

OECD Development Co-operation Peer Review

FRANCE 2013

Organisation for Economic Co-operation and Development

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Conducting the peer review

The OECD's Development Assistance Committee (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 develops and maintains, in close consultation with the Committee, the methodology and analytical framework – known as the Reference Guide – within which the peer reviews are undertaken.

The objectives of DAC peer reviews are to improve the quality and effectiveness of development co-operation policies and systems, and to promote good development partnerships for better impact on poverty reduction and sustainable development in developing countries. DAC peer reviews assess the performance of a given member, not just that of its development co-operation agency, and examine both policy and implementation. They take an integrated, system-wide perspective on the development co-operation and humanitarian assistance activities of the member under review.

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. During the field visit, the team meets with representatives of the partner country's administration, parliamentarians, civil society and other development partners.

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 Luxembourg and the United States for the Peer Review of France on 20 June 2013.

Acronyms & abbreviations

AFD	Agence française de développement (French Development Agency)
AN	Assemblée nationale (National Assembly)
C2D	Contrats de désendettement et de développement (contracts for debt reduction and development)
CEFEB	Centre d'études financières, économiques et bancaires (Centre for financial, economic and banking studies)
GICID	Comité interministériel de la coopération internationale et du développement (interministerial committee on international co-operation and development)
CIRAD	Centre international de recherche agronomique pour le développement (International centre on agricultural research for development)
COM	«Contract of objectives and means»
CSO	Civil society organisation
DAC	Development Assistance Committee
DGP	Document cadre de partenariat (Partnership Framework document)
DG	Trésor Direction générale du Trésor (General Directorate of the Treasury)
DGM	Direction générale de la mondialisation, du développement et des partenariats (General directorate for globalisation, development and partnerships)
DPT	Document de politique transversale (cross-cutting policy document)
ECB	European Investment Bank
EDF	European Development Fund
EU	European Union
FASEP	Fonds d'étude et d'aide au secteur privé (Fund for research and aid to the private sector)
FATF/GAFI	Financial Action Task Force
FFEM	Fonds français pour l'environnement mondial (French fund for the global environment)
FSD	Fonds social de développement (Social development fund)
FSP	Fonds de solidarité prioritaire ("Priority solidarity fund")
GAVI	Global Alliance for Vaccines and Immunisation
GISA	Groupe interministériel pour la sécurité alimentaire (Interministerial group for food security)
GNI	Gross national income
HIPC	Highly indebted poor countries
IATI	International Aid Transparency Initiative
IDA	International Development Association (World Bank)
IRD	Institut de recherche sur le développement (Development Research Institute)
KFW	Kreditanstalt für Wiederaufbau (Germany's official development bank)

LOLF	Loi organique relative aux lois de finances (Budget framework law)
LDC	Least developed countries
MAE	Ministère des Affaires étrangères (Ministry of Foreign Affairs)
MDG	Millennium Development Goals
MEF	Ministère de l'Économie et des Finances (Ministry of Economy and Finance)
NGO	Non-governmental organisation
ODA	Official development assistance
SCAC	Service de coopération et d'action culturelle (Co-operation and cultural action office)
SCTIP	Service de coopération technique internationale de police (unit for international technical co-operation in policing)
TFP	Technical and financial partners
UN	United Nations
WAEMU	West African Economic and Monetary Union
ZSP	Zone de solidarité prioritaire ("Priority solidarity zone")

Signs used:

EUR	euro
USD	United States dollar
()	Secretariat estimate in whole or in part
-	Nul
0.0	Negligible
..	Not available
...	Not available separately but included in total
n.a.	Not applicable

Slight discrepancies in totals are due to rounding.

Average annual exchange rate

(1 EUR per 1 USD)

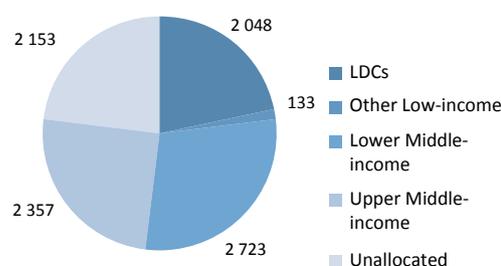
2008	2009	2010	2011	2012
0.6933	0.7181	0.7550	0.7192	0.778

France's aid at a glance

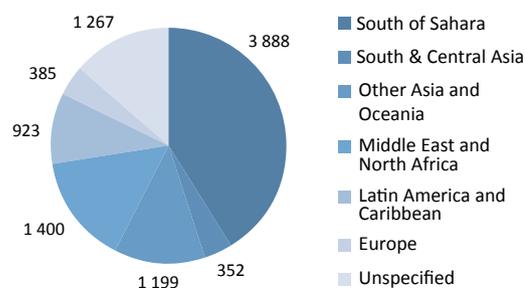
Net ODA	2010	2011	Change 2010/11
Current (USD m)	12 915	12 997	0.6%
Constant (2010 USD m)	12 915	12 198	-5.6%
In euro (million)	9 751	9 348	-4.1%
ODA/GNI	0.50%	0.46%	
Bilateral share (%)	60%	65%	

Gross Bilateral ODA, 2010-11 average, unless otherwise shown

By Income Group (USD m)



By Region (USD m)



Top Ten Recipients of Gross ODA (USD million)

1 Congo, Dem. Rep.	594
2 Morocco	510
3 Congo, Rep.	504
4 China	366
5 Côte d'Ivoire	358
6 Mexico	357
7 Mayotte	305
8 Tunisia	299
9 Vietnam	290
10 Turkey	212

Memo: Share of gross bilateral ODA

Top 5 recipients	25%
Top 10 recipients	40%
Top 20 recipients	57%

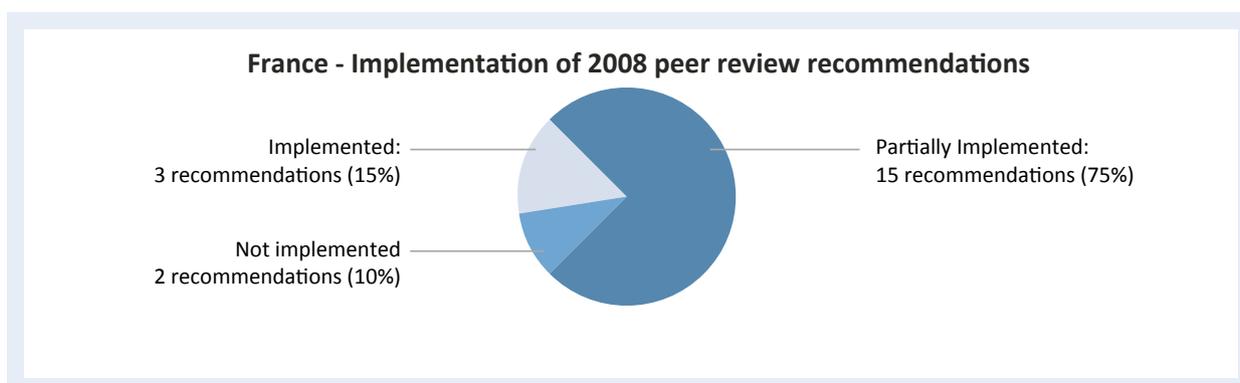
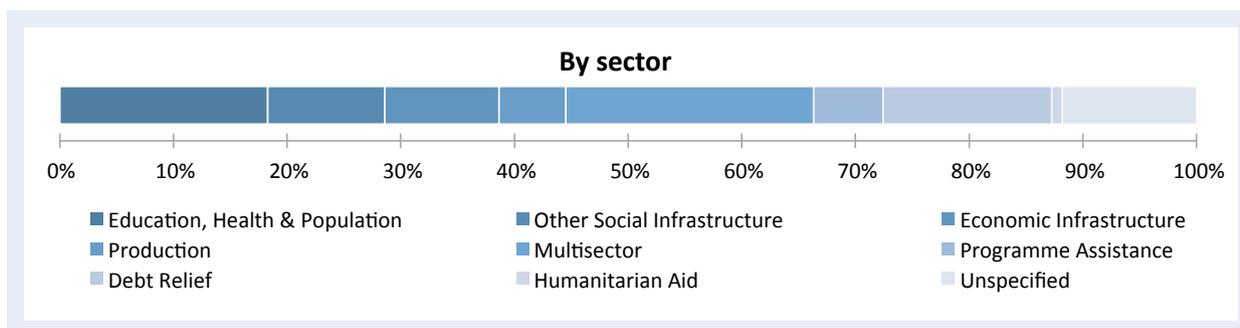


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Context

Since 2008, the French economy has been hit hard by the global recession and, more recently, by turmoil in the euro area. France also faces structural weaknesses: despite its many strong points, the economy is weakened by fiscal and trade balance deficits as well as high unemployment. The European Union and the OECD has encouraged France to continue efforts its to reduce the budget deficit, primarily by reducing public spending, considered as very high (OECD, 2013).

The government that emerged from the elections of May and June 2012 is faced, as was the previous government, with the need to restore the public finances. This leads it to pursue policies supporting economic competitiveness while consolidating public finances. The “General review of public policies” carried out under the presidency of Nicolas Sarkozy has been followed under President François Hollande by the “modernisation of public action”. All ministries, including Foreign Affairs and Development, are under fiscal constraint.

