacities of all local stakeholders and to oversee interaction processes between players and institutions. This is a turning point, insofar as France has long favoured intergovernmental dialogue, thus diminishing the roles of other parties involved. The creation of fora for dialogue is acknowledged to be necessary for broad ownership of development policies and the consolidation of democracies. In the process, France could step up its exploration of other targets (civil society, decentralised territories, the productive sector) and of other ways to build capacities (using local expertise and South-South co-operation, enhanced complementarity between the public and private sectors) and take greater account of the action of such players as decentralised co-operation initiatives and civil-society organisations, including associations of migrants.

Moreover, in the partner countries, France will have to keep repositioning its technical co-operation and lean more towards joint approaches to capacity building, as noted by the DAC team in Mali, and insofar as the Survey on Monitoring the Paris Declaration shows disappointing outcomes in this area. The development of joint approaches could preclude the risk of potentially ownership-impeding bilateral relationships in key areas for the partner countries. In the Central African Republic, for example, and to a lesser extent in Mali, France has placed technical assistants at strategic levels in most of the key ministries; these assistants are posted with the partner country’s blessing, but as a result of mechanisms that are still controlled largely by France (Annex E). These assistants report both to the French co-operation service that employs them and to the minister whom they serve, in many cases as advisers. The use of joint technical-assistance processes could also bolster the capacity-building dimension, whereas the practice of substitution remains a temptation. France is invited to pursue the efforts already undertaken in this direction and systematically to include a training dimension in the terms of reference of technical experts.

An approach conducive to untying aid yet disparate in the use of local systems

French aid to the least developed countries is heavily untied, the proportion being 83% in 2005, which is above the DAC countries’ average of 76% (Annex B). France exceeded the DAC’s 2001 recommendation, insofar as all AFD activity has been untied since 2002, whatever the partner country.

Moreover, the AFD systematically makes use of local contractors to implement its projects and programmes, tenders and contract-signing with selected partner-country operators. The AFD, which also administers general budgetary aid at country level, is thus totally aligned with national procedures. Notwithstanding, the Agency continues to play a key role when projects are being approved, which is done in liaison with the technical correspondent based in Paris or at the regional office. The approval process includes a “no objection” system which, while it protects the local representation by imposing binding guarantees, increases the clout of AFD headquarters to the detriment of the national partner.

For its part, the Co-operation Service has been delegated substantial authority by the Ministry, with regard both to the approval phase and to implementation of the instruments at its disposal. But it does not rely on national procedures, managing its sources of support itself, whether technical assistance to ministries, subsidies – which, in countries of the priority zone for solidarity, take the form of a three-year grant from the Priority Solidarity Fund (FSP) – or operating appropriations,
including education grants. All disbursements are thus decided at embassy level. Lastly, parallel implementation structures are still used, involving essentially small projects, with an average of over two structures per country. One of France’s justifications for this is to lend support to players other than public institutions (private sector, civil society). While decentralised administration of the FSPs affords the SCAC greater flexibility to act, it does not lead to alignment on national procedures. France should reassess procedures for deploying appropriations for the SCAC so that local contractors can be used, as advocated in the action plan.

The harmonisation effort should continue

France would like to preserve the multiplicity of aid instruments

France defends the principle of the diversity of its aid instruments – including general budgetary aid, programme aid, project aid and technical assistance – and seeks to combine them in a mix tailored to national circumstances, exploiting their complementarity and respective advantages. In the Central African Republic, for example, France has been able to develop synergies between these tools that foster the country’s regional orientation (Annex E). France is beginning to get involved in sectoral budgetary aid programmes. In Mali, for example, the AFD adjusted its support in the realm of basic education to become integrated into the sectoral approach instituted in that sector. For its part, general budgetary aid has remained low in a bilateral framework (Box 9). As a rule, then, the project approach, whether included in a programme approach or not, has in many cases remained France’s approach of predilection, at the bilateral level, because it is perceived as a vector of innovation and change and better suited to certain sectors, such as democratic governance and building the capacities of the various parties to development, and civil society in particular. The project approach is perceived as complementary to budgetary support, delivered inter alia through European channels. It also allows for aid that is more visible and identifiable, thus meeting one of the objectives set by the French authorities. Accordingly, the mission letter addressed by the President of the Republic to the Minister of Foreign and European Affairs (MAEE, 2007a) calls on him to “give priority to aid for projects that are concrete, visible in the field and of direct use to the men and women living in the area we assist”.

Even so, it is vital that France keep as its overall stance the integration of its support in existing programme approaches, by increasing the share of aid awarded as overall budgetary or sectoral aid. To this end, France should take appropriate measures to adjust its aid mechanisms when necessary. Priority Solidarity Fund projects, for example, are ill-suited to integration into a sectoral approach. By so doing, France will implement the orientations of its interministerial committee, which had specifically stated in May 2005 that the share of overall budgetary aid and sectoral budgetary aid “would be growing in line with the objectives of the Paris Declaration”

Moving towards an operational division of labour

France acknowledges that the division of labour is inevitable, especially in the European framework. In January 2008, the Secretary of State for Co-operation told French co-operation officials: “We must learn to work in a way that is more complementary to the work of the European Union and other Member States and to take the same approaches in terms of division of labour” (Bockel, 23 January 2008). France made an active contribution to formulating the European Code of Conduct and will make promotion of the Code’s use one of the priorities of its presidency of the European Union in the latter half of 2008. It has conducted an initial assessment of how it has implemented the Code in some ten pilot countries, the results of which have been shared at the European level and are providing input for ongoing work on geographical concentration. France has acknowledged the importance of instituting delegated partnerships. Alongside European Union initiatives in the realm of division of labour, in February 2007 it helped launch the Practitioners’
Network for European Development Cooperation under the auspices of the AFD, which heads the informal working group on division of labour. The group’s aim is to facilitate implementation of division of labour at the technical level, and to assess the progress made.

Box 9. A special approach to general budgetary aid

With regard to its multilateral, including EU, aid, while France approves the principle of general budgetary aid as a fast and effective disbursement mechanism when circumstances permit, it is reticent to make widespread use of such aid for bilateral assistance. The share of French aid that is allocated in the form of general budgetary aid has remained small (EUR 86.4 million in disbursements, or 3.8% of schedulable bilateral aid in 2006) and has two components: i) France has long provided budgetary aid for macroeconomic stabilisation, and it continues to do so in fragile States such as the Central African Republic. However, this sort of aid, which addresses short-term considerations, is not integrated into the panoply of instruments administered in the field, and it raises issues of predictability and lack of transparent criteria for allocation choices (Annex E). ii) At the same time, France is beginning to provide multi-year comprehensive budgetary aid, to underwrite national poverty-reduction strategies and support regional economic communities in Africa. This aid is dispensed on the basis of a “doctrine for the use of comprehensive budgetary aid in foreign States” adopted in February 2007 and a strategy of operational implementation laid down by the AFD in March 2007.

The usage doctrine is intended to be pragmatic, adaptable to the framework of co-ordination worked out with the partner countries and other donors, and based on principles of predictability, results-oriented management and alignment. Each of three eligibility conditions has to be satisfied: a sound and sustainable macroeconomic policy; a growth and poverty-reduction strategy in line with MDOs; and a favourable assessment of the public financial management system (CICID, 2007). Mali and Burkina Faso were the first countries to benefit from multi-annual general budgetary aid for 2006-08. Aggregate disbursements for all general budgetary aid (including annual macroeconomic stabilisation aid) will have amounted to EUR 64 million in 2007, allocated to eight countries plus the WAEMU. Even if the amounts involved are still modest, France should harmonise its budgetary support approaches in line with the Paris Declaration, and as it is invited to do in the usage doctrine.

Nevertheless, France still has much to do to implement the division of labour, with respect both, at the international level, to choices for geographical concentration on certain countries and, at the country level, to the selection of sectors of concentration. With local co-ordination, however, a certain division of labour can be instituted in terms of instruments, with France concentrating its support, for example, on multi-donor sectoral initiatives in the realm of technical assistance or arranging pilot operations. In the field, the substantial political and technical dimension of such choices – in terms of procedural harmonisation – means that there are still few examples of delegated partnerships in which France takes part. France in fact implements programmes for other donors, as it does in the education sector in Mali and in Niger, where it administers aid for the KFW and the DFID respectively; but France is only rarely a silent partner delegating a part of its programme to another party. Rather than division of labour, France speaks more of complementarity amongst donors in an approach in terms of comparative advantages by instrument and by sector. One of the objectives of the partnership framework documents is thus to improve how France’s actions tie in with those of other donors (Annex 2 of the PFDs).

In many countries, France plays an active role in co-ordination amongst donors. In Mali, for example, France is the leader for the thematic groups on education and cotton, where it is making its expertise available to donors. Even so, in both Mali and the Central African Republic, France hesitates to assume explicitly the leading role in the donor community for which it would in fact be well suited because of the expertise stemming from its historical presence. This attitude stems from a desire to break with the forms of the old bilateral relationship and to renew dialogue with partner States, getting as many different donors involved as possible. Working closely with the State and the donor community in each country, France ought to explore what its role might be, given the comparative advantages of each party. In Mali, for example, the joint strategy for country assistance that is being
set in place offers a timely opportunity to do so. In any event, France should lean towards concerted approaches in dialogue with partner countries in the realm of development co-operation in order to avoid the distortion that can arise from a bilateral approach. To this end, and especially in “aid orphan” countries, it ought also to work in partnership with multilateral institutions.

**Results-based administration and mutual responsibility**

A *culture of results is developing within the French administration* ...

As stated in Chapter 4, the new organic law on finance acts (LOLF) is a major innovation which, in addition to giving government action greater visibility, provides tools conducive to results-based administration. Within development-assistance institutions, as stated in Chapter 4, a culture of results has been setting in, along with a strengthening of evaluation services. The French Government’s emphasis on results can also be seen though the process of general review of public policies, which is striving to assess the results of government policies and ascertain what reforms are needed to improve the quality of services rendered and make them more efficient and less costly. This results-based management can also be seen in the goals assigned to ministers. The mission letter of the President of the Republic to the Minister of Foreign and European Affairs (MAEE, 2007a) establishes control over the use of funds and evaluation of the results obtained as one of the four principles of co-operation. In addition, it asks that precise indicators of results be stipulated, including indicators of the effectiveness of development assistance.

... *which must remain focused on development objectives and ensure that the principle of mutual responsibility is upheld.*

In doing so, France will have to make sure that the quest for results does not lead to a short-term orientation that would give priority to high-profile projects, in response to demands from the French Parliament and public, at the expense of long-term support for capacity building, which is less visible yet vital in terms of impact and more in line with the wants of the partner countries.

From the French point of view, the quest for efficiency is legitimate, but this should not preclude trying to find mechanisms to bolster partner country capacities whenever possible. For example, French support for the strengthening of statistics, and thus for monitoring and assessing the policies of its partner countries, is relevant to reconciling the two approaches and harnessing the principle of mutual responsibility. Another possible area of application involves local auditing capabilities. At present, the “no objection” opinions issued by the AFD when projects are being considered meet the requirements of French banking law. In the future, the French administration could go further and try to bolster partner country procedures and tools in order to ensure their compliance with international standards (e.g. with regard to the fight against money laundering), so that it would be possible to use local auditing firms and follow national procedures.

**Efficiency: costs generated by the fragmentation of the institutional system**

The fragmented institutional structure of French co-operation generates high operating costs. These stem in part from the fact that a number of departments are replicated in different institutions, especially the AFD and the MAEE (strategy directorate, geographic services, sectoral services, evaluation, communication, human resources). Likewise, in the field there is “cohabitation” between

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18 In addition, since 2007, and pursuant to the LOLF, the Cour des Comptes provides Parliament with an annual report on outcomes and budgetary management which includes sections on each budget mission, including official development assistance.
the embassy, which houses the co-operation and cultural action department, the AFD and in many cases the French cultural centre, research centres and in some cases the Alliance Française. Another source of costs is the time needed to co-ordinate the multiplicity of players, both in Paris and in the field (NGOs, decentralised co-operation, etc.). In addition, the system generates dysfunction insofar as exchange of information remains less than perfect, despite the efficiency of co-ordination structures. In the field, for example, the French embassy in Mali was not able to ascertain the overall official development assistance budget for the country, since it had not been advised of the non-schedulable portion of ODA, and debt-reduction measures in particular.

Fragmentation can also result in a lesser proclivity for change and innovation, because of the power strategies of each entity. In 2008, the reform begun in 1998-99 has not been completed, in part for this reason. Insofar as each entity has a very clear culture and established objectives, fragmentation also manifests itself in an inability to set a clear path for the entire system, around which energies could be stimulated internally. Vis-à-vis the outside as well, because the representation of France by different institutions does not always take the same approach, it sends the message that France is less audible. In the field, fragmentation blurs the visibility of French co-operation strategy and makes aid delivery processes more cumbersome.

The proclaimed desire to change the status quo, in respect both of relationships with partner countries, especially in Africa, and of institutional arrangements, ought to feed through to institutional and operational changes that would convey a clearer picture of aid objectives and lead to greater cohesion in aid implementation.

Future considerations

- France is encouraged to establish a timetable, and to take appropriate steps to implement its action plan for enhancing aid effectiveness.
- The DAC encourages France to play a leading role in partner countries where it enjoys a special relationship, working in close consultation with the other donors and taking into account its comparative advantage. France should take the necessary operational steps to become more involved in the realm of division of labour, by implementing delegated co-operation arrangements.
- In order to improve the predictability of its aid, France is invited to extend the scope of the State’s multi-annual commitment authorisations to the budgetary instruments covered by State’s multi-annual legal commitments, as recommended in the action plan.
- The partnership aspect of partnership framework documents needs to be bolstered, along with ownership by the partner countries. This would entail broader participation in PFD formulation by national partners and other donors. At the same time, France should ensure that framework documents are in fact used as a planning instrument focusing on a limited number of priorities.
- France is invited to take the steps necessary to use the most appropriate means, including general or sectoral budgetary support, within its bilateral aid, in line with the objectives of the Paris Declaration, and as the CICID requested in 2005.
- France should (i) re-examine the procedures for implementing SCAC-funded projects so that greater use could be made of national procedures, and especially of local contractors; and (ii) try to adjust the AFD’s project appraisal procedures so as to encourage ownership thereof.
Chapter 6
Selected Themes

The DAC has decided that all aid reviews carried out in 2007-08 would cover two important themes, namely: capacity building (examined in the first part of the chapter) and the approaches adopted in fragile States and countries in crisis, with the example of the Central African Republic serving as a case study for implementation of the DAC Principles for Good International Engagement in Fragile States and Situations.

Capacity building

Introduction

Since the inception of its development co-operation, France has used a variety of different instruments to build the capacities of the countries receiving its aid. As stipulated in the Memorandum, the aim of French aid is to contribute to capacity building through all of its actions. The aggregate amount provided by France via instruments more specifically targeting capacity building (school fees, training, technical assistance, education grants, support to the local education sector) is difficult to estimate (Box 10). The amount reported for 2006 under the heading of technical co-operation was EUR 2 726 million, accounting for 22% of aggregate official aid.

Box 10. How to quantify French support for capacity building?

In its Memorandum, France notes that its support for capacity building is difficult to estimate. DAC statistics (Table B.2) identify only one category, “technical co-operation”, which consolidates a whole set of related expenditures (such as technical assistance, education grants, imputed student costs and special activities). In 2007, the DAC Working Party on Statistics produced a report that tries to break down this overall category in respect of 2003 data for DAC members. Members found its results “realistic” and “broadly in line” with their own perceptions of their national technical co-operation programmes. DAC is pursuing this work in connection with its discussions on a new aid typology and plans to furnish more disaggregated information on the various forms of technical co-operation, beginning in 2010.

This report provides an initial comprehensive estimate of France’s contribution in this area for the year 2003. The total amount reported by France as “technical co-operation” came to USD 1 759 million – or 26% of aggregate bilateral ODA – and broke down as follows:

(i) Education grants and imputed student costs (USD 846 million or 48%);
(ii) Research (USD 405 million or 23%);
(iii) Studies, consultants, projects, administration (USD 245 million or 14%);
(iv) Short-term training, cultural programmes (USD 214 million or 12%);
(v) Unspecified (USD 48 million or 3%).