In this difficult context, the French White Paper on Foreign and European Policy 2008-2020 continues to guide French action (MAE, 2008). In a world marked by shifting power relationships, by economic and (increasingly) environmental interdependence, and by ever more complex security issues, the white paper outlines five priorities for France’s external action:

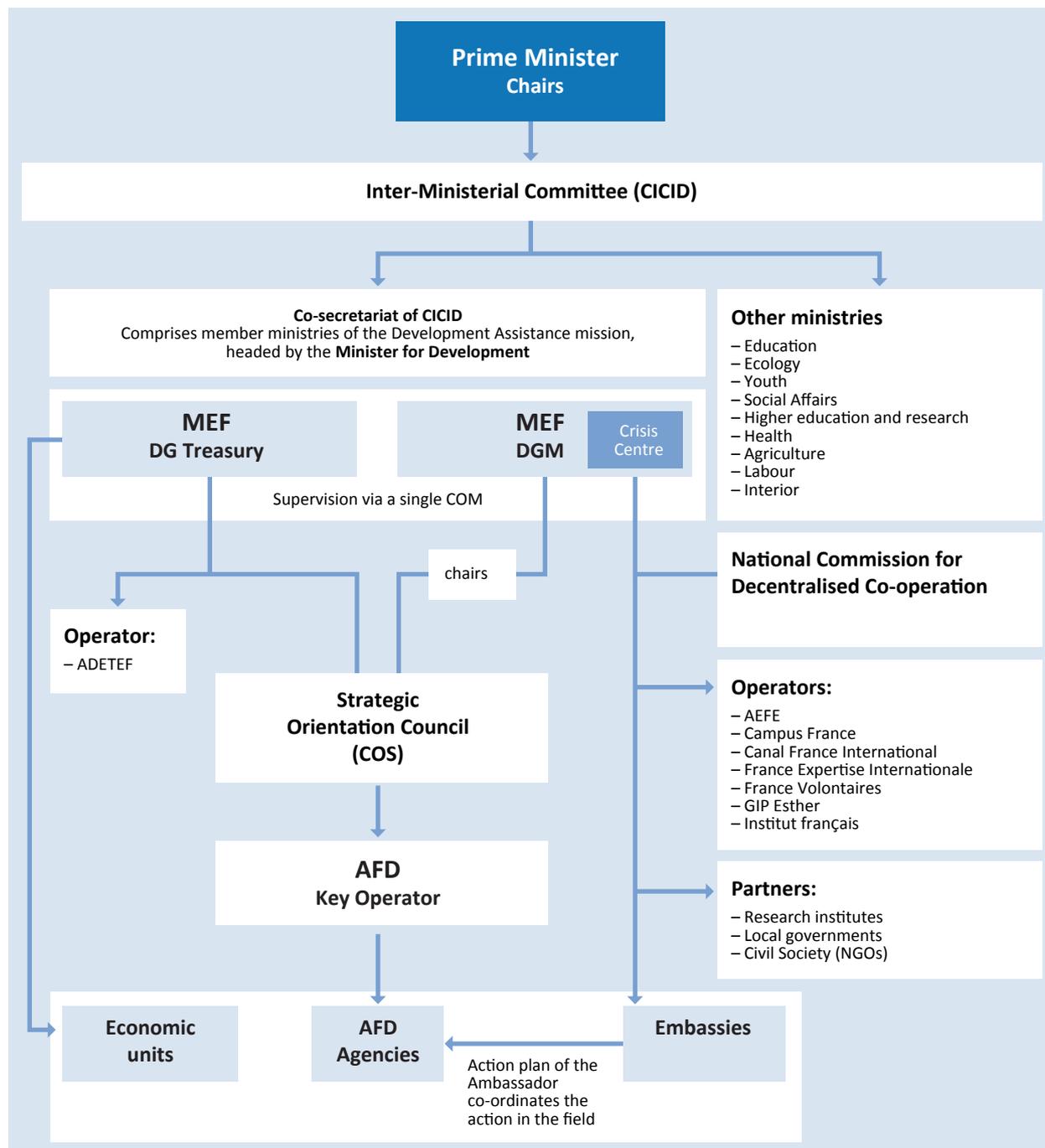
- > guarantee the security of France and the French, defend and promote their interests;
- > work with its partners to build a Europe that is strong, democratic and effective;
- > take action in the world for peace, security and human rights;
- > help shape the kind of globalisation that will ensure sustainable and balanced development of the world;
- > ensure the presence of French ideas, language and culture, while promoting cultural diversity.

Meanwhile the white paper questions: “Does our diplomacy have the resources to match its ambitions?”, and recommends concentrating the resources of the French diplomatic network.

France has sought to date to maintain a global presence. It has reached out to emerging countries beyond the former French “zone of influence” and is now championing “economic diplomacy”. It continues to contribute to numerous peacekeeping operations led by the United Nations. As was evident in the recent review of its defence agreements with eight African countries, France gives priority to strengthening the African mechanism for crisis resolution and peacekeeping. Its interventions abroad are guided by a concern for peace, security and human rights, as well as the defence of French interests, which are often linked to the presence of large French communities abroad (136,000 French citizens are settled in the Near and Middle East, 117,000 in French-speaking Africa, and 98,000 in North Africa). At the request of the President of Mali, France intervened militarily in that country in January 2013.

The government’s ambition for universality, as well as the fiscal constraints it has to address, are reflected in the development co-operation policy of France, which is the subject of this report.

Figure 0.1 The institutional organisation of French development co-operation



The DAC's main findings and recommendations

1

Achieving global action to support development



Indicator: The member has a comprehensive strategic view of development and of development funding which surpasses ODA. This view is clearly reflected in public policies, in co-ordination within the administration and in development activities

France has an overall view of development and its financing. It promotes this vision in many international settings where it is recognised as a major player. Advocating a cross-cutting approach, the country emphasises the need to produce and protect global public goods, whether the concern is with climate, the international monetary system, financial regulation, employment or the social dimension of globalisation. France is thus contributing to the establishment of public policies conducive to sustainable development, in the United Nations, the G8 and the G20 alike.

Furthermore, France is striving to mobilise resources additional to official development assistance (ODA). To this end, it is seeking to make the most of the domestic resources of partner countries, which includes firmly supporting greater international financial transparency; it is also establishing mechanisms to mobilise private investment for development; and it is actively promoting steady and predictable innovative financing. However, the demonstrative impact of its tax on international financial transactions has been limited by the low proportion of gains (10%) earmarked for development assistance.

At national level, the Minister Delegate for Development is empowered to ensure that national policies are consistent with development objectives in six sectors identified with regard to European Union priorities. To do so, the Minister will have to establish an appropriate policy mechanism.

A strong sense of political purpose is vital at a time when the economic crisis is kindling potential sources of conflict between the interests of France and those of its partner countries. France should ensure that the emphasis placed on economic diplomacy does not result in the French economic interests driving development co-operation. This implies that issues of policy coherence should be part and parcel of the dialogue with partner countries, and that the impact of French policies on poverty reduction and local economic development should be analysed.

France has operational consultation and review mechanisms for working out its policy stances within the European Union or in certain sectors such as food security. By extending these mechanisms to each priority sector, it could make better use of the expertise available within the co-operation network, and in research institutes and civil society organisations. France would also gain from developing a progress-monitoring system. This would enable it to analyse its contribution to the adoption of measures conducive to development at the European level, France could also monitor more effectively the efforts to implement the OECD Anti-bribery Convention – which is an all-important consideration at a time when France is promoting international financial transparency.

In partner countries, the ambassador determines and coordinates the bilateral approach. This co-ordination is vital, given the multifaceted nature of the ties France has with many countries, not to mention its own complex institutional system. Furthermore, France's agenda in some countries is not always easy to express clearly because of its complexity. This too is a vital task for the ambassador in order to guide French stakeholders and to clarify, for the benefit of the partners, the aims pursued by France. The ability of embassies to manage and engage in dialogue should therefore be preserved, which in turn means that they should retain adequate resources, despite the pressure on public expenditure.

Recommendations

- 1.1 France should establish an appropriate policy mechanism to promote and monitor progress in ensuring that its policies support development objectives in the six priority sectors it has identified.

2 The vision and policy of France in development co-operation



Indicator: The development co-operation policy of the member is inspired by priorities, action lines and strategies that are clearly defined and fully consistent with international commitments

Two outstanding events have had a decisive impact on French development co-operation policy since 2008. The first was the publication, in 2011, of the Framework document on development co-operation. In defining four major strategic objectives to this policy, the Document represents a real breakthrough in establishing a consistent vision of development co-operation, which reflects France's international commitments.

The second decisive event was the "Assises" on development and international solidarity organised by the government between November 2012 and March 2013. The event brought together public and private stakeholders to identify new strategic orientations. It is expected that these will be formally approved by the inter-ministerial committee for international co-operation and development (CICID) and, in 2014, lead to the adoption of an orientation and programming law for the policy on development and international solidarity. While the conclusions of the foregoing event focused in particular on economic development, security and the environment, the new policy should also include the social dimension of development, so that it can help to safeguard global social and environmental balances.

Reflecting France's global ambitions, the Framework Document sets out a wide-ranging and differentiated view of the challenges to be met. The allocation of bilateral resources is based on four distinct geographical partnerships, an approach seeking to earmark the majority of the budget effort to curb poverty in poor and fragile countries, while relying on other forms of intervention in the emerging countries to promote global public goods, such as fighting climate change. However, the formula for resource distribution and the breakdown of French aid do not permit the allocation of big bilateral volumes of aid to poor and fragile countries. Similarly, the criteria for identifying priority partner countries and for allocating resources via either bilateral or multilateral channels are imprecise.

France has devised strategies in the main fields covered by the Millennium Development Goals (MDGs). In particular, it attaches great importance to the health sector, as is reflected in the level of its multilateral contributions. It also includes environment and climate change in its programmes, and clearly demonstrates leadership in these fields. On the other hand, France has made little headway in the area of gender equality. In spite of an action plan adopted in 2009, France devotes few resources to consideration of this topic and does not take account of it in the partnership framework documents signed with partner countries. Similarly capacity-building, which is one of the main enablers of French co-operation, is not yet reflected in specific guidelines.

France has a strategy for fragile States, which it is preparing to update. However, it has not yet determined how to coordinate better humanitarian and development programmes, or how to manage post-crisis situations. In partner countries, the strategic frameworks do not adequately take account of the issues of conflict and fragility when necessary

Recommendations

- 2.1 France should specify the criteria for selecting priority countries.
- 2.2 France should clearly identify a long-term strategic approach to capacity-building and build the gender approach more effectively into its policies, forms of intervention and mechanisms.
- 2.3 France should translate the updated strategy for fragile States into an action plan and tangible realistic tools, and within this framework indicate its approach to post-crisis situations.

3

Distribution of France's official development assistance



Indicator: The amount and distribution of assistance are determined on the basis of the policy commitment of the member country and the undertakings it has given at international level

France acknowledges that it will not achieve the goal of allocating 0.7% of gross national income (GNI) to official development assistance (ODA) by 2015. The 2013 finance law states that ODA will stand at EUR 10.9 billion in 2015, or 0.48% of GNI. The government has announced that it would recover upward progress towards the 0.7% target as soon as growth was restored in France.

According to preliminary estimates, net ODA in France was USD 12.1 billion in 2012. Although this is a decrease of 0.8% compared to 2011, France retains its ranking of fourth among DAC members in terms of volume and tenth with respect to GNI, with a ratio of 0.46%.

Two-thirds of French ODA (USD 9.1 billion in 2011) are allocated bilaterally. However, a modest share of this bilateral assistance consists of programmable grants. Indeed, 40% of bilateral aid comprises non-programmable elements (school fees, debt cancellations, refugee costs). Furthermore, the loan share in bilateral aid has risen strongly since 2008, representing 40% of commitments in 2011. These loans primarily fund support to productive sectors and action to counter climate change in middle-income countries. As a result, in 2011, 67% of France's gross bilateral ODA targeted these countries, and only one low-income country (the Democratic Republic of Congo) was among the first ten recipients of French assistance. These loans are going to generate growing negative ODA flows as their repayment proceeds.

This structure of French aid along with geographical extension of the remit of the French Development Agency (AFD) explains the increased geographic dispersion of the programme, and the fact that less than 10% of net bilateral ODA (excluding debt relief) was intended for the 17 priority poor countries in 2011. This percentage has been decreasing since 2008, even though grants go first and foremost to sub-Saharan Africa and, within it, to the 17 priority poor countries, in accordance with the Framework Document directives. As to the countries in crisis, they received 10% of State subsidies, or 4% of net bilateral ODA.

The decrease in grants in both real and relative terms poses a considerable threat to France's ability to respond in poor or crisis countries (for example the Sahel). It also limits the scope for support in social sectors and in fields important for stability and the rule of law, even though these are regarded as strategic challenges for co-operation. Therefore, it is a concern that the 2013 finance law indicates a 3.5% fall in total subsidies intended for the 17 priority poor countries (EUR 167 million).

France regards NGOs as an important vehicle for development aid and humanitarian action. However, ODA disbursements via NGOs have remained small (less than 1% of total ODA), despite commitments given and the ability of these stakeholders to intervene through action that supplements official assistance. The announced increase in aid allocated via development NGOs should be extended to humanitarian and voluntary NGOs.

French multilateral co-operation is concentrated but the share of ODA allocated to United Nations institutions is modest and fragmented, strengthening the case for more strategic targeting.

While France is firmly committed to international financial transparency, it should continue to improve its reporting of official assistance, in compliance with the statistical regulations for equal and transparent treatment of DAC members.

Recommendations

- 3.1 France should establish a realistic trajectory for achieving the 0.7% ODA/GNI ratio as soon as possible.
- 3.2 France should more closely align the objectives of its co-operation with the resources allocated, taking special care to ensure that the extension of the geographical area for cooperation does not compromise its ability to help reduce poverty in poor and fragile countries. At the same time, it should ensure an appropriate balance between grants and loans.
- 3.3 France could adopt a more strategic approach to its multilateral co-operation, by both clarifying the principles for distributing resources among institutions and specifying how they complement bilateral aid.

4

France's development co-operation management



Indicator: The organisation and management of the member's development co-operation programme are appropriate and provided with the resources needed to implement a quality programme

France has improved the steering of development co-operation by targeting its action on the three main bodies involved. The Ministry of Foreign Affairs and the Ministry of Economic Affairs and Finance are intensifying co-ordination of their approaches and more closely supervising AFD, the main operator in French co-operation, which has been granted broader responsibilities and greater influence. However, this arrangement is generating high transaction costs given the requirements of co-ordination. It is also making the strategic budget management of programmable assistance more difficult, as it is dispersed across both Ministries.

Furthermore, the whole institutional system of co-operation remains complex, with nine other ministries involved, eight specialised operators and a growth in decentralised co-operation. However, certain key management bodies, were not effective. Indeed, the Inter-ministerial Committee (CICID) which is responsible for determining the priorities of co-operation has not met since June 2009. Neither is there any committee for planning annual budget allocations. The CICID meeting planned during the summer of 2013 will thus have to identify an effective steering mechanism for development co-operation. In addition, the announcement of the establishment of a National Council on Development and International Solidarity is welcome. Such a space for dialogue is needed to formally involve non-governmental bodies in strategic thinking on co-operation policy.

The Ministry of Foreign Affairs has been extensively restructured since 2008. These reforms have sought to enable it to respond better to the new challenges of co-operation and the issues arising from globalisation, in particular by taking more account of global economic issues in the approach to development. Similarly, the status of some operators has been altered to give them more autonomy and facilitate external fund-raising, without however reducing their number. In the field, the co-operation network remains vast and complex, with an array of bodies represented in partner countries. It is increasingly hard to maintain such a network given the budgetary constraints. The challenge for the Ministry and the embassies will be to retain the capabilities required to carry out their duties.

After a period of strong growth in which AFD demonstrated great capacity for innovation and sound risk management, the Agency is consolidating its organisation. Its financial model is largely based on the expansion of loans. Such a model is vulnerable to uncertainty and faces heightened risks at a time of economic and international financial crisis. These risks have to be closely analysed and monitored, so that the model can be adapted to changes in the international context and continue to serve its development agency remit.

France possesses technical expertise which is recognised and appreciated by governments no less than by other partners. The pressure on public expenditure is reflected in lower staffing levels and a rise in fixed-term contracts at the Ministry. It is important that these changes should not affect the quality of French expertise and its deployment in the field. The staff of AFD has increased by 35% in six years, a growth mainly visible at headquarters. The Agency must optimise its human resources management and examine how to strengthen its teams in the field, with due regard to the nature of the programme in each partner country.

Recommendations

- 4.1 France must continue to improve its development policy management by restoring operational strategic co-ordination and creating a permanent forum for dialogue with civil society.
- 4.2 France should continue to consider means of rationalising the central system and the co-operation network in order to reduce transaction costs, and plan human resources so as to anticipate needs in terms of expertise at headquarters and in partner countries.
- 4.3 AFD should consolidate its human resources and optimise their management, while adjusting its financial model in accordance with changes in the international context and in its role as a development agency.

5 France's development co-operation delivery and partnerships



Indicator: The member encourages the delivery of quality assistance in the partner countries and is optimising the impact of its support in accordance with the definitions set out in the Paris Declaration, the Accra Agenda for Action, and the Busan Partnership

The programmable assistance of France is in line with national strategies of partner countries and to a very broad extent makes use of national procedures. Aid from France is very largely untied and AFD-funded schemes are carried out by local contracting authorities. The Agency uses a varied range of instruments, particularly for support to the private sector, which are adapted in accordance with needs and may be combined with the resources of the other French stakeholders.

France endorses the Busan 'building block' on results and mutual accountability. In partner countries, it is involved actively in the policy dialogue and in aid co-ordination mechanisms, assuming the role of sector lead where necessary. France is aligning its procedures with several European partners and becoming more involved in joint analytical work. It has formed strategic partnerships with many players in the North and South, which are enhancing the complementary nature of bilateral and multilateral approaches.

France has improved the predictability of its co-operation. However, the complex structure of the budget, along with the fact that a third of ODA is outside the budget, makes it difficult to capture the overall aid budget. The funds indicated in the budget document covering development are dispersed over 12 missions and 23 programmes - the mission covering official development assistance in fact covers only 35% of France's net ODA. The orientation and programming law provides an opportunity to establish a more consistent budget framework. France should also ensure that commitments and disbursements are better matched. Indeed, the funding appropriations allocated to the embassies are sometimes below the level of the commitments authorised by the ministry. This compromises the quality of programmes and undermines France's credibility.