This study highlights the special interest taken by France, as compared with other DAC members, in student education at the university level, research and scientific co-operation, and cultural programmes.
An objective included in two national strategies …

Today, capacity building is a cross-cutting concern of French aid. Yet despite its long tradition and experience in the area, France has so far had no comprehensive strategy to guide all of the actions of the system’s various players, at either the overall or the sectoral level. However, the government is currently seeking to use aid to promote capacity building through two official strategies: aid effectiveness and governance.

In the 2006 French action plan for enhancing aid effectiveness, the theme of capacity building is one of the three main areas in which France committed itself to action, the specific directions of which are compatible with the DAC’s most recent recommendations on the subject:

- Increase the percentage of official development assistance intended for capacity building, including budgetary aid, sectoral aid and projects, with a view to fostering ownership of the policies by the partner countries;
- Promote multi-donor and multi-annual capacity-building frameworks, including missions, technical-expert jobs and education grants;
- Modernise French actions, diversify targets, give priority to support in the field, emergence of local players and public debate;
- Foster training and the use of locally existing capacities;
- Rekindle and lead the international debate on capacity building.

The French approach to good governance draws on the concept of democratic governance, 19 through support for building the capacities of parties to development. The MAEE’s publication on governance strategy calls for cross-cutting support to governance which gives a central role to institutional and human capacity building (MAEE, 2007b). This strategy notes the importance of interactions between players and institutions in constructing a context of dialogue, and it encourages guidance for internal processes, support for regional mechanisms and networks, the use of partnership framework documents, the evolution of technical assistance and support to decentralised co-operation and non-governmental organisations. The governance strategy emphasises actions that target “agents of change” as well as the structures of change: in Mali, for example, DAC staff were able to observe the importance that France attaches to bolstering local governance, which is tied in with the decentralisation process it has supported. France is one of the very few donors that provides aid to capacity building at the regional level (Chapter 1). Box 11 contains an example of France’s regional support for strengthening statistical institutions in Africa.

Through these strategies, capacity is being built up through education (education grants and school fees), technical co-operation delivered in connection with projects, and institutional support, where French aid is substantial in supporting the formulation of national strategies and bolstering public finances and national statistics. Even so, because the causal link between technical assistance and capacity building is not automatic, it is difficult to ascertain the extent to which such aid has in fact helped build the capacities of the recipient countries in a long-lasting manner. France has 40 years’ experience in training the élite of numerous developing countries, through either education grants or training dispensed in the field or in regional institutes, but it has scant means of assessing the impact. To carry out assessments of the impact of such tools and conduct surveys that could be used to

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19 "The art of governing, intertwining the administration of public affairs at various territorial levels, overseeing relations within society and co-ordinating the actions of multiple players.”
estimate how the public perceive changes in a given sector are essential instruments for improving approaches to capacity building, and France should make greater efforts in terms of evaluating and capitalising on its capacity-building initiatives. Greater efforts in this area would make an important contribution to the international effort to build capacities.

Box 11. Bolstering the capacity of regional statistical institutions in Africa: the example of AFRISTAT

Since the 1960s, France has lent support to the statistical systems of its former colonies in sub-Saharan Africa by dispatching technical assistants to their ministries. A 1989 assessment highlighted the mismatch between such aid, which, although supplemented by advanced training for numerous statisticians and development of customised tools, had not triggered any real development of the statistical systems of the beneficiary countries. As a result, France suggested that technical assistance be concentrated in a regional centre to bolster its effectiveness, and that there be a gradual shift from the assistance of substitution to capacity building.

In 1993, France supported the initiative of 14 franc zone members to create the Economic and Statistical Observatory of Sub-Saharan Africa (AFRISTAT), whose “objective is to reinforce development of economic, social and environmental statistics in member States and to improve their competence in these areas”. The initial phase of AFRISTAT’s installation was funded by France. Thereafter, an original financing mechanism was set in place involving a ten-year fund supported by subscriptions from the member countries and from France, to provide uninterrupted funding for activities without the constraints of annual budgets.

After more than ten years in operation, AFRISTAT has become an essential player in the statistical development of its member States, which now extends beyond the franc zone alone. The aims of its activities are to (i) construct basic tools for the development of statistics, (ii) develop coherent and effective statistical systems, (iii) respond to requests for information for the design, implementation, monitoring and evaluation of development policies and (iv) dispense ongoing training to national officials in the processing and distribution of statistical information. With a team of 23 experts, two-thirds of whom are African, AFRISTAT is also a vital training ground for African expertise.

... which is evolving in the field

With regard to capacity building, France’s visibility in the field has long been attributable to the strong presence of its technical assistance. But this assistance has changed much over time: massive French “substitution” technical assistance (23 000 persons in 1980) has gradually been transformed into “international technical expertise”, which is far more focused (1 200 persons at present) and short-term. In Mali and the Central African Republic, the DAC team noted that some of those with whom they spoke were sorry to see the French technical presence diminish when local capacities were still insufficient, but the unanimous view was also that the solution should be geared more towards building up and supporting local expertise. France is in fact endeavouring to align more and more of its activities on national systems, and to make use of local capacities to carry out the country’s programme.

The visits to Mali and the Central African Republic show the importance that France attaches to democratic governance and capacity building (Annexes D and E). However, much remains to be done: while it is true that the principle of good governance lies at the core of the French vision expressed in each PFD, actual efforts to build capacities in support of good governance have only just begun. From an organisational standpoint, SCAC and AFD would do well to decide locally on an optimal division of labour for capacity building on the basis of local circumstances, in order to arrange a single integrated operation. It is thus important to rethink the split of technical assistance between the two institutions, as well as procedures for granting SCAC education grants, so that they might be better aligned with each country’s overriding strategic directions.
As for its approach to aid effectiveness, as stated in Chapter 5, the latest readings of Declaration of Paris indicators show that, on the whole, France is still far short of its objectives, especially as concerns implementation of joint approaches to capacity building. France should pursue its efforts in this area, drawing on its past experience. In Mali, for example, the AFD is supporting creation of a multi-donor capacity-building fund in the realm of agriculture. A further example is France’s contribution to the regional centres of expertise in public finance, statistics and monetary policy that the IMF has set up in West Africa and Central Africa.

**Make the French approach more comprehensively strategic**

In both of the countries visited by the DAC team, France would do well to lay down more explicit operational guidelines, especially in the realm of capacity building. An assessment of existing capacities in countries where France is active (conducted ideally in association with other donors, and in some cases governments) could allow actions to be targeted more closely, based on needs and actual capacity shortfalls at the structural, institutional and sectoral levels. By doing this in all of its high-priority countries, France could foster the emergence of a consensus on capacity building between national authorities and donors, which would make this one of the central themes of the dialogue on steps to be taken.

All French capacity-building initiatives are carried out by players emanating from different parts of the French system, and there is still scant co-ordination among them. The AFD, for example, favours supply of short-term technical expertise, while the SCAC tends more towards long-term institutional support. France’s education grants, supply of technical assistance or training efforts ought to be part of a more coherent national or sectoral approach, and much of its action in the field could be undertaken in a broader partnership context, in particular with the private sector, which now plays an important role in building the capacities of partner countries. With regard to internal co-ordination among French institutions, it would be important to designate a lead manager and to place France’s capacity-building effort into a clearly pan-governmental context.

France should tackle the systemic factors that discourage capacity building in its priority countries. The aforementioned evaluation of needs could also provide a basis for joint programming and for decisions regarding the recruitment, employment and evaluation of technical experts and advisers. France might also want to encourage wider evaluation of its own capacity-building instruments – of its education grants, for example – which are neither selected downstream on the basis of PFD strategic objectives nor subject to impact assessment after the fact.

A strategic and co-ordinated approach to local capacity building is even more necessary in fragile States like the CAR – a country only just emerging from repeated crises, and in which the feeble capacities in management and administration prompt donors to step in for government. The recent round table for this country created an excellent analytical framework which France could exploit in collaboration with its partners (CAR Development Partner Round Table, 2007). The pivotal role frequently played by France in French-speaking countries could help ensure that capacities are built at the national and local levels so that cross-cutting concerns (gender equality, human rights and environmental viability) are incorporated into programme scheduling, budgeting and notification. These efforts at the local level are especially important insofar as France is currently putting the emphasis on bolstering governance at the local level.

Given the importance of this subject, and its complexity, the time has come to seek a coherent overview rooted in the considerable amount of experience already acquired. This would enable France to prioritise its action and would be an invaluable benchmark for all partners, especially in French-speaking countries where France often plays the role of esteemed intermediary. In this regard,
France should formulate a framework strategy that incorporates all of its priorities for capacity building so as to improve guidance for its personnel in the field. The AFD, which hires specialised staff for capacity building, would perhaps be in a good position to lead such an effort. This strategic approach would make French action better co-ordinated, more effective and longer-lasting.

**Conflict, Peace, Security and Fragile States**

The 2004 DAC Peer review noted that “France is highly interested in an integrated approach to development, encompassing the notions of peace and security”. In the intervening period, France has sought to deepen understanding of the complex dynamics that underpin situations of instability through a process of inter-departmental reflection on the most effective forms of assistance in States weakened by political instability and poor governance, under the auspices of the *Groupe interministériel sur les États Fragiles* and also engaging with selected partners from Francophone Africa. This reflection has also included participation in the global discourse on state fragility, where France has played a prominent role within the DAC and piloted the *DAC Principles for Good International Engagement in Fragile States and Situations* in the Central African Republic (CAR). In the process, France has also made advances in its own policy arena culminating with the release in 2007 of a position paper, *Fragile States and Situations of Fragility*.

The position statement reflects a re-invigorated commitment to develop more coherent strategies in partner countries confronting political, economic and social disintegration. The complex challenge of delivering meaningful assistance in situations of endemic fragility is advanced from a governance perspective. The approach aims to create a viable enabling environment for poverty reduction and sustainable development by restoring State legitimacy and strengthening degraded state-society relationships.

**Consolidating lessons: Towards a new policy**

*Principle Nos 1 and 2: “Take context as the starting point” and “do no harm”*

To date, systematic analysis of the causes of state fragility and conflict has not been undertaken during formulation of bilateral partnership agreements. Central to the new policy directions set out in the position paper, however, is an enhanced capacity to tailor assistance packages to the distinctive characteristics of the operating environment. A diagnostic tool - the Fragilities Grid (*Grille de lecture des fragilités*) – has been developed based on five clusters of national indicators and one cluster of supranational indicators of state and societal weakness.

The *Grille* has recently been piloted in several contexts, including Mali, Niger, DRC, Haiti, Kosovo and one regional context (CAR, Darfur, Chad) and feedback will be used for further refinement of the tool before it is applied to analyse State and societal weaknesses during formulation of the *Document Cadre de Partenariat* (DCP).

*Principle No 3: “Focus on state-building”*

State-building is an explicit objective of French development co-operation. Nevertheless, like many donors, France has struggled to give expression to this commitment when confronted by unstable situations characterised by poor political commitment and weak capacity. There has been some tendency, in these instances, to substitute for deficits in institutional capacities and thus undermine broader state-building objectives. The position paper reaffirms restoration of state functionality as a central theme.
**Principle No. 4: Prioritise prevention**

To date, preventive action has been an objective that has been primarily pursued through support to multilateral programmes. At a bilateral level, preventive goals have tended to be implicit – rather than explicit. The position paper extends the commitment to direct action into the bilateral domain by embracing not only countries immersed in – or emerging from – crisis within the framework of DCPs but also countries displaying critical signs of stress where early action may avert the onset of crisis.

**Principle No. 5: Linkages between political, security and development objectives**

While there is acceptance that political, security and development objectives can be mutually reinforcing, formal structures and funding mechanisms to exploit critical inter-departmental opportunities are lacking. In CAR, for example, potential alignments with political and security sector support are not strongly articulated in the draft DCP. The policy calls, *inter alia*, for joint analyses, systematic information-sharing and an informal network to monitor developing crises and act as an advisory group for further policy development. Successful achievement of the policy goals will hinge on the strength of intra-departmental relationships at headquarters level and within overseas embassies. More formalised structures (with access to pooled funding) may prove to be more beneficial in deepening inter-departmental commitment to cooperation in fragile contexts.

**Principle No. 6: Inclusivity**

In the past, co-operation in fragile situations has primarily focussed on improving the functionality of State institutions and assumed that stability would automatically flow from improvements to State-sponsored services. The approaches advocated in the position paper represent a significant departure from these more mechanistic approaches. It recognises that the state is the primary “guardian, arbiter and regulator of public interest, equity and equality of all citizens” but also notes that “behind weakened state machinery are often fragile societies incapable of facing up to the challenges of globalisation”. The paper not only aspires to bolster the credibility of State institutions but also to improve the quality of the social contract between State institutions and broader society, in terms of three prominent relational characteristics, *i.e.* institutional legitimacy, access to services and security. It follows therefore that investment in building the capacity of civil society to engage as equal partners in this contract must become a critical element of this package. To date, in CAR endemic weaknesses in civil society appeared to have been an impediment to systematic engagement – rather than a reason for prioritising engagement.

**Principle No. 7: Alignment with local priorities**

The position paper recognises that, in order to generate internal commitment for reform (*i.e.* create and sustain ownership of change processes), the point of departure for DCPs must be the priorities of the partner country. In CAR, this has been interpreted as alignment with the PRSP. However, the validity of the PRSP as a consultative process in a country wreaked by conflict for decades is questionable. Furthermore, a number of important government interlocutors in CAR claimed to be unaware of the content of the DCP currently being prepared and civil society groups had not been consulted. Clearly, dialogue processes will need to be systematically strengthened and deepened if DCPs are to truly reflect local priorities.

**Principle No. 8: Coordination with international actors**

France’s bilateral efforts to address state fragility have been reinforced by support for multilateral programmes as in CAR and Sudan. The position paper commits France to expand multilateral support
as well as playing a more active role in multilateral fora. In the future, France proposes to build on Paris Declaration commitments by seeking to improve coherence with other bilateral and multilateral donors. Articulation of joint strategies with key UN agencies, the IFIs and the EU would give added substance to this commitment.

**Principle No 9: Act fast and stay engaged**

The backbone of bilateral development cooperation is the DCP, which defines the medium-term (up to five year) goals and priorities. The new policy commits to application of the full range of instruments - adapted where necessary - in an appropriate blend of quick disbursing assistance and sustained support. However, the draft DCP with CAR does not identify mechanisms to take advantage of windows of opportunity to consolidate peace nor contain any specific reference to relevant humanitarian action that would sustain crisis-affected populations in the interim. Furthermore, the review mission was told that good performing states will be rewarded with enhanced development co-operation assistance. On the other hand, *Fragile States and Situations of Fragility* commits France to remaining engaged in poorly performing contexts. It is unclear how resources will be allocated in the light of this apparent tension between priorities.

**Principle No.10: Avoid pockets of exclusion**

France has a record of sustained engagement in bilateral partner countries under stress (particularly Francophone countries). Notably the commitment to CAR - a country that has been categorised as an “aid orphan” – since independence has, in many respects, been exemplary. The challenge, however, is to translate this dependability into improved development outcomes and meaningful leadership as the rest of the donor community re-engages in these neglected countries.

**Translating policy into practice**

France (like other donors) confronts significant challenges in translating these contemporary orientations into institutional leadership and concrete programming decisions. Many of the observations in previous chapters of this report remain pertinent but the fragile contexts under discussion here demand innovative approaches to partnership, aid delivery, capacity building, coordination etc., in order to overcome structural obstacles to reform within State systems that are barely functional.

**From “fragile states” to “state fragility”**

France has opted not to nominate a list of so-called “Fragile States”. Rather, the French approach assumes that every situation can be located along a continuum between fragility and functionality of state institutions and society. Furthermore, fragility is located as a transversal theme rather than a vertical sector. These interpretations have a number of implications for the management of French aid in situations of fragility (Box 12) - notably administrative systems and staff skills will have to be upgraded to ensure that the policy directions become fully embedded in development practices within the official French aid system.
Box 12. State Fragility: Everybody's business

The Groupe interministériel sur les États fragiles was established to promote dialogue, provide inter-departmental leadership and improve policy coherence. The new policy statement is a manifestation of progress in nurturing inter-departmental acceptance of the multidimensional characteristics of state fragility but it is not yet clear that this collaboration has crystallised into a solid constituency of support for the enhanced approach to state fragility. Nor that the strategic priorities of individual departments have been fully aligned to support this whole-of-government policy agenda.