The number and diversity of all stakeholders, some of whom partially cover the same sectors, does not facilitate the co-ordination and the consistency of French action in these countries. Co-ordination is even more difficult when certain ministries intervene directly with their funding and projects.

The partnership framework documents help to federate these various stakeholders and to prevent a dispersion of their action, but they are only mandatory in the 17 priority poor countries. In the other countries, an overall strategic framework is needed for France's co-operation programme to be clear and consistent. A framework of this kind should also lead to better target co-operation on strategic sectors, which may be determined under joint European programming.

France has not so far developed a strategic approach to civil society organisations, and devotes few resources to strengthening them. The division of responsibilities at headquarters and in the field hampers the dialogue with these organisations. In order to put into practice the willingness to promote civil society - as expressed at the end of the Assises, France should clarify its approach and analyse its operational implications.

Finally, AFD, which has the status of a financial institution, is not well equipped to support partners with little capacity and smaller programmes, or to intervene in fragile situations. While it has certainly simplified and assumed responsibility for some processes, AFD should continue to adjust its tools to match the scale of financing allocated as well as the kinds of partners involved. Banking constraints should not result in the elimination of some partners and act as a barrier in fragile contexts.

Recommendations

- 5.1 France should ensure that the resources allocated to embassies match the level of authorised commitments.
- 5.2 France should target fewer strategic sectors in partner countries so as to strengthen the efficiency and impact of its co-operation programmes.
- 5.3 AFD should continue to adjust its procedures and resources to adapt them to its assignments, partners and operational contexts, especially in regards to fragile States and civil society organisations.

6

Results and accountability of France's development co-operation



Indicator: The member adopts a results-targeted approach to planning and managing the co-operation programme, and encourages learning, openness and accountability

France has pursued its efforts to manage the co-operation programme in accordance with a results-based management approach. An annual performance plan for official development assistance is annexed to the finance law and sets out objectives and performance indicators in the two major development assistance budget programmes. France has also requested main operators in co-operation to adopt a more results-based management approach, by drawing up contracts linking fixed objectives to resources.

Similarly, France continues to strive to strengthen its evaluation policy, and complies with DAC principles in this area. Beyond project and programme assessments, AFD conducts impact evaluations and meta-evaluations, which supports its ambitious and widely publicised policy for knowledge management and capitalisation. Through its collaboration with international academic networks and development research centres, AFD is contributing to forward-thinking on development.

Furthermore, France is acting to improve clarity and accountability, as illustrated by the biennial report on implementation of the Framework Document shared with Parliament since 2012. Many institutions, including Parliament, the Court of Auditors and NGOs are increasingly involved in monitoring co-operation policy and challenging it. The forthcoming orientation and programming law on development policy will help to meet the need for transparency and monitoring of results.

However, France can still improve the correlation between the objectives of the development co-operation strategy, budget programming and results measurement. This implies consolidating the set of indicators in the strategic framework and finance law, and including within it indicators on expected results (and not solely the means allocated). In addition and as planned, France should also develop results frameworks in strategic co-operation documents in partner countries. This will establish links between results expected in the field and their contribution to the objectives of both the partner countries and French co-operation. These frameworks should be based on existing national systems.

The system of evaluation remains fragmented across the three main institutions. France should then continue to ensure that actions in this area are complementary and that the most strategic programmes are assessed. France would also gain from putting stronger emphasis on the development contribution when evaluating research institutes work. French institutions widely publicise evaluation findings and seek to use them to improve the co-operation programme. However, AFD has not introduced a system for monitoring recommendations, which undermines its ability to use them as a strategic management tool.

French public opinion is becoming more sceptical about the effectiveness of development aid. As a result, efforts to heighten public awareness and inform people about the results of development co-operation should be pursued and expanded. In addition, France should pursue its action to meet commitments made in Busan concerning open information on aid, by reorganising its inter-ministerial information system.

Recommendations

- 6.1 In order to better steer the programme and be accountable to the public for the results achieved, France should consolidate a single set of indicators reflecting its development objectives, and include results frameworks in the strategic documents that guide its co-operation in partner countries.
- 6.2 France should ensure that its programmes evaluate strategically, and improve the recommendations' monitoring system, so as to better use evaluations as a strategic management tool.

7 France's humanitarian assistance



Indicator: The member is helping to minimise the impact of shocks and crises, saving lives, easing affliction and upholding human dignity in situations of crisis and catastrophe

France is regarded positively as a humanitarian donor, given its practice of consulting and engaging in dialogue with its partners. It coordinates its action with other donors both in the field and in Europe. In this respect, the secondment of humanitarian staff to embassies in situations of acute crisis is very helpful.

Furthermore, France's new humanitarian strategy is the first stage in a consistent government approach to humanitarian issues. However, France has to meet several challenges in putting the strategy into practice. In particular, it should clarify strategic links with other related humanitarian strategies, such as food security, fragile States and the protection of civilians in conflicts. France should also create awareness within various ministries in order to devise a rational strategy for post-crisis recovery and convert into systematic programming its desire that closer attention should be paid to preventive and preparatory activities.

France possesses a wide range of resources for dealing with prolonged crises and delivering rapid responses, which are based on a variety of instruments and budgetary mechanisms. An operational humanitarian co-ordination mechanism and clear leadership are vital within this fragmented structure. Such a mechanism exists in the event of major crises and emergency responses, and is coordinated by a dedicated staff team or the Crisis Centre. But there is no mechanism for delivering a rational response in the event of other humanitarian crises. This creates confusion among partners, and increases the risk of inadequacy and duplicated effort in the response, while also limiting the scope for drawing on other related funds, including those for post-crisis recovery. A concerted approach could be strengthened if Paris indicated a clear focal point for each partner.

The new Crisis Centre offers an excellent early warning service, which might be used to help ensure a faster proactive reaction to fresh and intensifying crises. The introduction of detailed provisions concerning the use of military means or staff in humanitarian responses, with in particular the establishment of 'last resort' criteria and clear criteria to identify where, what and whom to fund, would be constructive and instrumental in ensuring continued compliance with humanitarian principles.

France has undertaken to evaluate its performance as a donor. This positive move will call for a more accurate set of measurable indicators. France is encouraged to publish the results of this exercise as a supplement to its annual financial report, in the interests of greater transparency.

The most important challenge for France concerns the scale of its humanitarian aid. Indeed, as a signatory to the Principles and Good Practice of Humanitarian Donorship, France has undertaken to 'contribute responsibly and on the basis of burden-sharing' to global humanitarian appeals. In 2011, France was the fourth DAC development donor, but only the 17th humanitarian donor. Humanitarian aid represented barely 0.9% of ODA (USD 82.6 million in 2011), and is much lower than that of donors with similar ambitions in the humanitarian sector. France has no plan to substantially increase its humanitarian budget. It does not comply, therefore, with its commitment to responsible burden-sharing and, with such a limited humanitarian aid budget, will be unable fully to implement its new humanitarian strategy.

Recommendations

- 7.1 In order to meet its burden-sharing commitment and implement its new humanitarian strategy, France should significantly increase its humanitarian aid budget.
- 7.2 France should establish clear criteria for identifying where, what and who to fund, and spell out clear terms concerning the use of military means or staff.

Secretariat's report

Chapter 1: Towards a comprehensive French development effort

Global development issues

Indicator: The member has a strategic approach to contributing to addressing global public risks and favours comprehensive and coherent development policies

France is actively engaged in promoting the development agenda in international forums, where it insists on the need to produce and protect global public goods. It thereby contributes to the implementation of public policies conducive to sustainable development.

France has a strategic and coherent approach at the international level

France is a major player in many international bodies. Whatever the government in place, France has consistently used its position in those forums to promote the development agenda, with recognised successes. The agenda for development was one of France's six priorities during its presidency of the G20 in 2011 – which led it to campaign within the UN for the inclusion of development on the G20 agenda.¹

France considers that development issues cannot be dealt with in isolation from those relating to economic co-operation and global governance. Beyond development co-operation, global policies are needed to secure each country's sustainable development (MAE, 2011a). France therefore promotes a cross-cutting approach that allows development to be considered under every theme addressed in international forums, and stresses the importance of producing and protecting global public goods through co-ordinated action involving all countries.² France has also made firm commitments at G8 summits³ and at UN conferences, such as the Copenhagen Summit on Climate Change.

In June 2012, at the Rio Summit, the President of the Republic announced that France would allocate a share of the proceeds from the tax on financial transactions to development assistance. In the autumn of 2012, at the UN General Assembly, he called for an agenda that would reconcile economic growth, poverty reduction, social progress, and environmental protection (Hollande, 2012). France promotes an alignment between the objectives of poverty reduction and sustainable development after 2015. France also advocates for an improved global governance, organised around a revitalised UN, including an enlarged Security Council.

Policy coherence for development

Indicator: Domestic policies support or do not harm developing countries

France is clearly committed to policy coherence, at the European as well as national levels. The Minister Delegate for Development is tasked with ensuring that this dimension is taken into account in the six priority sectors identified, and to this end the minister is to implement an appropriate policy mechanism. The *Assises du développement et de la solidarité internationale* [public consultation meetings on development and international solidarity, hereinafter the “Assises”] have given a welcome boost to policy coherence at a time when the economic crisis has tended to stir up conflicting interests. The multi-stakeholder platforms have shown their ability to mobilise expertise for taking informed positions. France would gain from establishing such platforms for each priority sector and developing a monitoring system enabling it to assess progress.

The political commitment is clear and should be maintained despite the crisis

France has adopted the OECD ministerial declaration on policy coherence (OECD, 2008a) and has included this dimension in its strategic documents. The “Framework document on development co-operation” (hereinafter the “Framework Document”) published in 2011 calls for promoting coherent policies in six priority sectors, which largely coincide with those defined by the European Union: trade, immigration, investment and finance, climate change, food security, and social protection (MAE, 2011a).

France is firmly committed internationally to promoting policies in favour of sustainable development, particularly in the areas of trade, climate change, and food security. The Commitment to Development Index reflects these efforts: between 2008 and 2012, France’s ranking rose from 16th to 13th position out of 27 (CGD, 2011). Yet there are still tensions in some areas between the interests of developing countries and those of France, and the report of the Centre for Global Development points in particular to migration and security issues.⁴

Since 2008, France has sought to integrate economic and development aspects more closely within the Ministry of Foreign Affairs (MAE), in order to cope effectively with globalisation issues (MAE, 2008).⁵ This approach has proven instrumental in supporting advocacy for including development in bodies such as the G8 and the G20, it has encouraged closer attention to global issues in foreign and development policies, and it has allowed some positive initiatives, such as that at Cape Town in 2008 on strengthening small and medium-sized enterprises in Africa.⁶ It has also helped to improve the integration into development policy of the differentiation in the economic performance and prospects of developing countries.

With the global economic crisis, France is now strengthening the economic dimension of its diplomacy. The Minister of Foreign Affairs has asked ambassadors to support systematically French firms internationally and to develop foreign investment that will benefit employment and activity in France (Fabius, 2013).

From the same viewpoint, the minister has asked that university scholarships be redirected “towards high-potential countries and disciplines that match our economic interests”. This shift is reflected in institutional terms by the creation of a “Business and international economy” directorate within the General Directorate for Globalisation. Meanwhile the Ministry of Trade calls for taking better account of French economic interests in official development assistance (Bricq, 2012).⁷ While this approach is understandable, it should not result in subordinating co-operation to the economic interests of French business. The reaffirmation of the principle of aid untying by the Minister of Trade is important in this regard. However, it remains necessary to strike a proper balance between the interests of France and those of its partner countries.

Policy coherence for development is one of the five themes of the Assises, an event that brought together the main stakeholders in development co-operation from November 2012 to March 2013. Five sensitive policy areas were reviewed.⁸ This initiative is positive in terms of raising awareness and mobilising public opinion, and it should help to increase the sensitivity of the various actors to possible conflicts of interest.

Responsibility for policy coherence lies with the Minister Delegate for Development

The previous review of France recommended that a permanent structure be established with a mandate to promote and monitor policy coherence for development (OECD, 2008b). This mandate has been entrusted to the Minister Delegate for Development, who must now put in place an appropriate policy mechanism.

As in 2008, the General Secretariat for European Affairs, under the Prime Minister, co-ordinates the ministries involved in defining French positions on European and OECD issues. France also has inter-ministerial mechanisms for enhancing coherence in specific fields.

As an illustration, an inter-ministerial group on food security was instituted in 2008 in response to the food crisis in poor countries. That platform embraces the five ministries involved as well as the General Secretariat for European Affairs, the French Development Agency (AFD), research institutes, non governmental organisations (NGOs) and representatives of agricultural interests. Its work consists in monitoring and producing forecasts of the food situation in developing countries, and formulating French positions in international bodies, as well as French and European initiatives for combating food insecurity. France is also promoting the notion of fair trade to consumers, local governments and businesses, and has created a national commission for this purpose.

The multi-stakeholder platforms make it possible to take informed positions, but the follow-up mechanisms have yet to be developed

The inter-ministerial group on food security draws upon various expertise, including the field network of technical assistants, embassies and permanent representation offices. This mechanism makes it possible to take informed positions – for example on biofuels and climate change (GISA, 2012 a&b). It supported the proposals put forward by France at the G20 for combating agricultural price volatility and managing its adverse impacts; boosting farm production in developing countries; and promoting the principles of responsible agricultural investment. It would be useful to establish such technical platforms in the six sectors identified as priorities for policy coherence.

France could also make greater use of embassies to feed its positions in the priority sectors identified. The review team found that, while such requests are made to Madagascar, they are rarely directed at Cameroon. France could also ask ambassadors to pay more systematic attention to policy coherence issues in their policy dialogue.

When it comes to monitoring, France relies on the mechanism put in place by the European Union for reporting member states' efforts on policy coherence for development: France submits such reports every two years (EC, 2011). Policy coherence is also the subject of a chapter in the biennial report on co-operation policy submitted by the government to Parliament (MAE/MEF, 2012). However, this approach lacks consistency, and France has no institutional mechanism for monitoring the results of its efforts on policy coherence, either domestically or internationally. For example, the General Secretariat for European Affairs is unable to assess the impact of its advocacy efforts within the European Union.

The scale of progress varies by sector

Combating climate change is one of the six policy coherence priorities of France. The country is a lead actor in this area, where it is combining effectively actions at the international and domestic levels as well as through its development co-operation (Box 1.1).

France is also actively involved in fighting corruption and illicit capital flows, working through international bodies (in particular the G20) as well as its development co-operation programme, where it promotes good governance. On the domestic front, it has made efforts to adapt its anti-money laundering legislation and practice, with good results (FATF, 2011).

However, further efforts are needed, as noted in the last report of the OECD Working Group on Bribery and International Business Transactions (OECD, phase 3 evaluation, 2012a). That report regrets in particular the low number of convictions,⁹ certain persistent gaps in legislation, and the fact that penalties are too weak to be really dissuasive. The report also notes that civil servants are not sufficiently familiar with their obligations on how to handle acts of bribery of foreign public officials. The Treasury understands the need to raise awareness in the sectors concerned (which the embassy's regional economic service has undertaken in Cameroon) and AFD has a zero-tolerance policy. However, according to the OECD

report, AFD has never reported an infraction to the public prosecutor, although no fewer than 11 cases of transnational bribery were suspected in projects financed by the agency. Institutional actors have stressed the difficulty of enforcing Article 40 of the French Code of Criminal Procedure.¹⁰ As recommended in the OECD report, France should re-examine its legal procedures in order to fight more effectively bribery of foreign public officials. In doing so, it should consult other international investors in developing countries and continue to raise this question in international forums.

Box 1.1 A multidimensional commitment to combating climate change

France is actively engaged in fighting climate change. On the international front, it was co-chair, with South Africa, of the G20 Study Group on Climate Finance. It has used this position (which it held until October 2012) to insist on the need to mobilise innovative financing and promote a streamlined international financial architecture with the creation of the “Green climate fund”. France has also declared its willingness to host the United Nations conference on climate change in 2015 (Hollande, 2012).

On the domestic front, the “*Grenelle de l’environnement*” has since 2007 strengthened the environment and climate change component of public policies. Although this process seemed to be losing momentum, in September 2012 France adopted a roadmap on energy transition, and is now seeking to mobilise private investment to this end (Gouv, 2012). France has also increased substantially the portion of its ODA allocated to combating climate change, and AFD has become a key player in this field (Chapter 2). Today it is looking at ways to improve the reporting of its projects and financing related to climate change.

Engaging in partner countries

Indicator: The strategic framework, institutional structures and mechanisms facilitate coherent action

The ambassador defines the strategic orientations of France's engagement and ensures coherence at the country level. In this context, he determines the trade-offs that are needed to ensure convergence between French interests and those of its partner countries. Performing this mission successfully requires retaining appropriate expertise within the embassy. France would also gain from communicating better its priorities to its partners, as they are not always perceived clearly.

The ambassador plays a key role in defining strategy and in operational co-ordination

The ambassador defines and integrates all the diplomatic, security and development-related aspects of France's engagement in partner countries. To this end, the ambassador draws up an action plan analysing the partner country context and related issues, and defining the key priorities and strategic objectives pursued by France. This plan is validated by the Secretary-General of the Ministry of Foreign Affairs after consultation with the Ministry of Economy and Finance, and its implementation is reviewed each year during an interview at the Quai d'Orsay.

While the ambassador's plan serves as an overall guide for French action in a country, it remains an internal document. In many countries, there is no mechanism for communicating French priorities, and this might suggest that France has no strategic vision at the national level. The many dimensions of the ties between France and numerous African countries, however, largely determine the French attitude in these countries. As the review team noted in Cameroon and in Madagascar, France could do better at communicating to its development partners how all its engagements are articulated around key objectives (Annex C).

Consistent with the economic diplomacy now being put in place, the new directives given to the ambassadors stress the economic dimension of France's engagement. It is important to ensure that poverty reduction and development also receive steady attention, especially in the poorest countries.

Co-ordination is a difficult task in a complex system

The ambassador co-ordinates the staff responsible for diplomatic, security and development issues, including those who are not part of the Ministry of Foreign Affairs, such as staff from economic units of the Ministry of Finance. Within the embassy, strategic units (development, economics, culture) are responsible for internal co-ordination.¹¹ For certain fragile states (e.g. Afghanistan, Haiti) there is an inter-ministerial mechanism in Paris for co-ordinating activities in the field.