Support to address inherent fragilities cannot be conceived as standalone projects. Rather, a state fragility perspective must be integrated across all elements of the programme and existing funding envelopes expanded to accommodate measures to address fragility. The cross-cutting approach to state fragility concerns development professionals in all sectors as well as their counterparts in other government departments.

Since all states are considered to be fragile/functional to some extent, fragility analysis should be mandatory across all programmes in order to establish the level of state and societal functionality as a precursor to programme planning. Other DAC principles for international engagement in Fragile States and situations may also be applicable depending on the outcome of the analysis. A concerted effort is therefore necessary to raise awareness and critical skills in programming for fragile situations. Technical experts can mentor and advise - but not replace the initiative of staff with direct responsibility for programming in fragile situations.

Finally, the state fragility approach assumes buy-in by the host government, who must be part of the analytical and programming processes. Again, awareness and skills must be raised within host governments of the benefits of the approach to state fragility.

Ensuring whole-of-government coherence

In formulating the policy, some momentum has accrued for collaboration between government departments – principally through the fora of the CICID and the Groupe de travail interministériel sur les États fragiles. The goal of harmonisation of inter-departmental efforts (including non-aid actors) appears attainable. Nevertheless, the strength of the working relationship between departments will have to be deepened if France is to meet global commitments with respect to policy coherence and aid harmonisation.

The requirement for whole-of-government policy and operational coherence is particularly critical in the security sector. In particular, support to the security sector has generally fallen outside the realm of the development co-operation programme. However, security is a vital concern for development practitioners and devolving responsibility for security sector reform may prevent development actors from sharing the benefits of the experience gained in public sector reform processes with their security counterparts.

The new ODA-eligibility criteria provide greater scope for the French development co-operation programme to play a more direct role in improving overall performance of the sector. Inter-departmental discussions were launched in the second half of 2007 in a steering committee on security system reform (SSR) with a view to defining France’s policy position and improving the coherence of bilateral and multilateral initiatives in this field.

Box 13. The Security Sector in CAR: From containment to protection

Failure by successive CAR governments to instill a sense of civic responsibility in security institutions has contributed to the volatility that has dogged the country since independence. The collapse of rule of law and the pervasive culture of impunity are therefore, symptomatic of gross failure within State security systems. Bringing an end to this chronic instability is essential to create an enabling environment for achievement of the MDGs. The challenge, however, will be to pacify restive areas of the country through legitimate means that nurture public confidence in the security sector rather than further undermine it. Applying the principle of "do-no-harm" will be crucial under these circumstances.
Throughout the chequered, post-independence history, France has maintained a defence co-operation partnership that has primarily involved training programmes as well as operational support when these forces have come under stress (e.g. military intervention in Birao in early 2007). In the light of the disintegration of security forces in 2006-07, it is apparent that the configuration of security sector support has been inadequate to create an accountable and disciplined security sector capable of fulfilling core state responsibilities.

Nevertheless, these experiences have provided France with valuable insights and unique influence within the security sector. The opportunity now exists to blend French development assistance and military co-operation towards a joined-up effort to produce a more accountable security sector. The forthcoming seminar on security sector reform is expected to define a vision for the sector as well as identify quick impact interventions that would serve to build public support. France will need to be informed by – but also, inform – the outcomes of the seminar in order to ensure that future support to the security sector (through civilian and military channels) is internally coherent and systematically embedded within the overarching framework of international support for reform of the security sector. In this regard, the existing development cooperation project, *Appui au renforcement de l’État de droit*, could be usefully expanded and decentralised as conditions stabilise.

*From training to capacity-building*

Typically, states weakened by conflict and protracted crises lack capacities to nurture reform processes. Capacity deficits may have been accentuated by exclusionary practices and depletion of the skills, e.g. through emigration of professionals. Nurturing individual capacities therefore acquires added poignancy in these difficult situations since it provides not only the foundation for stable government and accountable institutions but it can also serve to redress structural imbalances that underpin crises by emphasising inclusivity and merit-based appointments. As noted earlier however, French technical assistance appears, at times, to be more focussed on direct, in-line support than skills transfer and institutional development. The net outcome is that the durability of reform processes may be undermined and stability threatened. French technical assistance in fragile contexts should aim to balance the competing imperatives, on one hand, to provide in-line support that ensures state institutions are at least functional while, on the other hand, to ensure individual and institutional capacities for transparent service delivery are fostered.

*Inserting conflict-sensitive approaches into programme management cycle*

Under any circumstances, effective aid requires a finely-tuned understanding of the complex interaction between programmes and the operating environment. In situations of fragility, the risk of “doing harm” is accentuated by extreme sensitivities about access to resources and opportunities. The *Grille* will provide the basis for conflict-sensitive programming. However, in order to maintain integrity of DCPs and ensure the safety of personnel, a capacity to maintain this contextual analysis will be necessary and flexibility built into programme designs to amend support accordingly. Formal mid-term reviews are likely to be too infrequent. Monitoring the context, reflecting on the implications of contextual fluctuations and tailoring activities to the prevailing dynamics will be an important function for field-based personnel (currently the SCAC), who will require both tools and upgraded skills to translate analysis into practical options. In the case of the CAR, there is little evidence that the *Grille* had yet influenced priority-setting within the DCP – nor how it will inform forward planning processes.

*Risk management*

As noted above, aid effectiveness in fragile contexts demands a high degree of adaptability and flexibility. The constraints on application of existing instruments are acknowledged in the position paper but, for the time-being, a new suite of instruments is not under consideration. Rather, it is proposed that existing instruments will be configured to the specific context. This prudent approach
requires that risk management practices associated with existing instruments be fine-tuned to absorb higher-than-normal levels of risk.

**Impact assessment**

To date, little attention has been paid to the downstream assessment of the impact of the enhanced approach to state fragility. While it is perhaps somewhat early to assess the full impact of the new approaches to state fragility, it will, however, be critical to closely monitor and reflect on progress at all stages in roll-out of the policy in order to ensure that French assistance maximises impact and avoids harmful impacts. To this end, SMART indicators should be identified as well as a process for regular review of progress against its primary goals at both global and country levels.

**Future considerations**

**Capacity building**

- France’s intention to focus on capacity building – both in its Action Plan and its governance strategy – should be discussed at the highest level in order to identify more clearly the real possibilities of this approach.

- France should establish more explicit operational guidelines for capacity building, on the basis of a more systematic process of evaluating the experience of France and the international community in this field.

France should consider:

- Reinforcing processes for inter-departmental collaboration on issues of state fragility at Headquarters and field level in order to better combine the different approaches and tools.

- Strengthening processes to facilitate ownership of reform within State institutions in partner countries weakened by political instability, opaque recruitment processes and depleted skills base.

- Further refinement of DCP processes to better accommodate flexibility and risks associated with effective delivery of assistance in volatile contexts.

- Broadening dialogue - and increasing alignment of assistance - with international partners on fragility issues, including security sector management.

- Development of performance measurement framework for programmes with explicit objectives to improve state functionality and/or build peace.

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20 Specific; Measurable; Achievable; Realistic and Timely.
Annex A

Progress Against 2004 DAC Peer Review Recommendations

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>General framework and new directions</td>
<td>Draw up a policy document setting out the strategic directions for the entire co-operation system, based on the achievement of the MDGs and on the principle of aligning French co-operation with the strategies adopted by partner countries towards the fight against poverty.</td>
<td>The cross-cutting policy document, the drafting of sectoral strategies in key sectors and the preparation of framework partnership documents (DCPs) in the priority zone for solidarity countries (ZSP) represent progress which will contribute to achieving the MDGs and will be conducive to alignment and harmonisation. France does not, however, have a policy document setting out the medium-term strategic directions for its co-operation policy which will guide all its institutional actors on the basis of clearly established priorities.</td>
</tr>
<tr>
<td></td>
<td>Take on a more active role in the implementation of aid effectiveness principles in partner countries; this will entail finalising and disseminating the action plan for harmonisation, specifying the objectives to be achieved as well as indicators of results and timetables.</td>
<td>France hosted the Paris High-Level Forum in March 2005, drew up an action plan on aid effectiveness and is actively engaged in follow-up work, both in DAC and at European level. The LOLF and the DCPs encourage the application of the principles embodied in the Paris Declaration. A precise timetable for implementing the components of the action plan needs to be drawn up to ensure that it is made operational and to enhance the application of the commitments made with respect to the division of labour, predictability, alignment and harmonisation.</td>
</tr>
<tr>
<td>Aid volume and distribution</td>
<td>Determine the planning principles and implementation procedures for the budget resources that will be mobilised to compensate for the gradual reduction in debt relief.</td>
<td>France has improved the budgetary transparency and programming of its official development assistance. However, it remains to be specified how the foreseeable reduction in debt relief is to be offset in such a way as to abide by international commitments.</td>
</tr>
<tr>
<td></td>
<td>Review geographical selectiveness within the ZSP by setting priorities according to the needs for achieving the MDGs and the potential impact in view of the commitment made by beneficiary countries.</td>
<td>No changes were made to the ZSP over the period. French aid is heavily targeted on Africa (2/3), but the share going to the least developed countries has declined since 2004. France is anxious to concentrate its aid to a greater degree and the DAC suggests that programmable aid should be concentrated more on a small number of countries in Africa, and especially the LDCs, on the basis of an explicit strategy.</td>
</tr>
<tr>
<td></td>
<td>Explain multilateral strategy in greater detail, including budgetary choices, and incorporate the lessons learned from bilateral experience into multilateral actions.</td>
<td>France is seeking to develop synergies between the multilateral and bilateral parts of its aid and to develop a more strategic approach to international institutions. A comprehensive multilateral strategy has still to be drawn up.</td>
</tr>
<tr>
<td></td>
<td>Grasp the opportunity afforded by the LOLF to introduce a transparent and multi-year budgetary process, as well as results-based management, by using the cross-cutting policy document</td>
<td>The LOLF represents progress in terms of aid transparency and results-based management, on the basis especially of the DPT. To strengthen the results-based approach, results indicators need to be introduced in the DCPs and those adopted in</td>
</tr>
<tr>
<td>Policy coherence for development</td>
<td>Make policy coherence for development an explicit goal of the French government and specify the institutional arrangements to be used – in particular co-ordination mechanisms and arbitration procedures.</td>
<td>Coherence is referred to in the DPT and it is the responsibility of the Secretary of State for Co-operation to promote it. However, there is only limited acceptance of policy coherence for development and there is no reference policy framework for promoting it with respect to all sectoral policies.</td>
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<tr>
<td></td>
<td>To ensure that the interests of developing countries are taken into account more systematically in the policies pursued by France, initiate a more rigorous debate by identifying the practical objectives to be achieved at ministerial level and within the administration.</td>
<td>France prefers to use ad hoc mechanisms to solve coherence problems and the existing co-ordination mechanisms in the area of development. The latter are not suited to being used outside this area, as is required by the coherence for development approach. The lack of a permanent, dedicated mechanism weakens the impact of the analytical and research work developed by the French co-operation authorities in connection with a number of coherence issues.</td>
</tr>
<tr>
<td>Aid management and implementation</td>
<td>Adjust aid planning to respond more closely to the needs expressed by partner countries through their national poverty reduction strategies, rather than in terms of the instruments used by French co-operation, and introduce budgetary programming by country in order to enhance aid predictability.</td>
<td>The DCPs put in place in some thirty ZSP countries are a strategic instrument which takes national strategies into account. The financial annex gives an indicative range of aid volumes by sector over five years. The possibility of multi-year commitment authorisations would improve aid predictability. Continuing efforts need to be made to use DCPs as a partnership-based programming instrument involving a limited number of priorities.</td>
</tr>
<tr>
<td></td>
<td>Assess the advantages and disadvantages of keeping various implementation structures in place, both at headquarters and in partner countries. On the basis of the experience gained with C2Ds, undertake a more in-depth analysis of the effectiveness of various instruments of French aid in relation to the shift towards the programme approach and budget support.</td>
<td>France has transferred some of the responsibility for official aid implementation to the AFD and is looking to redefine institutional structures both at headquarters and in the field. What is needed is a simplified institutional set-up which clarifies the role of the actors involved in the different aspects of aid management and implementation. France continues to have a broad range of instruments and is beginning to venture into programme aid and budgetary support.</td>
</tr>
<tr>
<td></td>
<td>Pursue efforts to adjust technical assistance to strengthen its contribution to capacity building, while assessing its opportunity cost compared with other instruments. Consider untying such assistance, co-financing with other donors and increased use of local or regional expertise.</td>
<td>Technical assistance in the MDG sectors started up by the AFD comes under local supervision and is untied. Technical assistance in the areas covered by the MAE continues to be managed by the Ministry according to its own procedures, joint approaches being the exception. Areas that need to be developed include appraisal of the impact of technical assistance in a given sector and turning experience to account in the area of capacity building.</td>
</tr>
<tr>
<td></td>
<td>Encourage initiatives aimed at interinstitutional capitalisation on know-how and experience, including evaluation.</td>
<td>The DGCID, AFD and DGTPÉ have kept their evaluation structures, but there is more consultation between them. Increased integration could help to capitalise on experience.</td>
</tr>
</tbody>
</table>
Annex B

OECD/DAC Standard Suite of Tables

Table B.1. Total financial flows

USD million at current prices and exchange rates

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total official flows</td>
<td>8,249</td>
<td>5,773</td>
<td>6,121</td>
<td>10,059</td>
<td>8,257</td>
<td>8,637</td>
<td>9,213</td>
<td></td>
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<tr>
<td>Official development assistance</td>
<td>8,169</td>
<td>5,198</td>
<td>5,486</td>
<td>7,253</td>
<td>8,473</td>
<td>10,026</td>
<td>10,601</td>
<td></td>
</tr>
<tr>
<td>Bilateral</td>
<td>6,270</td>
<td>3,703</td>
<td>3,615</td>
<td>5,213</td>
<td>5,567</td>
<td>7,320</td>
<td>7,915</td>
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</tr>
<tr>
<td>Multilateral</td>
<td>1,899</td>
<td>1,495</td>
<td>1,506</td>
<td>2,040</td>
<td>2,906</td>
<td>2,787</td>
<td>2,685</td>
<td></td>
</tr>
<tr>
<td>Other official flows</td>
<td>140</td>
<td>21</td>
<td>655</td>
<td>2,866</td>
<td>3,216</td>
<td>3,590</td>
<td>3,580</td>
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<tr>
<td>Bilateral</td>
<td>140</td>
<td>-25</td>
<td>685</td>
<td>2,866</td>
<td>3,216</td>
<td>3,590</td>
<td>3,580</td>
<td></td>
</tr>
<tr>
<td>Multilateral</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Net Private Grants</td>
<td>250</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Private flows at market terms</td>
<td>4,404</td>
<td>5,512</td>
<td>-1,392</td>
<td>-3,123</td>
<td>4,342</td>
<td>7,197</td>
<td>13,116</td>
<td></td>
</tr>
<tr>
<td>Bilateral</td>
<td>4,524</td>
<td>5,312</td>
<td>-1,192</td>
<td>-3,123</td>
<td>4,342</td>
<td>7,197</td>
<td>13,116</td>
<td></td>
</tr>
<tr>
<td>Direct investment</td>
<td>2,181</td>
<td>3,520</td>
<td>2,915</td>
<td>681</td>
<td>1,524</td>
<td>6,876</td>
<td>10,501</td>
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<td>Export credits</td>
<td>63</td>
<td>-145</td>
<td>-1,440</td>
<td>-2,345</td>
<td>-23</td>
<td>-931</td>
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<tr>
<td>Multilateral</td>
<td>-119</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total flows</td>
<td>12,883</td>
<td>10,685</td>
<td>4,729</td>
<td>6,936</td>
<td>12,599</td>
<td>15,744</td>
<td>22,229</td>
<td></td>
</tr>
</tbody>
</table>

For references:

- ODA (at constant 2005 USD million) 9,707 0,969 7,682 8,265 8,637 10,026 10,618
- ODA (as a % of GNI) 0,58 0,37 0,37 0,40 0,41 0,47 0,47
- Total flows (as a % of GNI) 0,92 0,73 0,82 0,89 0,91 0,74 0,92
- VQOs (as a % of total net ODA) 23 23 29 34 50 47 53
- In percentage of total ODA 0 0 0 0 0 0 0
- Medium DAC percentage of total net ODA 5 8 8 8 9 9

a. To countries eligible for ODA.
Table B.2. ODA by main categories

<table>
<thead>
<tr>
<th>France</th>
<th>Constant 2008 USD million</th>
<th>Per cent share of gross disbursements Total DAC 2008%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Bilateral ODA</td>
<td>6,584</td>
<td>7,031</td>
</tr>
<tr>
<td>Grants</td>
<td>5,209</td>
<td>6,424</td>
</tr>
<tr>
<td>Project and programme aid</td>
<td>642</td>
<td>539</td>
</tr>
<tr>
<td>Technical co-operation</td>
<td>2,121</td>
<td>2,268</td>
</tr>
<tr>
<td>Developmental food aid</td>
<td>48</td>
<td>44</td>
</tr>
<tr>
<td>Humanitarian aid</td>
<td>17</td>
<td>36</td>
</tr>
<tr>
<td>Action relating to debt</td>
<td>1,171</td>
<td>2,771</td>
</tr>
<tr>
<td>Administrative costs</td>
<td>270</td>
<td>262</td>
</tr>
<tr>
<td>Other grants</td>
<td>484</td>
<td>638</td>
</tr>
<tr>
<td>Non-grant bilateral ODA</td>
<td>1,164</td>
<td>1,407</td>
</tr>
<tr>
<td>New development lending</td>
<td>771</td>
<td>209</td>
</tr>
<tr>
<td>Debt re-scheduling</td>
<td>293</td>
<td>399</td>
</tr>
<tr>
<td>Acquisition of equity and other</td>
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<td>1</td>
</tr>
<tr>
<td>Gross Multilateral ODA</td>
<td>2,794</td>
<td>2,983</td>
</tr>
<tr>
<td>UN agencies</td>
<td>216</td>
<td>228</td>
</tr>
<tr>
<td>EC</td>
<td>1,789</td>
<td>1,494</td>
</tr>
<tr>
<td>World Bank group</td>
<td>839</td>
<td>334</td>
</tr>
<tr>
<td>Regional development banks (a)</td>
<td>181</td>
<td>171</td>
</tr>
<tr>
<td>Other multilateral</td>
<td>269</td>
<td>251</td>
</tr>
<tr>
<td>Total gross ODA</td>
<td>9,318</td>
<td>10,424</td>
</tr>
<tr>
<td>Repayments and debt cancellation</td>
<td>1,716</td>
<td>2,169</td>
</tr>
<tr>
<td>Total net ODA</td>
<td>7,602</td>
<td>8,255</td>
</tr>
<tr>
<td>For reference:</td>
<td></td>
<td></td>
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<tr>
<td>Associated financing (b)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net debt relief</td>
<td>1,553</td>
<td>3,048</td>
</tr>
<tr>
<td>Impaired interest costs</td>
<td>-</td>
<td>933</td>
</tr>
<tr>
<td>Refugees in donor countries</td>
<td>142</td>
<td>507</td>
</tr>
</tbody>
</table>

a. Excluding EBRD.
b. ODA grants and loans in associated financing packages.

<table>
<thead>
<tr>
<th>Contributions to UN Agencies (2005-06 Average)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNDP</td>
</tr>
<tr>
<td>WHO</td>
</tr>
<tr>
<td>UNICEF</td>
</tr>
<tr>
<td>UNHCR</td>
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<tr>
<td>UNESCO</td>
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<tr>
<td>FAO</td>
</tr>
<tr>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Contributions to Regional Development Banks (2005-06 Average)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDB Group</td>
</tr>
<tr>
<td>Other Banks</td>
</tr>
<tr>
<td>Other UN</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>ADB Group</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
### Table B.3. Bilateral ODA allocable by region and income group

<table>
<thead>
<tr>
<th>Region</th>
<th>Constant 2005 USD million</th>
<th>Per cent share</th>
<th>Total DAC 2005-2006 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>4 600</td>
<td>75</td>
<td>2005-2006</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>5 008</td>
<td>71</td>
<td>2005-2006</td>
</tr>
<tr>
<td>Asia</td>
<td>696</td>
<td>42</td>
<td>2005-2006</td>
</tr>
<tr>
<td>South and Central Asia</td>
<td>104</td>
<td>33</td>
<td>2005-2006</td>
</tr>
<tr>
<td>Far East</td>
<td>533</td>
<td>11</td>
<td>2005-2006</td>
</tr>
<tr>
<td>Americas</td>
<td>241</td>
<td>9</td>
<td>2005-2006</td>
</tr>
<tr>
<td>North and Central America</td>
<td>119</td>
<td>3</td>
<td>2005-2006</td>
</tr>
<tr>
<td>South America</td>
<td>210</td>
<td>3</td>
<td>2005-2006</td>
</tr>
<tr>
<td>Middle East</td>
<td>134</td>
<td>3</td>
<td>2005-2006</td>
</tr>
<tr>
<td>Oceania</td>
<td>328</td>
<td>3</td>
<td>2005-2006</td>
</tr>
<tr>
<td>Europe</td>
<td>251</td>
<td>4</td>
<td>2005-2006</td>
</tr>
<tr>
<td>Total bilateral allocable by region</td>
<td>6 109</td>
<td>100</td>
<td>2005-2006</td>
</tr>
</tbody>
</table>

| Least developed         | 1 844                      | 33             | 2005-2006               |
| Other low-income        | 1 540                      | 28             | 2005-2006               |
| Lower middle-income     | 1 633                      | 25             | 2005-2006               |
| Upper middle-income     | 1 516                      | 25             | 2005-2006               |
| More advanced developing countries | 203      | 5              | 2005-2006               |
| Total bilateral allocable by income | 5 556 | 100           | 2005-2006               |

For reference:
- Total bilateral: 6 556 7 451 6 149 7 660 8 658
- Unallocated by region: 956 1 161 1 401 413 1 029
- Unallocated by income: 5 556 6 724 5 497 7 712 8 697

1. Each region includes regional accounts which cannot be allocated by sub-region. The sum of the sub-regional amounts may therefore fall short of the regional total.

**Gross disbursements**

**Allocable gross bilateral ODA flows by region**

**Allocable gross bilateral ODA flows by income group**
## Table B.4. Main recipients of bilateral ODA

### Gross disbursements, two-year averages

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>French Polynesia</td>
<td>417</td>
<td>496</td>
<td>8</td>
</tr>
<tr>
<td>Côte d'Ivoire</td>
<td>158</td>
<td>181</td>
<td>8</td>
</tr>
<tr>
<td>New Caledonia</td>
<td>395</td>
<td>469</td>
<td>8</td>
</tr>
<tr>
<td>Egypt</td>
<td>386</td>
<td>400</td>
<td>7</td>
</tr>
<tr>
<td>Cameroon</td>
<td>274</td>
<td>333</td>
<td>6</td>
</tr>
<tr>
<td><strong>Top 5 recipients</strong></td>
<td>1 832</td>
<td>2 180</td>
<td>36</td>
</tr>
<tr>
<td><strong>Top 10 recipients</strong></td>
<td>2 800</td>
<td>3 334</td>
<td>55</td>
</tr>
<tr>
<td><strong>Top 15 recipients</strong></td>
<td>3 509</td>
<td>3 939</td>
<td>66</td>
</tr>
<tr>
<td><strong>Top 20 recipients</strong></td>
<td>3 675</td>
<td>4 174</td>
<td>73</td>
</tr>
<tr>
<td><strong>Total (176 recipients)</strong></td>
<td>5 048</td>
<td>6 012</td>
<td>100</td>
</tr>
<tr>
<td><strong>Unclassified</strong></td>
<td>1 025</td>
<td>1 211</td>
<td></td>
</tr>
</tbody>
</table>

**DAC countries' median**

**Nigeria** 1 741 1 715 22

**Leq** 725 722 9

**Côte d'Ivoire** 265 279 7

**Morocco** 249 316 6

**Senegal** 220 279 6

**Cameroon** 232 273 5

**Morocco** 555 350 4

**Côte d'Ivoire** 265 279 7

**Senegal** 220 279 6

**Cameroon** 232 273 5

**Nigeria** 1 741 1 715 22

**Leq** 725 722 9

**Côte d'Ivoire** 265 279 7

**Morocco** 249 316 6

**Senegal** 220 279 6

**Cameroon** 232 273 5

<table>
<thead>
<tr>
<th>Country</th>
<th>2005-06</th>
<th>2005-06</th>
<th>2005-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>French Polynesia</td>
<td>1 741</td>
<td>1 715</td>
<td>22</td>
</tr>
<tr>
<td>Côte d'Ivoire</td>
<td>725</td>
<td>722</td>
<td>9</td>
</tr>
<tr>
<td>New Caledonia</td>
<td>675</td>
<td>673</td>
<td>9</td>
</tr>
<tr>
<td>Egypt</td>
<td>220</td>
<td>220</td>
<td>4</td>
</tr>
<tr>
<td>Cameroon</td>
<td>291</td>
<td>291</td>
<td>4</td>
</tr>
<tr>
<td><strong>Top 5 recipients</strong></td>
<td>3 777</td>
<td>3 725</td>
<td>47</td>
</tr>
<tr>
<td><strong>Top 10 recipients</strong></td>
<td>2 733</td>
<td>2 568</td>
<td>3</td>
</tr>
<tr>
<td><strong>Top 15 recipients</strong></td>
<td>1 741</td>
<td>1 715</td>
<td>22</td>
</tr>
<tr>
<td><strong>Top 20 recipients</strong></td>
<td>1 741</td>
<td>1 715</td>
<td>22</td>
</tr>
<tr>
<td><strong>Total (143 recipients)</strong></td>
<td>8 018</td>
<td>7 904</td>
<td>100</td>
</tr>
</tbody>
</table>
### Table B.5. Bilateral ODA by major purposes

**at current prices and exchange rates**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>USD million</td>
<td>Per cent</td>
<td>USD million</td>
<td>Per cent</td>
<td>USD million</td>
</tr>
<tr>
<td>Social infrastructure &amp; services</td>
<td>2,496</td>
<td>45</td>
<td>1,724</td>
<td>34</td>
<td>2,582</td>
</tr>
<tr>
<td>Education</td>
<td>1,177</td>
<td>28</td>
<td>1,001</td>
<td>21</td>
<td>2,025</td>
</tr>
<tr>
<td>of which: basic education</td>
<td>3</td>
<td>0</td>
<td>79</td>
<td>4</td>
<td>151</td>
</tr>
<tr>
<td>Health</td>
<td>210</td>
<td>4</td>
<td>105</td>
<td>2</td>
<td>275</td>
</tr>
<tr>
<td>of which: basic health</td>
<td>6</td>
<td>0</td>
<td>34</td>
<td>1</td>
<td>108</td>
</tr>
<tr>
<td>Population &amp; reproductive health</td>
<td>1</td>
<td>0</td>
<td>10</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Water supply &amp; sanitation</td>
<td>216</td>
<td>4</td>
<td>149</td>
<td>3</td>
<td>170</td>
</tr>
<tr>
<td>Government &amp; civil society</td>
<td>111</td>
<td>2</td>
<td>70</td>
<td>1</td>
<td>133</td>
</tr>
<tr>
<td>of which: Conflict, peace &amp; security</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>16</td>
</tr>
<tr>
<td>Other social infrastructure &amp; services</td>
<td>371</td>
<td>7</td>
<td>256</td>
<td>5</td>
<td>370</td>
</tr>
<tr>
<td>Economic infrastructure &amp; services</td>
<td>493</td>
<td>9</td>
<td>272</td>
<td>5</td>
<td>739</td>
</tr>
<tr>
<td>Transport &amp; storage</td>
<td>226</td>
<td>4</td>
<td>127</td>
<td>3</td>
<td>473</td>
</tr>
<tr>
<td>Communications</td>
<td>62</td>
<td>1</td>
<td>28</td>
<td>1</td>
<td>25</td>
</tr>
<tr>
<td>Energy</td>
<td>147</td>
<td>3</td>
<td>55</td>
<td>1</td>
<td>93</td>
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<tr>
<td>Banking &amp; financial services</td>
<td>12</td>
<td>0</td>
<td>47</td>
<td>1</td>
<td>104</td>
</tr>
<tr>
<td>Business &amp; other services</td>
<td>46</td>
<td>1</td>
<td>15</td>
<td>0</td>
<td>43</td>
</tr>
<tr>
<td>Production sectors</td>
<td>427</td>
<td>8</td>
<td>228</td>
<td>5</td>
<td>198</td>
</tr>
<tr>
<td>Agriculture, forestry &amp; fishing</td>
<td>341</td>
<td>6</td>
<td>179</td>
<td>4</td>
<td>149</td>
</tr>
<tr>
<td>Industry, mining &amp; construction</td>
<td>47</td>
<td>1</td>
<td>45</td>
<td>1</td>
<td>90</td>
</tr>
<tr>
<td>Trade &amp; tourism</td>
<td>37</td>
<td>0</td>
<td>5</td>
<td>0</td>
<td>38</td>
</tr>
<tr>
<td>Other</td>
<td>12</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Multisector</td>
<td>449</td>
<td>8</td>
<td>390</td>
<td>8</td>
<td>684</td>
</tr>
<tr>
<td>Commodity and programme aid</td>
<td>297</td>
<td>6</td>
<td>153</td>
<td>3</td>
<td>285</td>
</tr>
<tr>
<td>Action relating to debt</td>
<td>1,051</td>
<td>19</td>
<td>1,693</td>
<td>34</td>
<td>3,929</td>
</tr>
<tr>
<td>Humanitarian aid</td>
<td>3</td>
<td>1</td>
<td>14</td>
<td>0</td>
<td>82</td>
</tr>
<tr>
<td>Administrative costs of donors</td>
<td>278</td>
<td>5</td>
<td>236</td>
<td>5</td>
<td>338</td>
</tr>
<tr>
<td>Aid to NGOs (core support)</td>
<td>22</td>
<td>0</td>
<td>30</td>
<td>1</td>
<td>50</td>
</tr>
<tr>
<td>Refugees in donor countries</td>
<td>-</td>
<td>-</td>
<td>203</td>
<td>6</td>
<td>528</td>
</tr>
<tr>
<td><strong>Total bilateral allocable</strong></td>
<td>3,574</td>
<td>100</td>
<td>5,033</td>
<td>100</td>
<td>9,511</td>
</tr>
</tbody>
</table>

**For reference:**

| Total bilateral | 3,574 | 77 | 5,033 | 71 | 9,511 | 73 | 73 |
| Of which: Unallocated | 54 | 1 | 83 | 2 | 92 | 1 | 1 |
| **Total multilateral** | 3,520 | 75 | 5,018 | 69 | 8,489 | 72 | 72 |
| **Total ODA** | 3,561 | 100 | 3,194 | 100 | 12,507 | 100 | 100 |

**Allocable bilateral ODA by major purposes, 2005-06**

- Social infrastructure & services: 28%
- Economic infrastructure & services: 11%
- Production sectors: 5%
- Multisector: 7%
- Commodity and programme aid: 3%
- Action relating to debt: 41%
- Humanitarian aid: 8%
- Other: 9%
### Table B.6. Comparative aid performance

<table>
<thead>
<tr>
<th>Country</th>
<th>Official development assistance</th>
<th>Grant element of ODA</th>
<th>Share of multilateral aid</th>
<th>ODA to LDCs Bilateral and through multilateral agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2006 USD million</td>
<td>% of GNI</td>
<td>2000-01 to 05-06 Ave. annual % change in real terms</td>
<td>2006 % of ODA (commitments)</td>
</tr>
<tr>
<td>Australia</td>
<td>2 123</td>
<td>0.30</td>
<td>4.3</td>
<td>99.8</td>
</tr>
<tr>
<td>Austria</td>
<td>1 498</td>
<td>0.47</td>
<td>13.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Belgium</td>
<td>1 978</td>
<td>0.50</td>
<td>9.9</td>
<td>99.4</td>
</tr>
<tr>
<td>Canada</td>
<td>3 084</td>
<td>0.29</td>
<td>9.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Denmark</td>
<td>2 236</td>
<td>0.80</td>
<td>-3.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Finland</td>
<td>834</td>
<td>0.40</td>
<td>9.8</td>
<td>100.0</td>
</tr>
<tr>
<td>France</td>
<td>10 601</td>
<td>0.47</td>
<td>10.4</td>
<td>94.7</td>
</tr>
<tr>
<td>Germany</td>
<td>10 425</td>
<td>0.36</td>
<td>7.2</td>
<td>95.6</td>
</tr>
<tr>
<td>Greece</td>
<td>424</td>
<td>0.17</td>
<td>3.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Ireland</td>
<td>1 022</td>
<td>0.54</td>
<td>15.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Italy</td>
<td>3 641</td>
<td>0.20</td>
<td>13.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Japan</td>
<td>11 187</td>
<td>0.25</td>
<td>2.1</td>
<td>99.6</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>291</td>
<td>0.89</td>
<td>5.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Netherlands</td>
<td>5 452</td>
<td>0.81</td>
<td>1.7</td>
<td>100.0</td>
</tr>
<tr>
<td>New Zealand</td>
<td>259</td>
<td>0.27</td>
<td>6.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Norway</td>
<td>2 954</td>
<td>0.89</td>
<td>5.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Portugal</td>
<td>398</td>
<td>0.21</td>
<td>-2.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Spain</td>
<td>3 814</td>
<td>0.32</td>
<td>6.7</td>
<td>94.5</td>
</tr>
<tr>
<td>Sweden</td>
<td>3 955</td>
<td>1.02</td>
<td>8.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Switzerland</td>
<td>1 646</td>
<td>0.39</td>
<td>6.2</td>
<td>100.0</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>12 459</td>
<td>0.51</td>
<td>12.6</td>
<td>100.0</td>
</tr>
<tr>
<td>United States</td>
<td>23 532</td>
<td>0.18</td>
<td>16.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total DAC</td>
<td>104 421</td>
<td>0.31</td>
<td>8.8</td>
<td>97.5</td>
</tr>
<tr>
<td>Memo: Average country effort</td>
<td>0.46</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**
- Excluding debt reorganisation.
- Including EC.
- Excluding EC.
- Data not available.
Graph B.1. Net ODA from DAC countries in 2006

Per cent of GNI

- Sweden: 1.02
- Norway: 0.89
- Luxembourg: 0.89
- Netherlands: 0.89
- Denmark: 0.61
- Ireland: 0.61
- United Kingdom: 0.61
- Belgium: 0.61
- Austria: 0.61
- France: 0.61
- Finland: 0.61
- Switzerland: 0.61
- Germany: 0.61
- Spain: 0.61
- Australia: 0.61
- Canada: 0.61
- New Zealand: 0.61
- Japan: 0.61
- Portugal: 0.61
- Italy: 0.61
- United States: 0.61
- Greece: 0.61
- Total DAC: 0.61

USD million

- United States: 23.63
- United Kingdom: 12.46
- Japan: 11.19
- France: 10.60
- Germany: 10.43
- Netherlands: 9.45
- Sweden: 3.95
- Spain: 3.81
- Canada: 3.68
- Italy: 3.64
- Norway: 3.64
- Denmark: 2.24
- Australia: 2.12
- Belgium: 1.96
- Switzerland: 1.85
- Austria: 1.50
- Ireland: 1.02
- Finland: 0.83
- Greece: 0.42
- Portugal: 0.40
- Luxembourg: 0.24
- New Zealand: 0.26
- Total DAC: 103.87
Annex C

Humanitarian Aid

France and the Good Humanitarian Donorship Initiative

France was one of the original endorsees of the Good Humanitarian Donorship (GHD) Principles and Good Practice (Principes et bonnes pratiques pour l’aide humanitaire) in Stockholm (June 2003). France has continued to participate in the GHD initiative and is currently developing a GHD implementation plan. This is the first time that France’s humanitarian action has been reviewed against the GHD commitments.21

In general, the absence of an overarching framework to guide allocation of humanitarian assistance, the multiplicity of actors and dispersed funding streams leave the impression that the overall impact of France’s humanitarian action may be diluted. Nevertheless, progress has been made in aligning official humanitarian action with many of the Stockholm commitments. For example:

- France has adopted a broad vision of humanitarian action that incorporates prevention, preparedness and early recovery as well as emergency responses.
- France is viewed as a consistent and engaged donor by UN humanitarian agencies.
- France has played a prominent role in negotiating the recent revision of the Oslo Guidelines.
- France conducted an in-depth evaluation of the response to the Indian Ocean tsunami, which provided valuable lessons and prompted renewed interest in disaster risk reduction.

Policy coherence

France does not have a policy statement or strategic framework to guide humanitarian decision-making. France relies on global documents, such as the European Consensus on Humanitarian Action and GHD Principles, to underpin decision-making.22 However, the absence of a policy statement raises a number of complications in terms of maintaining policy coherence across the multiple actors engaged in French humanitarian action and during post-crisis transitions.

Scope of humanitarian action

France has adopted the GHD definition and objectives of humanitarian action. Importantly, preventive and mitigative activities are included within the scope of humanitarian action. From this point of view, short-term crisis responses are bolstered by longer-term vulnerability reduction efforts through integrating disaster risk reduction strategies into conventional development practices.

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21 The previous peer review of France barely mentioned emergency or humanitarian assistance.
22 In 2004, however, it did adopt a new food aid policy which is part of the CICID’s sectoral strategy on Agriculture and Food Security.
As noted, however, mainstreaming these perspectives within planning and programming cycles is challenging and remains in its infancy within the official aid system. The extent to which they remain peripheral can be gauged from the rather cursory attention so far given to humanitarian issues in DCPs. In particular, the absence of references to the underlying causes of crisis-related vulnerabilities is prejudicial in that it would appear to miss an opportunity to raise awareness of the importance of forging programmatic linkages between the development and humanitarian streams of the aid programme.

**Needs-based resource allocation**

Humanitarian action occupies a special niche within France’s foreign relations policy. It is seen as an expression of humanity and solidarity with crisis-affected communities. This is manifest in the willingness to provide humanitarian assistance to countries outside the Zone de solidarité prioritaire (ZSP). In recent times, significant support has been provided to the tsunami-affected communities of the Indian Ocean basin as well as earthquake survivors in Pakistan and Iran. Furthermore, by partially augmenting the humanitarian budget with supplementary funds, France has been able to minimise the detrimental impact of these events on existing commitments.

Overall then, France has a constructive track record on needs-based allocation of resources. However, France’s willingness to provide humanitarian support in non-ZSP countries poses challenges with respect to programming for durable transitions. The GHD23 and fragile states24 pledges require collaboration across institutional boundaries, *i.e.* humanitarian action is the responsibility of the Délégation à l’Action Humanitaire (DAH) while delivery of development assistance is the joint responsibility of the Direction générale de la coopération internationale et du développement (DGCID) and the Agence française de développement (AFD).

These (and other) issues could be usefully clarified in a humanitarian policy statement around which stakeholders and funding streams might coalesce. A strategic framework – derived from the policy statement and grounded in France’s global policy commitments – which outlined an implementation plan and indicators for the policy would provide the momentum to institutionalise ownership and would increase the transparency of France’s humanitarian action. The forthcoming livre blanc could provide a suitable platform from which to launch a process of dialogue with stakeholders within and outside government on these issues.

**Funding flows**

Accurately tracking official French humanitarian aid flows is problematic. Gross commitments for humanitarian action in 2006 amounted to EUR 97 million according to the 14 point database managed by the European Commission (ECHO). This is significantly higher than the USD 47 million disbursement on humanitarian aid reported to the DAC. It includes supplementary funding of

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23 GHD Principle No.9 requires donors to “provide humanitarian assistance in ways that are supportive of recovery and long term development, striving to ensure support, where appropriate to the maintenance and return of sustainable livelihoods and transitions from humanitarian relief to recovery and development activities”.

24 DAC Fragile States Principle No. 9 commits France to “act fast ... but stay engaged long enough to give success a chance”.

88 DAC PEER REVIEW OF FRANCE - © OECD 2008
EUR 15 million in response to the crisis in Lebanon, as well as humanitarian funding drawn from other funding envelopes – primarily for disaster risk reduction activities.\(^{25}\)

To reconcile current resources with the series of activities that notionally qualify as humanitarian action, France has also adopted a pragmatic approach to financing that draws on the distinction between activities that aim to address the symptoms of crises and those that address the longer term structural causes of humanitarian vulnerabilities. In general, the “humanitarian budget allocation goes to interventions that address acute vulnerabilities created by the onset of crises, e.g. life-sustaining relief assistance and immediate post-crisis support to restore basic utilities such as potable water supplies, sanitation facilities, etc. “Development funding, on the other hand, is usually allocated to activities that address chronic vulnerabilities (i.e. risk reduction activities, such as disaster mitigation and prevention), as well as emergency preparedness activities. At least some of the latter funding is reported to the DAC under a development coding (e.g. avian flu preparedness activities).

Global humanitarian action is also indirectly funded through France’s assessed contributions to the EU budget, which supports the activities of the European Commission Humanitarian Aid Department (ECHO). The net outcome is that France’s overall humanitarian action is probably under-reported. The revised definition and new sector coding for humanitarian aid reporting should enable France to provide more accurate reporting of expenditure on ODA-eligible humanitarian action.

**Volume**

Irrespective of supplementary allocations and reporting discrepancies, funding for official humanitarian action remains modest from the point of view of France’s position in the international humanitarian sphere. That is, the proportion of ODA allocable to humanitarian action in 2005-2006 (1% of bilateral ODA\(^{26}\)) is well below the DAC average (8% of bilateral ODA). Furthermore, France ranked 17th overall (and 13th among DAC members) in global humanitarian contributions reported to the OCHA Financial Tracking System in 2007\(^{27}\) and ranked 10th among contributors to ICRC in the same year. These aid flows do not reflect France’s standing within the international humanitarian community.

**Efficiency**

Support for humanitarian action is primarily allocated through three funding windows, each administered by separate divisions within the le Ministère des Affaires Étrangères et Européennes (MAEE) (2006 allocations in parentheses):

- The *Fonds d’Urgence Humanitaire (FUH)* (EUR 9.0 million), administered by DAH, finances bilateral assistance (including NGO activities as well as reimbursement for military assets).

\(^{25}\) An estimated EUR 67.5 million was allocated for disaster risk reduction activities that can be considered eligible as humanitarian action according to the GHD definition. A significant proportion was reported to the DAC through development sector codes.

\(^{26}\) Average annual gross commitment reported to the DAC for humanitarian aid in 2005-2006 was USD 82 million.

\(^{27}\) See [http://www.reliefweb.int/fts](http://www.reliefweb.int/fts) (Table Ref: R18).
Voluntary contributions to UN humanitarian agencies (EUR 32.8 million), ICRC (EUR 7.7 million) and the CERF (EUR 1.0 million) are administered by the Direction des Nations unies et Organisations Internationales (NUOI).

Food aid (EUR 31.5 million28), administered by the Direction générale de la coopération internationale et du développement, falls within the specific domain of the Food Aid Convention and is mainly channeled through multilateral organisations (over 70%), NGOs and recipient countries’ own systems.

Dispersion of funding streams across three divisions of MAEE would appear to have significant transaction costs in terms of efficiency of humanitarian resource allocation without, it would seem, any obvious benefits. Streamlining humanitarian aid management through consolidation of responsibility within a single division of MAEE - notably DAH - would reduce transaction costs and enhance transparency. The mooted reform of the aid system represents an opportunity to consolidate responsibility for funding France’s humanitarian action.

**Flexibility**

The three funding allocations appear within a single budget line. This permits some limited capacity for redistribution of funds between the funding streams, if so required. One flexibility constraint, however, is the restriction on FUH funding to 12 months – a restriction that limits the capacity of grant recipients to commit to longer-term rehabilitation assistance. This constraint does not concern food aid; however, food aid procedures require that half of the budget be allocated to “eligible” products, which usually means operators having to look for cofinancing.

**Predictability**

France aims to ensure predictability of funding by allocating the bulk of humanitarian funding in two tranches. The first, which occurs early in the calendar year, pledges 60-70% of France’s humanitarian funding. A second window, in mid-year, pledges up to a further 20% of the available funds. The balance is withheld as a contingency against crises that may arise later in the year.

**A small proportion of funds is earmarked**

A high proportion of humanitarian assistance is unearmarked, and this is true of one hundred per cent of funding to OCHA, UNRWA, UNICEF and ICRC. Seventy per cent of funding to UNHCR is unearmarked, with the remainder disbursed as earmarked funds following consultations between NUOI, DAH and UNHCR. France’s humanitarian action channeled through ECHO is also, arguably, unearmarked at source. This reflects the imperative to capacitate implementing agencies to allocate support according to fluctuating needs on the ground and signals a high degree of confidence in the capacity of recipient agencies to accurately identify critical deficits and deliver assistance in a timely manner.

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28 This budget now only covers half of France’s commitment vis-à-vis the Food Aid Convention, which is 200 000 tonnes cereal equivalent.
Promoting and improving the application of existing standards

Organisation and management

As noted earlier, the official humanitarian aid system is characterised by a plethora of actors – DAH, NUOI, DGCID and, in the context of prevention, early warning and transitions, DGCID, AFD and the Direction générale du trésor et des politiques économiques (DGTE). Beyond the aid community, the Ministère de la défense also plays a key role in assisting delivery of French assistance through the provision of security and logistical support. The integrity of official French humanitarian action, under these circumstances, may (at least, in part) be attributed to the strong leadership role of DAH (Box 14).

Box 14. Multiple actors: One leader

As stated in the Circular issued by the Prime Minister on 1st August 2003, the Comité interministériel de l'action humanitaire d'urgence was established to oversee all aspects of France’s humanitarian action. The committee is chaired by the Prime Minister and normally convenes once or twice per year. DAH was allocated responsibility for providing the committee’s secretariat services.

The same circular established the Groupe opérationnel interministériel (GOP) as the operational arm of the Comité interministériel de l'action humanitaire d'urgence. Chaired by DAH, the GOP is mobilised in the event of an emergency to advise the government and ensure that its decisions are implemented. If necessary, membership of GOP can be expanded to include NGOs, the private sector and academia in order to facilitate information flows and co-ordination.

In exceptional cases, the GOP may be replaced by an expanded interministerial body, chaired by the Prime Minister. For example, in 2004, the Délégation Interministérielle Post-Tsunami (DIPT) was established to guide and co-ordinate France’s response to the Indian Ocean tsunami. The DGCID was called upon to serve as secretariat to DIPT, assisted by the DAH.

In other instances, and especially in the case of chronic humanitarian crises, the co-ordination and implementation of French assistance may be entrusted to an internal co-ordination structure comprising DAH, the Direction des Nations unies et Organisations Internationales (NUOI) and the Direction des Politiques de Développement (DPDEV).

DAH co-chairs an interdepartmental working group (with DGCID) on crisis prevention. The purpose of the working group is to work in favour of the integration of crisis prevention, disaster mitigation and early warning perspectives within development programming cycles.

Political support for humanitarian action

France subscribes to the Responsibility to Protect (R2P) principle that entrusts primary responsibility for the protection of civilians to the sovereign state on whose territory they are located. To this end, political support is given to General Assembly Resolutions seeking to maintain humanitarian space and humanitarian access to affected populations. Where necessary, this support is backed by the appropriate steps at ambassadorial level.

Civilian-military co-operation

France only deploys the military as a “last resort and usually in the early stages of a sudden crisis or where security is too tenuous for unaccompanied humanitarian actors”. It draws primarily on the

29 For example, a French naval escort was recently deployed to accompany a World Food Programme (WFP) vessel attempting to unload a food aid shipment at the port of Mogadishu.
logistical capabilities of the military and is financed by the FUH. Where they are deployed alongside humanitarian actors (e.g. in CAR), military personnel appear to have a solid appreciation of humanitarian principles and, as a consequence, a workable relationship with civilian agencies. This outcome may be partially attributable to an ongoing dialogue between the civilian humanitarian community and the military, facilitated by DAH.

**External relationships**

France is regarded by the multilateral agencies consulted during the peer review as an undemanding donor. Pledges and payments are considered timely; France abides by the commitment to accept standardised reporting and, in the field, France has participated actively in formulating the 2008 Inter-Agency Consolidated Appeals (CAPs). France participated in four joint donor missions in 2007 and is also a member of the Donor Support Groups of OCHA and ICRC, as well as the GHD core group. These commitments reflect France’s attachment to the central co-ordinating role of the United Nations when disasters occur, and act as a useful platform for interaction with the rest of the international humanitarian community which often looks to France to play a lead role in crises affecting Francophone countries.