With the continued reduction in staffing levels in the Ministry of Foreign Affairs, while the international network is being retained (163 embassies and 16 permanent representation offices to multinational institutions), there is a risk that the embassies' capacity for policy leadership and sectoral dialogue may be affected. Maintaining sufficient expertise within embassies is essential if they are to play their co-ordination and representation role for France in complex environments (Chapter 4).

Financing for development

Indicator: The member engages in development finance in addition to ODA

France recognises the need to supplement ODA with additional resources. It supports greater mobilisation of domestic resources in partner countries, seeks to boost private investment flows to those countries, and promotes innovative financing and practices.

ODA serves as a catalyst

The Framework Document clearly states the need to go beyond official development assistance to provide sufficient financing for development (MAE, 2011a). To this end, France is committed to supporting the mobilisation of domestic resources; promoting the mobilisation of private investment for development; channelling transfers of funds from migrants more effectively; and developing innovative financing.

France is making sizeable efforts to mobilise resources for development

In the first instance, France seeks to maximise domestic resources in partner countries, especially their fiscal revenue, by strengthening their capacity to collect taxes. It does this by offering specific expertise in improving national tax management as well as promoting greater international financial transparency, particularly within the G20 or through its support to the Extractive Industries Transparency Initiative, which held its fifth conference in Paris in March 2011.

Secondly, France seeks to develop synergies with public and private stakeholders. Through its subsidiary Proparco (of which it is the main shareholder), AFD, along with the Ministry of Economy and Finance (through UBIFRANCE¹²) supports private investment in developing countries. AFD has diversified its tools (guarantees, equity participation, loans) in order to steer these investments toward ODA-eligible countries. It seeks to ensure that those investments meet the standards of social and environmental responsibility as well as anti-money-laundering rules (Chapter 5). It also supports local private sector development as well as strengthening of the banking system and of meso- and micro-finance in partner countries. In addition, France has continued to develop tools to facilitate transfers of remittances by migrants and encourage productive investments.

Lastly, France supports innovative financing for development that will be more stable and predictable than ODA flows. It has placed this topic on the G20 agenda and provides permanent secretariat services for the Leading Group on Innovative Financing.¹³ Drawing upon the success of the airline ticket tax, it promotes the introduction of a tax on financial transactions at the European and global levels, the proceeds from which “could be earmarked for development and combating pandemics” (Hollande, 2012). To demonstrate its feasibility, France instituted this tax at the national level in August 2012. However, only 10% of the proceeds from the tax will be allocated to development (in the areas of health and environment and combating climate change), with a proportion rising incrementally over the period 2013-2015. Thus, in 2013, the plan was to earmark only 3.7% of the tax’s proceeds for development assistance. These low levels might undermine the credibility of an initiative that was originally promoted as an instrument for financing development, and could discourage its adoption by other countries.

France encourages close and beneficial links between public and private stakeholders in development

Organisations such as UBIFRANCE and Proparco work closely with the private sector. More broadly, the French Council of Investors in Africa (CIAN) has a seat on the AFD Board of Directors, and the French Delegation to the Busan High-Level Forum on Aid Effectiveness included private sector representatives.

France is keen to foster interactions among a great variety of stakeholders in order to find innovative solutions for development. The fifth theme of the Assises, which wrapped up in March 2013, was entitled “Technological and social innovation, research policy: challenges for development?” Businesses, organisations active in the social and solidarity economy, NGOs and research institutes were invited to hold discussions with public authorities about modalities and funding that would be complementary and coherent. This paved the way to new approaches, such as exploring how research can work more closely with civil societies in the South and how it can promote sustainable development, through the training of future elites, the sharing of knowledge, and technological and industrial innovation.¹⁴

France produces significant non-ODA flows, which should be better reported

Public finance for development beyond ODA takes place essentially through AFD and Proparco. These flows consist of non-concessional loans, equity participation and development guarantees. In contrast to AFD, Proparco’s activities are non-concessional and are geared to private sector development. Its operations seek to meet specific needs of private investors in developing countries, while observing the following criteria: long-term commitment, additionality, profitability and innovation. Overall, the gross amounts allocated to these operations have been rising in recent years (after retreating slightly in 2010, they amounted to USD 1.3 billion in 2011, according to data provided to the DAC).

Private flows at market rates have declined since the financial crisis, with the net total dropping from USD 34.4 to 21.3 billion between 2007 and 2011 (Table B.1). However, they are still higher than French ODA amounts. These flows include foreign direct investment in developing countries, which has been fluctuating sharply. Other forms of financing, such as export credits, receive official support from Coface (which offers export credit guarantees and insurance on the State's behalf).

When it comes to the notification of non-ODA flows, the detailed reviews conducted by the Secretariat have found that statistical coverage of the non-ODA activities of AFD and Proparco was virtually complete in recent years (with the exception of equity participations, which accounted for 14% of Proparco's portfolio), but that officially supported export credits were notified at a late stage.

Notes

1. French statement at the United Nations General Assembly in March 2011. The first meeting of the G20 Development Working Group was held in Paris on 21 March 2011.
2. The other five priorities of the French presidency of the G20 and 2011 were, in a context of international financial crisis: reform of the international monetary system; strengthening financial regulation; combating commodity price volatility; support for employment and the social dimension of globalisation; and the fight against corruption (Sarkozy, 2011).
3. In the areas of food security at the Aquila Summit in 2009 and improving maternal and child health at the Muskoka Summit in 2010.
4. France scores especially low on immigration matters – because of the small number of immigrants from poor countries – and on security, as France is one of the most important exporters of arms to non-democratic governments.
5. Thus, a General Directorate for Globalisation, Development and Partnership (DGM) has been created, covering development co-operation policy and international negotiations on the world economy and global public goods.
6. The presidential initiative in support of growth and employment in Africa was announced in Cape Town on 28 February 2008 by the President. The initiative seeks to reinforce the tools available to African businesses, such as loans, guarantees and equity participation. It is supposed to support some 1,900 firms, with the creation of more than 300,000 jobs over time and the mobilisation of supplementary finance from investors to the tune of more than EUR 8 billion.
7. Consistent with this approach, French institutes were created in 2011 for the purpose of promoting French ideas, culture, language and knowledge worldwide.
8. Agriculture, finance, trade, health, and immigration.
9. Only four judicial investigations since 2008, concerning acts of corruption in Libya, Congo, Djibouti, and Nigeria.
10. The article, amended in March 2004, stipulates that “any constituted authority, any public officer or civil servant who, in the performance of his duties, has gained knowledge of a felony or of a misdemeanour is obliged to notify the offence forthwith to the district prosecutor and to transmit to this prosecutor any relevant information, official reports, or documents.”
11. Moreover, in Madagascar and in Cameroon, a weekly staff meeting is held, and is expanded once a month to include the research institutes.
12. UBIFRANCE, the French Agency for International Business Development, is a public industrial and commercial institution under the supervision of the Minister of Economy and Finance, the Minister for Foreign Trade, and the General Directorate of the Treasury.

13. Created in 2006 at the Paris Ministerial Conference on Innovative Financing for Development, this platform embraces 63 countries and nine international organisations, as well as foundations and NGOs.
14. See for example, *Une recherche pour le développement durable* (30/12/2012) by Laurent VIDAL, IRD ; and *Pour une recherche citoyenne au Sud* (04/01/2013), Marie-Lise SABRIE, IRD, contributions available at www.diplomatie.gouv.fr/fr/politique-etrangere-de-la-france/aide-au-developpement-et/assises-du-developpement-et-de-la/les-cinq-grands-chantiers/innovations-technologiques-et/

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Chapter 2: France's vision and policies for development co-operation

Policies, strategies and commitments

Indicator: Clear policy vision and solid strategies guide the programme

The Framework Document on development co-operation, published in 2011, sets the development policy vision of France and constitutes the frame of reference for the French co-operation stakeholders. This document refers to France's main international commitments and reflects its global ambition, proposing various responses adapted to each development challenge. The process of updating development policy, currently underway, offers an opportunity to set forth the objectives of that policy more precisely and to ensure consistency between those objectives and the allocation of resources.

The strategy is in line with international commitments

Consistent with the 2008 DAC recommendation, France has formulated a medium-term vision of development co-operation, following a wide-ranging consultation process (MAE, 2011a). The Framework Document formalises the broad strategic guidelines that the Inter-ministerial Committee on International Co-operation and Development (CICID) identified in June 2009. It reflects France's commitment to combat poverty and inequality and to pursue the Millennium Development Goals (MDGs). It incorporates the Busan principles on aid effectiveness and partnership and calls for meeting commitments with respect to the environment and climate change, as well as labour rights and decent employment.

Conceived to consolidate the multifaceted set of French co-operation policies, the Framework Document is a real step forward and has been widely hailed as an attempt to establish a coherent and shared "internal logic" in French co-operation action. It has become a strategic benchmark for development stakeholders and is reflected in the documents guiding French co-operation, including both budgetary documents and the "contracts of objectives and means" signed with operators such as AFD.