**Learning and accountability**

The *Sous-direction des interventions humanitaires et de l’évaluation* within DAH is tasked with conducting evaluations of interventions financed through FUH, and the said evaluations can also be performed by the DGCID when they concern France’s aid effort as a whole. Evaluations are conducted at three levels – by individual activity, by programme and by theme:

- **Review of individual activities.** Conducted through mid-term and end-of-project monitoring primarily at the local level by SCAC. In the future, however, it will become mandatory for grant recipients to commission independent evaluations of all activities in excess of EUR 300,000.

- **Programme evaluations.** System-wide evaluations have been conducted into recent crisis responses. For example, the evaluation of the French response to the Indian Ocean tsunami was conducted by the DGCID and covered France’s overall aid effort. The response to the 2005 food crisis in Niger was the subject of two studies financed by the DGCID and the AFD.

- **Thematic evaluations.** Issues-based evaluations currently under way include evaluations of France’s humanitarian co-operation in three fragile states (Afghanistan, Haiti and Guinea), as well as a global evaluation of food aid.

Translating the lessons identified by evaluations into institutional practices – both across the various French stakeholders and as a contribution to the learning objectives of the broader international humanitarian system – appears not to be so effective. There are some positive signals but, overall, the peer review mission was left with the impression that action learning processes are not yet systematically integrated into the programme management cycle.

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30 For example, EUR 7 million of the supplementary funding (EUR 15 million) provided in response to the Lebanese crisis in 2006 went to military logistical support.

One notable exception was the evaluation of the French response to the Indian Ocean tsunami. This evaluation produced ten key lessons (Box 15) that appear to have prompted a review of the response mechanisms and stimulated reflection on disaster risk reduction approaches to development cooperation - within the French aid system. Broader dissemination of the findings of evaluations within the international donor community is also encouraged.

Box 15. Lessons from the French response to the Indian Ocean Tsunami

1. Too much money detracts from common sense.
2. Ensure solid co-ordination amongst donors at the outset.
3. Understanding constraints is just as important as analysing needs.
4. Ensure that “capacity analysis” is an integral part of the initial assessment.
5. Distinct, even conflicting objectives will need to be managed.
6. Post-crisis reconstruction is more complex than emergency relief.
7. SCAC teams require support in specific resources for field monitoring.
8. Existing partnerships did create some genuine added value.
9. It is important not to confuse visibility with communication.
10. Humanitarian aid may have an impact on local politics and conflicts.


Future considerations

France should:

- Define the strategic goals and priorities for official humanitarian action - as well as linkages to the rest of the development co-operation programme – in a policy statement. The said policy statement should be underpinned by an implementation plan with verifiable indicators of how best to integrate the policy orientations into systems and processes (such as the formulation of DCPs).

- Increase the volume of humanitarian funding in line with France’s position as a key actor within the international humanitarian community and the GHD commitment to meet humanitarian needs on the basis of fair burden-sharing.

- Consolidate responsibility for managing the humanitarian response to emergency situations and funding streams within a single division of MAEE - preferably DAH.

- Promote and deepen the dialogue between civilian and military actors as a prominent objective of the official humanitarian policy agenda.

- Improve action learning within the programming cycle by giving increased attention to the evaluation of humanitarian action – in partnership with other donors – and by integrating the lessons learnt from evaluations into humanitarian decision-making processes.
Annex D

France’s Aid Programme in Mali

Introduction

A DAC mission comprising representatives of Sweden, the United Kingdom and the Secretariat visited Mali from 22 to 26 October 2007. It met key decision-makers in French co-operation and representatives of the Mali government and civil society and bilateral and multilateral co-operation agencies. This report reflects their understanding of the French aid system and proposes points for consideration that could improve it.

The national context in Mali

A former West African colony of France, the current state of Mali gained its independence in 1960. A land-locked country, 60% desert, Mali is one of the poorest countries in the world and was ranked 175th out of 177 countries by the UNDP’s Human Development Index in 2006. Mali has a population of 13 million belonging to different ethnic groups in addition to which approximately 4 million Malians live outside the borders of the country, particularly in neighbouring West African countries. Its economy is not very diversified (gold, cotton, rice), vulnerable to exogenous factors and has many limitations as regards its infrastructure, its financial market and its human resources. Attesting to the importance of the regional dimension, Mali is part of the West African Economic and Monetary Union (WAEMU) and uses its common currency, the CFA franc; the convertibility of the latter is guaranteed by France through the Central European Bank. Mali adopted the Millennium Declaration and the majority of its goals. However, a first follow-up report on the implementation of these goals stressed the considerable challenges that will have to be overcome and, in particular, a lack of capacity at all levels. Mali has been implementing major political reforms since 1991 (democratic governance and decentralisation). Today, it has the strong support of the international community. Annual per capita aid to Mali (USD 37.4) is among the highest in Africa.

To date, development assistance in Mali has been provided under various programming frameworks. On the Mali side, the basic programming framework has been the Poverty Reduction Strategy Framework (Cadre stratégique de lutte contre la pauvreté, CSLP). More recently, the Project for Economic and Social Development (Projet pour le développement économique et social), which reflects President Touré’s personal vision, presents a medium-term vision of development in Mali. On the donor side, most follow their own country strategy, which is aligned on national strategy


33 The « Cadre stratégique de lutte contre la pauvreté » covers the period 2002-06. It is to be replaced this year by the Growth and Poverty Reduction Strategy (Cadre stratégique pour la croissance et la réduction de la pauvreté or CSCRP), which covers the period 2007-11.

and, for European donor countries, is now co-ordinated with the European Commission’s country strategy, since Mali is a pilot country for joint European programming.

The partnership which grew up around the CSLP allowed the creation of multiple co-ordinating structures for the partners concerned (a Joint Quarterly Commission with 11 thematic groups. In 2007, the government of Mali approved a national action plan for effective development assistance (Plan national d’action sur l’efficacité de l’aide au développement) for the period 2007-09. The plan provides for numerous innovations, including greater harmonisation and donor alignment on the main sectoral agendas and greater use of budget assistance. The plan provides for the development of a joint country assistance strategy (Stratégie commune d’assistance au pays, SCAP) by 2009, which will define the role of donors according to the principles of the division of labour and delegated co-operation, on the basis of the comparative advantage of each. A road map for partners was drafted in June 2007 and provides a starting point for the formulation of the SCAP.

France as a « technical and financial partner »

Flows: aid relatively modest and thinly spread

Total official development assistance (ODA) for Mali amounted to USD 568 million in 2005. The average amount of this assistance doubled between the periods 1997-2001 and 2002-06. The number of « technical and financial partners » is also on the increase; the most active of them form a group of 14 multilateral institutions and 13 bilateral donors, including France.

In this context, in financial terms, France is a medium-sized partner, with commitments of EUR 65 million for 2006, an amount that has remained stable for 10 years or so. Nevertheless, this figure does not reflect the political influence of France in Mali. Sectoral priorities for French aid (Table D.1) are defined in a framework partnership document (document cadre de partenariat, DCP), which covers the period 2006-10. However, the administrative responsibility for allocation rests with multiple French government actors in Bamako as well as in Paris. Every year, a strategic follow-up of the DCP is programmed jointly by the Embassy and the Ministry for Foreign Affairs of Mali and the technical ministries hold a meeting at the midway point to take stock of project implementation.

Table D.1. French co-operation in Mali (2006)

<table>
<thead>
<tr>
<th></th>
<th>In million EUR</th>
<th>% (approx.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical co-operation</td>
<td>25.00</td>
<td>38</td>
</tr>
<tr>
<td>• SCAC (Embassy)</td>
<td>8.44</td>
<td>(13)</td>
</tr>
<tr>
<td>• Education</td>
<td>9.30</td>
<td>(14)</td>
</tr>
<tr>
<td>• Research + science grants</td>
<td>4.74</td>
<td>(7)</td>
</tr>
<tr>
<td>• Other ministries</td>
<td>2.52</td>
<td>(3)</td>
</tr>
<tr>
<td>French Development Agency</td>
<td>37.10</td>
<td>57</td>
</tr>
<tr>
<td>• Grants</td>
<td>38.78</td>
<td>(60)</td>
</tr>
<tr>
<td>• Loans</td>
<td>-2.90</td>
<td>(-3)</td>
</tr>
<tr>
<td>Food and emergency aid</td>
<td>1.26</td>
<td>2</td>
</tr>
<tr>
<td>Debt cancellation and consolidation</td>
<td>2.92</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>65.03</td>
<td>100</td>
</tr>
</tbody>
</table>

1. Cost of training for students in higher education in France.

Source: Direction générale du Trésor et de la politique extérieure.

35 In 2006, France also provided aid through its support for the EDF (EUR 20 million), the World Bank and UN institutions (EUR 10 million), and police and military (EUR 5.5 million) and decentralised co-operation (EUR 5 million).
**Fragmented institutional organisation**

Among the French institutions present in Mali are: the French Embassy (Chancellery and economic, police, military, co-operation and cultural services), research institutes (IRD, CIRAD), the French Development Agency (AFD), the cultural centre, the Lycée français de Bamako, and the migration office (ANAEM). The Ambassador acts as co-ordinator wherever necessary.

True to the «pivotal role» it has played in the French aid system since 2002, the Agence française de développement (AFD) administers the majority (57% in 2006) of bilateral programmable ODA to Mali, essentially in the form of grants. According to AFD statistics, its commitments (other than structural adjustment) between 2000 and 2006 went to the following sectors: (i) education, professional training and health – 31%; (ii) rural and environment sector – 23%; (iii) water and energy – 15%; (iv) global budgetary aid and structural support – 15%; (v) productive and financial sector – 10%; (vi) other, especially decentralisation – 4%; (vii) study funds – 2%. In addition to these activities were: the Manantali regional energy project (EUR 75.7 million), structural adjustment subsidies (EUR 7.6 million in 2000, 2001 and 2003, EUR 9 million in 2004 and 2005) and a loan guarantee to the national agricultural development bank (EUR 17.3 million). The main future directions are mapped out by the AFD’s own strategic document, its country intervention framework (Cadre des interventions par pays, CIP), which is produced every three years. While the CIP is a strategic document, as a rule it is based on the AFD’s existing investments in the country: the current discussion on the next CIP (2008-2010) aims to focus on the primary education, water and sanitation sectors and on productive sectors (agricultural industry, financial system and private sector capacity building). A unique feature of the AFD is the need to maintain its «turnover»: in 2008, it may begin a lending activity which would include non-sovereign loans. With a team of 22 people, including six expatriate managers and six local managers, the AFD plays a pivotal role for France in most of the sectoral co-ordination groups and takes the lead in the education, and cotton sectors. Although the AFD office in Bamako works in liaison with the Service de coopération et d’action culturelle (Service for Co-operation and Cultural Initiatives) and under the broader supervision of the Ambassador, its daily administrative contacts are essentially with AFD’s head office in Paris. Its offices are several kilometres away from the French Embassy.

The second official actor in the field is the Service de coopération et d’action culturelle (SCAC), located in the Embassy grounds in Bamako and reporting to the Ministry for Foreign Affairs in Paris. The SCAC essentially covers political and cultural issues and is therefore the leading presence in French support for democratic governance. The SCAC, which comprises 15 people, including seven expatriate managers and two Malian managers, works in areas as diverse as governance and development (institutional co-operation, decentralised co-operation, sustainable development, Social Development Fund, human rights, civil society, agricultural research), education and culture (higher education, French cultural centre, grants), the French language and health. The EUR 10.6 million committed by the SCAC in 2007 cover mainly its priority projects under the priority solidarity fund «Fonds de solidarité prioritaire» (FSP), technical assistance (25 people in post in 2007) and its cultural initiatives. Nearly half of the SCAC’s budget is allocated to grants for studying in France. The FSP projects in Mali are generally programmed over three years and are renewable. There are currently 13 FSP projects under way in the form of numerous specific initiatives often in liaison with French or Malian NGOs.\(^{36}\)

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\(^{36}\) Since the Secretariat’s mission, a new FSP project on strengthening governance in Mali has been adopted.
Key impressions from the field visit

France’s historic presence in Mali, its language and cultural links and its good personal contacts give it a key role in the efforts currently under way in Mali to establish more transparent and effective international co-operation. The DAC mission concluded that France could play an even greater role in the fields of policy-making, strengthening democratic governance, peace, conflict prevention and stability and the regional approach. Specifically, the key impressions of the mission at the end of its field visit to Mali are as follows.

A series of positive points

The DAC mission was favourably impressed by several aspects of French co-operation in Mali:

- the use of the DCP, which affords a strategic vision at country level linked in to national priorities;
- a commitment that covers numerous fields (France is sometimes the only donor in a sector – such as higher education - and very committed to strengthening police capacities);
- the array of instruments used, which continues to evolve (as in the case of budget aid or the very active decentralised co-operation in Bamako and in certain regions);
- innovative initiatives which inspire creativity (one example is in the field of cultural diversity);
- a good understanding of the context and acknowledged expertise (e.g. cotton, private sector).
- active commitment to the promotion of the aid effectiveness agenda, in which France is seen as a constructive donor (e.g. lead role in cotton and education);
- greater predictability of French aid (e.g. general multi-annual budget aid and sectoral support);
- highly committed, qualified staff, prepared to work in conditions that are often difficult.

Nevertheless, the mission also found several possibilities for improvement in the areas of (i) effectiveness, (ii) programming and (iii) organisation and management of aid.

A bid to improve aid effectiveness

In French-speaking recipient countries, France has a comparative advantage when it comes to supporting the momentum for improving the quality of aid (by building capacity and strengthening political dialogue among other aspects). Moreover, France supports the European code of conduct on the division of labour among donors. Given the foregoing, it could take more of a lead and attempt to include donors outside the European Union. The Ambassador currently in post in Bamako is making this a priority and France now seems to be well placed to help the process of improving aid effectiveness already under way in Mali.

France acknowledges that a better division of labour among the various French players is necessary, but how far co-operation can be delegated (i.e. delegated administration of French funds by another funder) or withdrawal from a sector can be considered remains to be defined. The implementation by 2009 of a joint country assistance strategy (Stratégie Commune d’Assistance au Pays) will require France to clarify its position on these options. The Ambassador says that « it is
essential to make headway on the complementarity approach in order to avoid aid that is too costly, too difficult for the government ».

**Budget support.** The government would wish for more budgetary aid and France is beginning to respond to that wish, albeit to a modest extent. Mali was selected by France to test out its first general budgetary support programme, managed locally by the AFD. In 2006-08 France is going to contribute EUR 22 millions to the local general budget support effort. At sectoral level, France is also putting in place a budget support programme for education. The opportunity for strategic thinking provided by the SCAP should also prompt France to decide on its level of general budgetary or sectoral support. When it goes to Paris, the DAC mission will be asking how far France wishes to go with budgetary support and what criteria it will base its decision on.

**Capacity building, including technical assistance.** In the past, France relied heavily on substitute technical assistance for the main thrust of its approach to capacity building. In Mali, the policy choices made by the government after independence limited the extent of this type of assistance. Today, the total number of French technical assistants is low (25 posts for the SCAC in 2006 and four for the AFD) and has continued to fall over the years as the substitution policy has been shelved. In the area of research, there are 26 expatriate researchers currently in the field. Some partners regret this reduction in French technical assistance, but the government is firm in its resolve to rely on training Malian managers. The current French approach is in response to this priority and is essentially geared towards training Malian personnel (grants, use of targeted technical assistance for local training). Hence, the current overarching context of partnership in Mali could prompt France to turn towards a more joint approach to capacity building, especially at European level. A last point noted by the DAC mission concerning technical assistance: there appears to be a unanimous view that the administrative procedures of France Coopération Internationale (FCI) in locally administered technical assistance are complicated and lead to a great deal of frustration. On the whole, it would be useful if Paris adopted a clearer position on capacity building, which could provide better direction for French initiatives in the field.

**Aid programming: thinly spread**

**Strategy is still spread thin.** France’s strategy in Mali is still unclear, despite its efforts. The current DCP covers three aid “concentration” sectors, three cross-cutting sectors and three additional sectors, as well as supplementary budget aid. Within each of these sectors there are numerous projects and programmes. Spreading its efforts so thinly makes France’s initiative less clear and may also affect its impact. Another example is the strategic rethink of the SCAP, in which France has to select three sectors in which to concentrate its aid in the future (it chose governance, education and the productive sectors) which nevertheless include several subsectors inherited from the past. A more strategic and concentrated approach would be necessary, which implies strengthening strategic analysis capacity at SCAC level (for the DCP) and to a lesser extent for the AFD. Currently, staff in the field are too occupied with project follow-up to free up the time needed for this strategic analysis. This is one reason why France should make a greater effort to communicate with its partners. There are many who think that they were not sufficiently involved in the drafting of the DCP. Lastly, although the DCP is usually the reference for all of the French actors, the DAC mission sees a potential conflict between the DCP and the CIP (the AFD’s reference framework, which is intended to

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37 It should be noted that part of this support serves to repay an earlier monetary debt (actually, it is to compensate for reimbursement of the debt) resulting in a net value for development in Mali that is less than the EUR 22 million announced. Unless the volume of budget aid increases, the net value will continue to decrease as repayments will increase over time. During the field visit to Mali, cancellation of this debt was considered, perhaps under a debt relief and development contract.
become an operational arm of the DCP) if the timeframe of each of the strategic documents (SCAP – DCP – CIP) is not clearly established in order to ensure consistency.

A regional strategic approach to be strengthened. Historically, France has always grasped the importance of the West Africa region for the development of a landlocked country such as Mali and has long supported regional efforts. Despite its interest in the regional dimension, France is currently having difficulty incorporating the bilateral approach into the regional approach and in developing synergies between the two levels. At headquarters, the French authorities should be thinking about an operational approach which could better bring the two visions together. Properly conducted, such a policy could enable France to play a key role among its partners in this area.

A few sectoral aspects

- **Co-development.** An estimated 100 000 Malians are in France, perhaps half of them illegally. Mali served as a pilot country for the first French attempts to incorporate this immigration problem into the objectives of certain co-operation and development programmes. The current programmes aim to help Malians in France to transfer their resources to Mali and, so, support the development of their region of origin as well as providing individual aid to return there. From a development aid standpoint, these programmes are not very cost-effective and the DAC mission wonders what the scope for extending the programme in the future could be.

- **Decentralised co-operation.** There is a very large number of actors involved in decentralised co-operation in Mali: The Embassy has registered 147 decentralised co-operation initiatives in the country at regional or community level. Decentralised co-operation seems a very good way to involve the French public in development aid. Nevertheless, the decentralised system is complex and actors and projects are many and varied. One negative impact of this could be too heavy a follow-up workload for the Embassy. It might be more useful for Paris to capitalise on these experiences at national level and use them as a basis for formulating good practice to provide better guidance for all actors.

- **Security, Fragile States.** France has a major role in the area of security and policing in Mali, in connection with governance and democratisation. Military co-operation could benefit from a stronger regional approach and thus become a higher profile instrument for peace and stability in the sub-region; for instance, through support for Malian participation in the regional missions of the Economic Community of West African States (ECOWAS) or the African Union. Support from France could influence governance and the democratic values of the local forces of law and order.

Organisation of aid: encouraging modern management

**Complexity of the system.** Despite recent reforms in the institutional organisation of French aid, the system still has several limiting factors that it has inherited from the past. In Mali, there is a multitude of actors (each with their counterparts at headquarters in Paris) and as many different offices and procedures. Even if this applied only to, say, 20 to 30% of the volume of French bilateral programmable aid in Mali, it is confusing for certain partners and a potential problem for internal management.

**Red-tape.** Several partners whom the DAC mission met said that AFD and SCAC procedures involved a lot of red tape, often related to system administrative requirements (for instance the FSP approvals system and the no-objection procedure for AFT projects). The mission thought that it would
be useful to streamline the formalities for French co-operation programmes in the field and compile them into a manual. A good example of this is the «Blue Book» used by the UK Department for International Development.

Decentralisation. Despite a greater role for the Ambassador as the co-ordinator of French actors in the field and some latitude in implementing projects once approved, France still has a centralist tradition. In order to improve effectiveness, capacities to direct aid in the field should be strengthened.

AFD as pivotal actor. The AFD is playing an increasing role in terms of the volume of finance managed and the sectors it covers. Some positive factors underpin this trend: the AFD’s ability to develop from technical operator into an actor in development assistance incorporating a strategic approach (for example, the education sector). However, the nature and operation of the AFD do give rise to constraints which should be reviewed with the extension of its role in view:

- The AFD is still highly centralised when it comes to directing projects: greater delegation of authority would be necessary.
- Additionally, it operates with few field staff, which reduces its capacity for dialogue with partners in framing and following up projects and makes procedures more difficult.
- The AFD’s approach is guided by its own instruments and its history. It has an approach to projects that place the emphasis firmly on results and takes the short-term profitability view, which can have an impact on the capacity-building dimension. The AFD should turn towards a more strategic approach with the impact sought follows from the strategic objectives.

Human resources. The quality of the human resources available to France’s development co-operation system is crucial for the success of its operations in the field. The rapid turnover of expatriates (usually three years) breeds a lack of continuity in knowledge and implementation of the programme. Recruiting local staff at managerial level is a good solution and in this sense, the open-ended contracts given at the AFD is a positive development. The employment of local managers in the SCAC is also significant. Together with the authorities in Paris, the mission wishes to think over the consequences of the lack of a unified human resource management structure in French development co-operation. The absence of such a structure seems to hamper the effectiveness of the French system especially in the field.

Monitoring-evaluation and results-oriented approach. The DAC mission did not have sufficient time to review the monitoring and evaluation systems used by the various actors in the field. The mission noted that most of the projects and programmes were monitored and evaluated systemically (a major exception being that there is no way of measuring the impact of grants). Its preliminary observation (which remains subject to confirmation at a later date) is that the information obtained does not seem to have a specific operational objective and is not part of a coherent or particularly co-ordinated approach. Today, policy-makers in the international community and France are pressing hard for the wider use of results-oriented approaches. It is important for French development co-operation give rapid consideration to the best way for incorporating such an approach into its own aid system.

Civil society. French civil society organisations are increasingly called upon to work in partnership with official development co-operation. This is particularly so in countries in which there is very little capacity, such as Mali, where these organisations can operate at grassroots level, often working with local civil society. In 2007, the SCAC counted a total of 47 French NGOs represented in Mali, which often team up with one or more of the 16 000 Malian NGOs. Official contact is essentially with regard to the monitoring of projects co-financed by the French government – at local
level or via the Ministry of Foreign Affairs in Paris. Currently, there are 23 projects under way in Mali in various sectors involving sums of EUR 26 000 to EUR 2.5 million. The DAC mission encourages French aid as a whole to go beyond projects and seek better targeted strategic and regular contact with civil society organisations. In this regard, the meetings organised periodically by the SCAC are a positive basis on which the French system as a whole could build closer relations. France is also encouraged to provide more support for capacity building for civil society organisations, especially local organisations. Lastly, the mission thinks that the current practice of giving French NGOs access to triennial finance covering several countries sets a good example for bilateral aid.
Annex E

France’s Aid Programme in the Central African Republic

Introduction

A DAC field mission comprising representatives of the United Kingdom, Sweden and the Secretariat visited the Central African Republic from 29 November to 6 December 2007. The mission met the main decision-makers in French co-operation, representatives of Central African government and civil society, multilateral co-operation agencies and representations of the United States and China in Bangui. Besides a field visit to a forest area (M’Baïki), a trip to the north (Birao) enabled part of the team to assess peace-keeping and humanitarian aid programmes conducted with the support of French co-operation. This report reflects the mission’s understanding of the French aid system and proposes points for consideration with a view to improving it.

The national context in the Central African Republic

A landlocked country with a low population density, the Central African Republic is endowed with a wealth of natural resources (diamonds, gold, uranium, forestry, etc.). However, for some 10 years now it has been going through a crisis that has led to a deep economic recession and a decline in its human development index, which ranked it in 172nd place out of 177 countries in 2006. The rebellions in the north-east and north-west of the country have displaced thousands of people. The instability in the north-east has been exacerbated by sporadic incursions of armed forces spilling over from the conflicts in Chad and Darfur. This protracted crisis, in the course of which Bangui has been pillaged three times, has fed off the poverty and chronic marginalisation of numerous regions in the country as the Government has been unable to deliver public services in most rural areas. Despite a return to constitutional legality following the presidential and parliamentary elections in 2005, the country’s situation is still very insecure, domestic fragility – the security risk from rebel movements and the emergence of armed bandits, the inability of Government to assume its basic functions and create a climate for an economic recovery, while impunity encourages corruption and human rights violations – compounded by external vulnerabilities stemming from regional instability.

Despite this, there are several factors which hold out hope that the country can emerge from the crisis. On a political level, the Head of State has engaged a process of inclusive dialogue with all parties. Moreover, in September 2007, the government approved a Poverty Reduction Strategy Paper for 2008-2010 and is undertaking a process of reform in the security sector. Alongside this, following the return to constitutional legality, international organisations (the International Monetary Fund, World Bank and African Development Bank) resumed co-operation with the Central African Republic from 2006. This made it possible for the country to reach the “decision point” under the Heavily Indebted Poor Countries (HIPC) initiative in September 2007, paving the way to a substantial

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38 Approximately 4.2 million in a land area of 623 000 km².

39 Per capita revenue (USD 360 in 2006) declined by 32 per cent between 1980 and 2005, life expectancy fell from 49 years of age in 1988 to 42 in 2003 and literacy has declined (rate of illiteracy 57 per cent).
reduction of its foreign national debt. Secondly, the European Commission is planning a substantial commitment of EUR 137 million under the 10th European Development Fund (EDF) with a strong focus on the emergence of development hubs in the country. China, which resumed relations in 1998, is also becoming a key player in development, particularly in the field of infrastructure, natural resource exploitation and the productive sector.

Together, these factors could provide a structure for the international community’s approach in the CAR over the next few years. Up to now, the funder co-ordination system had been headed by the United Nations, with no real lead from the government. A first Round Table meeting of donors was held in Brussels in October 2007. That was the start of more structured dialogue between the government and donors, even though it did not lead to the commitment of new bilateral donors. The Central African Republic therefore appears to be both a country emerging from conflict and a fragile State haunted by the threat of a recurrence of the crisis; the security risk there is a major curb on development initiatives. It is therefore crucial that the international community develop a concerted, flexible response to the developing situation (Box 16).

### Box 16. Supporting the process of emerging from crisis

The Central African Republic is still in a very vulnerable situation in which underlying tensions, regional conflicts and law-breaking may flare up again and lead to another outbreak of armed conflict unless the current window of opportunity can be used to provide some benefits for rural areas. In the long-term view, building the peace, restoring the rule of law and rebuilding the nation will be necessary to increase security and enable sustainable development. That will include, but is not limited to, the following:

- **Immediate short-term needs.** Protection and humanitarian aid, inclusive peace agreements, an end to the culture of impunity; protection against incursions linked to external conflicts.
- **Short-term to medium-term needs.** Return of displaced persons; reestablishment of security for people and means of subsistence; reconciliation process; rapid extension of coverage of public services.
- **Medium-term to long-term needs.** Revival of the national economy; State capacity building, public sector reform, including security sector reform, strengthening human capital and promoting civil society.

The international community should adapt its humanitarian and development response to the evolving situation. France should analyse its co-operation in the light of the fragility of the State and its extreme vulnerability. To this end, the DAC Principles for Good International Engagement in Fragile States could provide some valuable pointers.

### French co-operation in the Central African Republic

The links forged by history, but also by a shared language and a currency linked to the CFA franc zone, explain the special role of France in the Central African Republic. The latter can be seen from the close political relations and military co-operation which has been a decisive factor in peace-keeping in the country since 2005, notably with the intervention of French troops in November 2006 to halt the advance on Bangui by rebel armies from Sudan.

France is regarded as a special partner and the high expectations of the government of Central African Republic weigh heavily on it, in the field of development co-operation, too. However, the two countries are bound by a defence agreement (1960) and a technical military co-operation agreement (1966).
relations between the two countries are complex, as can be seen from the events of autumn 2007 when the government made use of economic disputes involving French companies, while France reasserted the principles of economic and political governance as conditions for its support.

The aim that France is seeking to achieve in the Central African Republic is to consolidate the democratic process and avoid a return of the crisis by focusing on stabilising the country through civil and military aid targeted on the restructuring of the State. It is keen to see new bilateral donors enter the scene so that aid resources can be strengthened and so that France will no longer be the sole partner of the Government.

A key partner despite a relatively moderate amount of aid

The Central African Republic is a development aid “orphan” country, especially after the successive withdrawals of US, Russian, German and Japanese bilateral co-operation because of the country’s political situation. There are nevertheless a certain number of bilateral donors supporting humanitarian aid operations in the northern regions of the country through the United Nations channel. The annual level of official assistance fell from an average of over USD 50 per capita in the period 1990-95 to USD 13 in 2003 before beginning to rise slowly again. Total Official Development Assistance rose to USD 96 million in 2005 and USD 134 million in 2006, which is still one of the lowest totals for the countries of sub-Saharan Africa.

Given these circumstances, France is a key partner of the Central African Republic. In 2004-05 it was the highest donor, providing a total of USD 42 million, which accounted at the time for 41% of total development assistance support. Disbursements by France totalled EUR 15.5 million in 2006 rising to EUR 22.8 million in 2007. This aid was provided in the form of grants, technical assistance, training and humanitarian aid (Table E.1). Military co-operation was also provided, an area in which France was the country’s sole partner until the recent arrival of South Africa.

Table E.1. French bilateral aid in the Central African Republic
(Disbursements 2007)

<table>
<thead>
<tr>
<th>SCAC</th>
<th>Million EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Assistance (33 posts)</td>
<td>3.2</td>
</tr>
<tr>
<td>Credits for operations (including grants)</td>
<td>1.5</td>
</tr>
<tr>
<td>FSP disbursement credits</td>
<td>1.6</td>
</tr>
<tr>
<td>Food and humanitarian aid</td>
<td>3.6</td>
</tr>
<tr>
<td>of which emergency food aid</td>
<td>1.9</td>
</tr>
<tr>
<td>distributed through the UWFP and the</td>
<td></td>
</tr>
<tr>
<td>FAO</td>
<td></td>
</tr>
<tr>
<td>of which food and humanitarian aid</td>
<td>1.4</td>
</tr>
<tr>
<td>through French NGOs</td>
<td></td>
</tr>
<tr>
<td>other</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>French Development Agency</strong></td>
<td><strong>12.9</strong></td>
</tr>
<tr>
<td>Project subsidies</td>
<td>4.4</td>
</tr>
<tr>
<td>Budget aid</td>
<td>8.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22.8</strong></td>
</tr>
</tbody>
</table>


Military co-operation comprises an institutional component and an operational component, the latter taking the form of support for a FOMUC detachment. The institutional component of military co-operation was allocated a budget of EUR 3.1 million in 2007 and is based on a system of nine
co-operating agencies. Its aim is to help the country emerge from the crisis and to pave the way for reform of the private sector by: i) the provision of a high-level council; ii) support for the reorganisation of the armed forces and the gendarmerie; iii) officer training with two academies, one for officers on active duty and the other for the gendarmerie, as well as courses in France in regional academies, and equipment logistics support.

France’s bilateral action is supplemented by multilateral support (UNDP via an FSP development security project and support in the area of justice; humanitarian assistance through the United Nations).

**Multi-sectoral aid coverage**

France’s co-operation strategy as outlined in the framework partnership for 2007-2011 “essentially takes into consideration the need to foster a stabilising and development dynamic in order to prevent a recurrence of the crisis”. The strategy is multifaceted. Infrastructure and education development are the two sectors on which aid is to concentrate. In addition are health and the development of the productive sector, classified as “other than concentration sectors”, while cross-cutting sectors cover governance, security and judicial co-operation as well as administrative reform and cultural, university and research co-operation. A very broad range of intervention sectors has thus been kept open. A breakdown by sector of French support in 2006 and 2007 shows the wide dispersal of efforts (Table E.2), although of course, it does not yet reflect the new directions outlined in the DCP. In 2007, excluding budget aid, which is provided on bases and mechanisms that are different and administered by Paris, the infrastructure sector heads the list (30%), followed by humanitarian aid (25%), culture and higher education (17%), basic social services (health, education and social development fund) (15%) and then governance and security (12%).