The Framework Document sets forth the purpose of development co-operation

The Framework Document establishes the objectives of the development policy that France intends to pursue over the next ten years to address international challenges. These objectives correspond to the mutual interests of Northern and Southern countries, while helping to promote France's influence bilaterally and on the international stage.

The government plans regular evaluations of this policy as circumstances evolve. In November 2012, the Minister Delegate for Development launched a process of "brainstorming" and civic consultation by organising the *Assises du développement et de la solidarité internationale*,¹ which the President of the Republic wrapped up in March 2013 (Hollande, 2013). The CICID is supposed to endorse the findings of the Assises during the summer. Following the consultations, important decisions about the future of French development co-operation were announced, including draft legislation on orientation and programming (Box 2.1). These initiatives are

welcome. However, while greeting them favourably, the French platform of NGOs, *Co-ordination Sud*, complained that the social dimension of development did not figure among the new strategic priorities announced (Co-ordination Sud, 2013).

Box 2.1 Conclusions from the Assises du développement et de la solidarité internationale

The Assises served to clarify President Hollande's orientations for development policy:

(i) Government action will be focused on economic development, security and the environment; draft legislation on the orientation and programming of French policy for development and international solidarity will be submitted to Parliament in the autumn, for adoption in 2014.

(ii) A National Council for Development and International Solidarity will be created to ensure ongoing consultation between the State and French civil society.

(iii) France will resume progress towards the international objectives it has set as soon as growth recovers, and it will pursue its efforts in the area of innovative financing.

(iv) In connection with efforts to implement "economic diplomacy", the government intends to promote transparency in the extractive industries and to combat illicit flows of foreign capital and ill-gotten goods.

Source: closing statement at the Assises (Hollande, 2013)

The Framework Document expresses a broad and differentiated vision of the challenges to address

French co-operation policy is structured around four interdependent challenges: (i) promoting sustainable and shared economic growth; (ii) combating poverty and inequality; (iii) preserving global public goods; and (iv) stability and the rule of law. These are supplemented by five cross-cutting themes.² The Framework Document recognises the various situations of developing countries and offers responses that are differentiated in light of the categories of countries and the main challenges they face. Under this approach, the bulk of budgetary resources will be earmarked for combating poverty in poor and fragile countries, while other means will be used for intervening in emerging countries to promote global public goods such as fighting climate change.

Decision-making

Indicator: The rationale for allocating aid and other resources is clear and evidence-based

Bilateral resources are allocated on the basis of four distinct geographic partnerships, for which specific objectives, resources and instruments for co-operation are defined. Two of these partnerships target the countries of sub-Saharan Africa and countries in crisis. However, the resource distribution key and the composition of French ODA preclude allocating large volumes of bilateral grants to these countries. Similarly, allocation criteria for bilateral versus multilateral aid are not spelled out. A more strategic approach to multilateral co-operation would help clarify the rationale for allocating resources among institutions and foster co-ordination with bilateral aid.

France has adopted a strategy of differentiated partnerships

The French strategy for allocating resources is based on a geographic typology, with the identification of four partnerships, differentiated according to French co-operation objectives, means and instruments.³ This strategy deals essentially with bilateral aid and does not specify the allocation key between bilateral and multilateral channels. The geographic targets are:

- (i) **Sub-Saharan Africa**, which remains a core priority for French co-operation for historic and geographic reasons. For the three-year fiscal period 2011-2013, France plans to allocate at least 60% of State financing to this zone, and to earmark more than 50% of grants to 14 priority poor countries, a list that was augmented by three countries in 2012.⁴
- (ii) **Countries of the Mediterranean basin**, which have especially close relations with France and are at varying levels of development, with significant demographic challenges. France plans to devote 20% of its budget financing to these countries.
- (iii) **Emerging countries** of global or regional importance (such as Brazil, China and Indonesia), which will receive no more than 10% of French budget financing.
- (iv) **Countries in crisis** (in particular the Sahel, the Middle East, Haiti and Afghanistan), to which France intends to devote 10% of its grants (crisis and post-crisis management, in addition to preventive interventions).

Two of these four partnerships are clearly targeted at 17 poor countries of sub-Saharan Africa and at fragile countries and countries in crisis. These countries receive the bulk of grants and the more concessional loans. Less concessional loans and other tools are generally intended for emerging countries and those in the Mediterranean basin.

Nevertheless, the distribution of resources is still not very clearly defined, as the strategy refers merely to “the financial effort of the State”, excluding the leveraging effect of loans.⁵ It also ignores non-programmable bilateral aid, which cannot be allocated *ex ante*. Although the Framework Document effectively

focuses the budgetary effort on Africa and priority poor countries, the structure of French aid makes it difficult to target co-operation precisely in terms of the volumes allocated (Chapter 3). The consultation process inaugurated by the Assises should make it possible to reconsider ways for gearing the overall resources of French co-operation more effectively to its objectives.

France is strongly committed at the multilateral level

France is strongly committed at the multilateral level, where it seeks to achieve leverage effects, thematic synergies and the possibility of participating in financing for activities that it could not conduct alone. Through its contributions via multilateral and European channels, France is also able to participate in international solidarity efforts in regions or sectors where it has a lesser bilateral presence.

Despite this commitment, France has no comprehensive strategy for multilateral aid, as the 2008 review had recommended. It has, however, developed strategies *vis-à-vis* the European Union (MAE, 2010) and the World Bank (MEF, 2010). A strategic overall approach, covering United Nations agencies and the main vertical funds to which France is a major contributor, would facilitate trade-offs between bilateral aid, European aid and multilateral aid, taking into account the different objectives pursued, and it would encourage co-ordination between bilateral and multilateral aid.

Policy focus

Indicator: Fighting poverty, especially in LDCs and fragile states, is prioritised

France has formulated strategies in the key areas of poverty reduction and the MDGs. To strengthen this approach, it should clarify the criteria for identifying priority poor countries, and define a strategy and mechanisms to strengthen the links between humanitarian and development programmes in countries emerging from crisis. While France has successfully integrated environmental issues into its development co-operation, it could improve its approach to gender equality. Moreover, the number of stakeholders and activities involved in French-financed capacity-building militates in favour of formulating a strategy in this field.

Strategies targeting poverty reduction have been formulated

The CICID defined the MDG-related sectors for aid concentration in 2009: education and vocational training, health, agriculture and food security, sustainable development and support for growth. Several sectoral strategies have been formulated since the last peer review.⁶ Sectoral allocation is based on “the needs of beneficiary countries, while ensuring that national priorities as a whole contribute also to the cross-cutting international commitments of France, and therefore to the sectors of co-ordination selected in the context of partnership framework documents” (MAE, 2012a). The choice of sectors reflects French international commitments, particularly those made at the summits of Muskoka (maternal and child health), Aquila (climate and malnutrition), Copenhagen (climate change) and Cape Town (private sector development in Africa). The influence of the MDGs on French co-operation policy is evident in the importance attached to the health sector, especially in multilateral contributions. The strategy does not set sectoral spending objectives, and this is a positive feature as it allows sector distribution to be determined in the partnership documents signed with priority countries.⁷

The criteria for identifying priority countries could be more explicit

The Framework Document indicates that the priority poor countries have been identified “on the basis of economic and social criteria, and also considering the depth of their cultural or linguistic ties to France and to immigrant communities” (MAE, 2011a). The criteria governing the choice of priority countries should be more explicit, and any change to the list of these countries should be subject to broader consultation, which was not the case when the number of priority poor countries was increased from 14 to 17.

The approach to countries emerging from crisis is inadequate

France has yet to adopt a coherent approach in countries emerging from crisis. Nor does it as yet have in place an effective co-ordination mechanism for making the link between humanitarian programmes and development programmes. However, a “resilience group” has just been created for this purpose within the General Directorate for Globalisation, and it held its first meeting in April 2013. The nature of the French institutional setting, which is scattered across several institutions, makes this co-ordination more difficult (chapter 4). This is also reflected in the lack of a link between humanitarian action, crisis prevention and risk reduction, even though initiatives have been taken in the area of food security, and more recently for boosting resilience in the Sahel countries (Chapter 7).

The strategy for fragile states still needs to be spelled out

France participates actively in international forums dealing with situations of fragility, including the International Network on Conflict and Fragility and the International Dialogue on Peacebuilding and Statebuilding. It heads up the initiative in the Central African Republic. On the domestic front, France published in 2007 a strategy on fragile states, which is currently being updated, as well as a strategy for reducing armed violence, based on an inter-ministerial effort in partnership with research institutions (MAE, 2012b). It would be useful if these strategies could be converted into action plans and concrete, realistic tools.

Environmental issues are well integrated

AFD builds environmental and climate issues into its programmes and is showing leadership in this field. Since 2009, “environment and natural resources” is the first sector for AFD in terms of ODA funding. While representing only 2% of the agency's activity in 2005, the sector's share rose to 24% in 2009 (MAE/MEF, 2012). Moreover, in 2007 the agency introduced a mechanism for monitoring environmental and social risks into its programmes, and it has lobbied the World Bank, the European Investment Bank and the Japanese Bank to ensure that this principle is adopted by all. In Cameroon, the review team found that French staff had a thorough knowledge of the issues involved in climate change and the environment, and were supporting strategic interventions well suited to the national and regional contexts (the Congo basin).