**Table E.2. French Aid to the Central African Republic: breakdown by sector**

(Disbursements 2007 - in million EUR)

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Implementation 2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure and productive sector</td>
<td>6.1</td>
<td>4.2</td>
</tr>
<tr>
<td>development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health and education</td>
<td>1.4</td>
<td>1.6</td>
</tr>
<tr>
<td>Governance, security and</td>
<td>2.1</td>
<td>1.7</td>
</tr>
<tr>
<td>administrative reforms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture, higher education and</td>
<td>2.8</td>
<td>2.4</td>
</tr>
<tr>
<td>research</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Development Fund</td>
<td>1.3</td>
<td>0.6</td>
</tr>
<tr>
<td>Study funds</td>
<td>0.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Humanitarian aid</td>
<td>0.1</td>
<td>3.6</td>
</tr>
<tr>
<td>Budget aid*</td>
<td>2.5</td>
<td>8.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16.4</strong></td>
<td><strong>22.8</strong></td>
</tr>
</tbody>
</table>

* In other words, in 2007, EUR 3 million in budget aid for macroeconomic stabilisation, along with a further EUR 4 million in budget aid for settlement of AIDB arrears and EUR 1.5 million for budget aid in 2006.

**Source:** Embassy of France, Central African Republic (SCAC - AFD).

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41 A general officer appointed to the Minister of Defence is responsible for drafting a « White Paper » on defence and a military programming law.

42 The Embassy had proposed productive sector development as the second sector in which to concentrate aid, but the DGCID decided in favour of the education sector.
Operation of institutions leads to programme dispersal

The main French actors in implementing co-operation are the cultural co-operation service (Service de coopération et d’action culturelle, SCAC) and the French Development Agency (l’Agence française de développement, AFD) followed by French research institutes (the CIRAD and the Institut Pasteur) and the Alliance française in Bangui. French NGOs – essentially humanitarian – and national civil society organisations also receive finance from French co-operation. The approaches that the SCAC and the AFD take to targeting resources for operations differ. While they do attempt to complement each other, the result is a dispersal of efforts with a large number of operations, each one limited in scope.

The strategy of the SCAC is gear towards: i) reforming the State, particularly in the economic and financial sectors, police and justice, in order to ensure the proper rule of law and to keep civil peace; ii) fostering the definition and implementation of effective public policies by means of senior level institutional support through technical advisory posts to 12 ministers (civil service, finance, justice, communications, co-ordination of government work, education, health, rural development, forests, transport, social affairs and youth and sport); iii) support for integrating the country regionally into the CEMAC zone to counter the negative impact of it being landlocked; and, lastly, iv) the reduction of extreme poverty and the consolidation of civil society. Implementing the latter relies mainly on the Social Development Fund, which can support micro-projects (18 projects in 2007 amounting to a total of EUR 600 000). The impact of this type of activity on poverty reduction is difficult to assess given the dispersal and small scale of the projects, for which the selection criteria could benefit from being clarified. The main instruments utilised by the SCAC are technical assistance to ministers, with 33 posts in 2007 (of which seven were occupied by international volunteers), followed by subsidies under the priority solidarity funds (FSP) allocated for three years and credits for operations, especially grants. The SCAC currently operates with four expatriate posts (one co-operation and cultural initiative advisor and two co-operation attachés, plus a general secretary) and one secretary on a local contract. Two posts, for a CEMAC regional advisor and an economist, are in the process of being assigned. The SCAC relies on technical assistants to implement FSP projects.

The strategy of the AFD centres on four main objectives and 12 projects currently under way: i) opening up access to the country by improving the road network and supporting waterway transport; ii) promoting sustainable forestry; iii) improving infrastructure in Bangui city (sanitation, roads, electricity); and iv) improving health services by building capacity in public health laboratories, supporting Bangui’s five dispensaries and supporting the care of vulnerable children in the poor areas of Bangui. The office of the AFD set up again in Bangui in 2005 – the agency had closed in June 2002 and the caseload had been transferred to the regional agency in Yaoundé. It has a very small team (one person assisted by an international volunteer). The AFD has a key role in deciding on projects in liaison with the appropriate technical agent in Paris or at regional office level. Once the project has been approved, the AFD operates by delegating ownership, the tendering process and contract signature with the successful bidder being the responsibility of the partner country. The AFD utilises the technical ability of project operators who have technical assistants available locally under contract.

In addition, in 2008, the AFD is to develop an education project following the decision to select education as a concentration sector for the DCP.
to the Central African government for strategic analysis and monitoring of projects. Moreover, the interaction between the technical assistants made available by the SCAC and the projects financed by the AFD (forestry, transport, health) is good.

In a certain number of areas, France works in liaison with other donors in the country in order to ensure that initiatives are complementary. This is the case notably for humanitarian aid with UN organisations, but also in the infrastructure sector where it works with the European Commission and the World Bank, in the security sector with BONUCA, in the area of governance with the World Bank and the UNDP and in the field of health, where the national structure for administering the Global Fund to Fight AIDS, tuberculosis and malaria, was put in place with the support of French technical assistance.

**Key impressions gained by the mission**

Given that it has a special relationship with the Central African Republic, France holds a strategic position among the community of donors at this key phase in the process for a country emerging from crisis. It has strengths, but will also have to confront challenges as regards its strategic approach and programming as well as in the organisation and management of aid.

**Strengths**

The DAC mission was favourably impressed by several aspects of French co-operation in the Central African Republic

- **A long-term commitment**, with a continued French presence in a difficult situation at a time when several bilateral donors elected to withdraw.

- **A key actor for peace**: All of the people we interviewed acknowledge the key role played by France in the field of security and peacekeeping, which had enabled the return of displaced persons to Birao, among other things.

- **A multi-sectoral commitment**, which enables France to be present in many sectors, making a crucial contribution to some of them (health, public finance, etc.). France’s support has proved to be particularly strategic in the education sector, where France and the World Bank fostered the development of a sectoral approach, and in the forestry sector - the country’s primary source of currency - where France facilitated the establishment of controlled and sustainable management of this resource.

- **A strong focus on the regional approach**: France favours a regional approach and is seeking to combine its instruments so as to promote the regional integration of the Central African Republic, whether these be the four regional FSPs, the projects to improve access implemented by the AFD or institutional support to the Economic and Monetary Community of Central Africa (CEMAC), which should be supplemented by regional budget aid of EUR 20 million per year.

- **Effective projects**: Some projects are particularly effective, such as those for forestry resource management, computerised customs management, support for restoring the macroeconomic management of the State, or the highly labour-intensive urban infrastructure project. The decentralisation of FSP management and operations credits ensures that SCAC has the flexibility to take action and project monitoring procedures are flexible.

- **Humanitarian action scaled up**: France is a committed partner whose project management and monitoring procedures are straightforward as regards the United Nations and French
NGOs. Although its contribution to the CAP is modest, the initiative to extend the presence of French NGOs through start-up funds is a valuable contribution to the international humanitarian effort. French aid is flexible and complementary and its food aid is untied and encourages local purchases.

Future challenges

**Volume of aid:** With some EUR 23 million committed every year, the volume of French aid seems small compared with the stated ambitions of its co-operation programme and the wide range of sectors it supports. While continuing with its appeal for greater mobilisation of the international community, France should plan for an increase in and greater predictability of its aid contributions, and should give priority to sectoral approaches where circumstances permit. The education sector strategy could be a first step in this direction.

**Leadership:** France should strengthen its role in the international community, in view of its historical influence and its presidency of the member states of the European Union. It will be necessary to work closely with other donors in order to be able to share the analysis of developments in the national situation and to carry on a consistent dialogue with the government. In the medium-term, the re-engagement of multilateral donors should give an incentive to develop a joint assistance strategy with the European Commission and the World Bank.

**Security sector reform:** Among the international community France is *de facto* a major player in supporting security sector reform. Given its strengths, it could usefully play the role of co-ordinator in this key area for the future of the country. In so doing, close collaboration with the United Nations and the European Commission would enable it to avoid the risks of a bilateral relationship in an area that is a sensitive one for national sovereignty.

**Strategic approach:** The draft Partnership Framework Document (*Document cadre de partenariat, DCP*) is a constructive step in that it can ensure alignment on national priorities and complementarity with support from other donors. However, priority ranking still has to be tightened as a step towards a better-targeted approach and to avoid fragmenting the programme. While doing so, France could review how it might go about balancing the priority currently given to conflict prevention and the restoration of the rule of law with support for national development in the future, particularly in the interior of the country. The link between security and development is acknowledged by all of the stakeholders. While it is true that the security risk makes development initiatives difficult in a large area of the country, the lack of initiatives and of basic services to poor populations breeds security problems. Complementarity with other donors, particularly with the European Commission and the support it is programming for development hubs, should be an aim. Similarly, it is now necessary to integrate humanitarian aid more closely into development programmes if a lasting peace is to be built. For this purpose, longer-term support for humanitarian NGOs which arrived a year ago would be desirable. This support should also extend to NGOs working in the development field. From an institutional standpoint, France could increase its support for defining national sectoral strategies and making them operational by helping to formulate implementation plans, among other things. Security sector reform and justice remain particularly challenging. France is already providing substantial support for this area at different levels. It should prepare to meet increased needs by planning its response to the strategy, which will be defined at the workshop on reform scheduled for March 2008.

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44 A document like this, setting areas for action over five years, may nevertheless be inappropriate for a fragile State where the utmost operational flexibility has to be maintained in order to be able to adapt support to the evolving situation (Chapter 6).
**Capacity building:** The technical assistance approach currently implemented by the SCAC belongs to a crisis management and emergency response mindset. In order to use technical assistance to build capacity, it will be necessary to go further than the current substitution approach. More broadly, France should develop a strategic, long-term approach that would explore other targets (civil society, productive sector) and other methods of building capacity (South-South co-operation, public sector reforms). Such an approach could be based on impact evaluations of instruments such as grants and training and on surveys to gauge the public’s perception of developments in a given sector.

**Civil society:** France could place greater emphasis on building up civil society organisations as a factor in governance and in deepening of the democratic process. With this aim in view, it could make greater use of international NGOs. Moreover, most NGOs and some civil society organisations are prepared to work in the interior of the country and may be a useful vector for reaching vulnerable populations. France could rely on them more.

**Organisation and management**

**Simplifying the system:** The AFD and the SCAC are involved in areas that sometimes overlap. It would be better to have a single body responsible for each strategic area. For example, some of the aid instruments relating to the Millennium Development Goals were not transferred to the AFD (advisors to sectoral ministers for forestry and education, Social Development Fund). The cross-cutting aspects of governance should be managed strategically. Greater decentralisation of the AFD and reinforcement of the local agency team would seem necessary, bearing in mind its new responsibilities.

**Consultation:** In future, it will be important to include partners in discussions on the partnership framework document, whether national partners, other funders, or French NGOs.

**Communication:** Many partners have no clear vision of France’s strategy or of the possibilities and procedures for obtaining finance from French co-operation. France should make an effort to communicate in a transparent manner with all of its partners, including civil society organisations.

**Human resources:** The SCAC and the AFD have limited human resources available to them. However, it is crucial that they attract highly qualified staff for technical assistant posts and others. Paris should look to see how human resource policy could be adapted to meet this challenge, a particularly significant one in difficult countries. The recruitment of local staff should also be considered, for example, to support the Social Development Fund and for local contacts.
Description of Key Terms

The following brief descriptions of the main development co-operation terms used in this publication are provided for general background information.45

ASSOCIATED FINANCING: The combination of official development assistance, whether grants or loans, with other official or private funds to form finance packages.

AVERAGE COUNTRY EFFORT: The unweighted average ODA/GNI ratio of DAC members, i.e. the average of the ratios themselves, not the ratio of total ODA to total GNI (cf. ODA/GNI ratio).

DAC (DEVELOPMENT ASSISTANCE COMMITTEE): The committee of the OECD which deals with development co-operation matters. A description of its aims and a list of its members are given at the front of this volume.

DAC LIST OF ODA RECIPIENTS: The DAC uses a List of ODA Recipients which it revises every three years. From 1 January 2005, the List is presented in the following categories (the word “countries” includes territories):

LDCs: Least Developed Countries. Group established by the United Nations. To be classified as an LDC, countries must fall below thresholds established for income, economic diversification and social development. The DAC List is updated immediately to reflect any change in the LDC group.

Other LICs: Other Low-Income Countries. Includes all non-LDC countries with per capita GNI USD 825 or less in 2004 (World Bank Atlas basis).

LMICs: Lower Middle-Income Countries, i.e. with GNI per capita (Atlas basis) between USD 826 and USD 3 255 in 2004. LDCs which are also LMICs are only shown as LDCs – not as LMICs.

UMICs: Upper Middle-Income Countries, i.e. with GNI per capita (Atlas basis) between USD 3 256 and USD 10 065 in 2004.

DEBT REORGANISATION (ALSO RESTRUCTURING): Any action officially agreed between creditor and debtor that alters the terms previously established for repayment. This may include forgiveness, or rescheduling or refinancing.

DIRECT INVESTMENT: Investment made to acquire or add to a lasting interest in an enterprise in a country on the DAC List of ODA Recipients. In practice it is recorded as the change in the net worth of a subsidiary in a recipient country to the parent company, as shown in the books of the latter.

DISBURSEMENT: The release of funds to, or the purchase of goods or services for a recipient; by extension, the amount thus spent. Disbursements may be recorded gross (the total amount disbursed over a given accounting period) or net (the gross amount less any repayments of loan principal or recoveries of grants received during the same period).

45. For a full description of these terms, see the Development Co-operation Report 2007, Volume 9, No. 1.
EXPORT CREDITS: Loans for the purpose of trade and which are not represented by a negotiable instrument. They may be extended by the official or the private sector. If extended by the private sector, they may be supported by official guarantees.

GRANTS: Transfers made in cash, goods or services for which no repayment is required.

GRANT ELEMENT: Reflects the financial terms of a commitment: interest rate, maturity and grace period (interval to the first repayment of capital). It measures the concessionality of a loan, expressed as the percentage by which the present value of the expected stream of repayments falls short of the repayments that would have been generated at a given reference rate of interest. The reference rate is 10% in DAC statistics. This rate was selected as a proxy for the marginal efficiency of domestic investment, i.e. as an indication of the opportunity cost to the donor of making the funds available. Thus, the grant element is nil for a loan carrying an interest rate of 10%; it is 100% for a grant; and it lies between these two limits for a loan at less than 10% interest.

LOANS: Transfers for which repayment is required. Data on net loan flows include deductions for repayments of principal (but not payment of interest) on earlier loans.

OFFICIAL DEVELOPMENT ASSISTANCE (ODA): Grants or loans to countries and territories on the DAC List of ODA Recipients and multilateral agencies active that are undertaken by the official sector; with the promotion of economic development and welfare as the main objective; at concessional financial terms (if a loan, having a grant element of at least 25%).

ODA/GNI RATIO: To compare members’ ODA efforts, it is useful to show them as a share of gross national income (GNI). “Total DAC” ODA/GNI is the sum of members’ ODA divided by the sum of the GNI, i.e. the weighted ODA/GNI ratio of DAC members (cf. Average country effort).

OTHER OFFICIAL FLOWS (OOF): Developmentally relevant transactions by the official sector with countries on the DAC List of ODA Recipients which do not meet the conditions for eligibility as official development assistance.

TECHNICAL CO-OPERATION: Includes both a) grants to nationals of aid recipient countries receiving education or training at home or abroad, and b) payments to consultants, advisers and similar personnel as well as teachers and administrators serving in recipient countries.

TIED AID: Official grants or loans where procurement of the goods or services involved is limited to the donor country or to a group of countries which does not include substantially all aid recipient countries.

VOLUME (real terms): The flow data are expressed in United States dollars (USD). To give a truer idea of the volume of flows over time, some data are presented in constant prices and exchange rates, with a reference year specified. This means that adjustment has been made to cover both inflation in the donor’s currency between the year in question and the reference year, and changes in the exchange rate between that currency and the United States dollar over the same period.
Bibliography


**Other**


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