France is calling for ambitious commitments as well as common rules in the area of climate change, and at the same time is promoting greater solidarity with poor countries. It has endorsed new commitments for combating climate change under the Copenhagen agreements (EUR 420 million per year in 2010-2012). As with many donors, however, action on climate change adaptation remains weak, in terms of both financial commitment and international advocacy. AFD has committed more than EUR 7.5 billion to mitigation activities, and EUR 1.6 billion for adaptation over the last five years (AFD, 2012a). For the future, France should strive to maintain high investment not only in mitigation activities but also in support of adaptation measures. The impact will be all the greater since AFD is now a major source of finance for combating climate change internationally, with a target of consistently earmarking 50% of its grants in foreign countries, and 30% of the Proparco funds (MAE, 2012a).

Aspects relating to gender equality and capacity-building still need to be better integrated

France is supporting projects for promoting women in partnership with the United Nations⁸ and French NGOs. At the 2010 G8 meeting in Muskoka, it committed to invest an additional EUR 500 million in the fight against maternal and infant mortality. However, the implementation of its strategic guidance document on gender, published in 2007 and reflected in the “action plan for women's empowerment” (2009-2011), was the subject of a critical evaluation in 2012 (Commission nationale, 2012). The government has expressed its commitment to mainstreaming gender in all development policies and instruments, specifically through systematic impact analyses and more frequent use of gender-g geared policy analysis tools.⁹

The field visits revealed that this theme was not effectively included in strategic frameworks nor spelled out in project documents, resulting in missed opportunities. Field workers receive little guidance or incentive to integrate gender equality into their activities. If a serious effort is to be made to incorporate this theme in development co-operation, France must ensure that development actors are committed at all levels and for the long term, that practical tools are developed, and that procedures and practices are amended in consequence. Mainstreaming gender equality also implies dedicated financial and human resources and incentives for the staff. Individual capacities must be reinforced and measurable outcome indicators identified and used. Finally, a permanent commitment of senior management is a prerequisite for mainstreaming gender equality in any organisation. All these aspects should be taken into account in the broad consultations on “gender and development”, launched by the Minister Delegate for Development in the wake of the evaluation.

Lastly, France still has no guidelines on capacity-building, although this is one of the main levers of its co-operation, whether at the bilateral level, with regional organisations, or multilaterally through partnerships with the UN specialised agencies. France has relied heavily on expertise and training to build capacities in its partner countries. Research for development, through such dedicated institutions as the *Institut de recherche pour le développement* (IRD), the *Centre international de recherche agronomique pour le développement* (CIRAD) and the Pasteur Institutes, represents an important component of French technical co-operation. The diversity of objectives and of actors, some of which follow their own rationale, argues for a strategic long-term approach that will distinguish among the different levels of capacity-building (institutional, organisational and individual) so as to target each dimension with appropriate forms of co-operation. A proposed framework for cross-cutting intervention in capacity development will be presented shortly to the AFD's board of directors. This initiative could be expanded to other stakeholders in France's co-operation.

Notes

1. These sessions brought together government departments and agencies, parliamentarians, NGOs, labour unions, research institutes, local governments, foundations and the private sector to discuss the following themes: (i) the post-2015 vision of development; (ii) aid transparency and effectiveness; (iii) policy coherence for development; (iv) partnering with non-government stakeholders; and (v) technological and social innovations and research policies for development.
2. The “action levers” in the Framework Document are: (i) support for democratic governance and promotion of laws and standards; (ii) production and exchange of knowledge through cultural, academic and scientific co-operation; (iii) a global approach to development financing; (iv) policy coherence; and (v) strengthening complementarity between bilateral, European and multilateral actions.
3. In other countries, France works primarily through European and multilateral channels.
4. The 17 priority poor countries are: Benin, Burkina Faso, Burundi, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Djibouti, Ghana, Guinea-Conakry, Madagascar, Mali, Mauritania, Niger, Rwanda, Senegal and Togo.
5. The “financial effort of the State” includes: (i) budgetary allocations for grants under “Official Development Assistance” (programme 110 of the MEFI and 209 of the MAE) (AFD project grants, “Priority Solidarity Fund”, “Social Development Fund”, food aid and emergency assistance, technical assistance, academic scholarships, invitations and missions, project aid, “Private Sector Research and Assistance Fund”, global budgetary assistance, Programme for strengthening business capabilities, and French fund for the world environment; (ii) the cost to government of AFD loans (cost of endorsing these loans, which is done through commitment authorisations for subsidies under programme 110 and the “special conditions” funds under programme 853) and the “Emerging Countries Reserve” under programme 851; and (iii) the amount of cancellations of French claims on foreign governments (programmes 110, 209 and 852).
6. Strategies include those for education, training and employment (2010), health (2012), water and sanitation (2011), agriculture and food security (2010), nutrition (2010), gender equality (2010), governance (2006), infrastructure in sub-Saharan Africa (2005), responsible tourism (2009), and mining and development in Africa (2008).
7. The three sectors of concentration identified during formulation of the partnership framework documents are supposed to receive at least 80% of allocations.
8. Essentially, UN Women, UNICEF and the United Nations Fund for Population Activities.
9. This commitment appears among the conclusions from the Inter-ministerial Committee on Women's Rights and Gender Equality that was convened by the Prime Minister on 30 November 2012.

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Chapter 3: Allocating France's official development assistance

Overall ODA volume

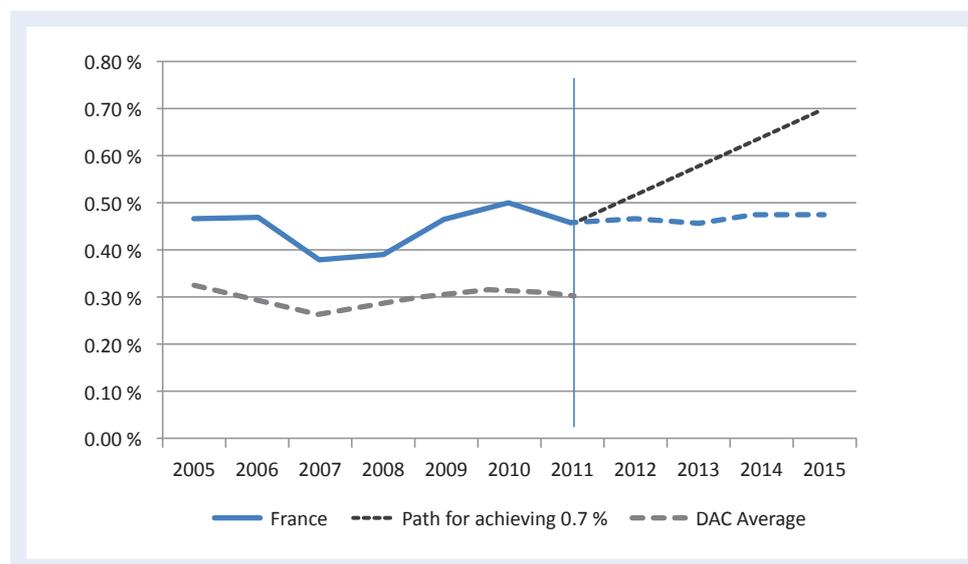
Indicator: The member makes every effort to meet ODA domestic and international targets

While France has implemented some of its international commitments concerning official development assistance (ODA), it recognises that it will not achieve the objective of allocating 0.7% of gross national income (GNI) to ODA by 2015. A more realistic path is therefore needed. Moreover, French aid includes a growing loan component. The decrease of grants reduces possibilities for bilateral co-operation in some sectors (basic social services, governance) and contexts (fragile states and certain LDCs), although these are supposed to be strategic areas of involvement.

France links achievement of the 0.7% target to growth

The 2013 budget law recognises that France will not achieve the objective of allocating 0.7% of GNI to ODA by 2015. That law stabilises the ODA effort, which would stand at 0.48% of GNI in 2015 (France, 2012)¹ (Figure 3.1). The President announced during the Assises that as soon as France returns to growth it will once again progress towards fulfilment of its international commitments (Hollande, 2013).

Figure 3.1 French ODA medium-term forecasts*



*Data subsequent to 2011 are estimates from the 2013 budget law.
Source: OECD and Document de politique transversale (France, 2012)

France does not yet have a timeline for achieving the 0.7% target

Net French ODA stood at USD 12.99 billion in 2011, or 0.46% of GNI, a decrease from 2010, when, with 0.50%, France was close to the interim objective of 0.51% set in the European context.² In 2011, France was the fourth-largest contributor of net ODA worldwide, and it ranked tenth among DAC countries in terms of the ODA/GNI ratio (Figure B.1). According to preliminary estimates submitted to the OECD, the net ODA volume of France was USD 12.11 billion in 2012, down by 0.8% from 2011. Nevertheless, this still represents 0.46% of GNI.

According to the 2013 budget law, total French aid will amount to EUR 10.9 billion in 2015. This forecast includes the earmarking of a share of the tax on financial transactions for activities relating to health and environment.³ The announced figures must be taken with caution, as they are subject to high volatility, primarily because of debt relief operations which, while declining, are still important in the case of France: they accounted for 15% of bilateral aid in the period 2010-2011 (Table B.5). Beyond this, the government plans to develop a realistic path to achieving the 0.7% target, but it points out that its commitments must be assessed “in light of efficiency objectives determined jointly with public and private development partners” (MAE, 2012a).

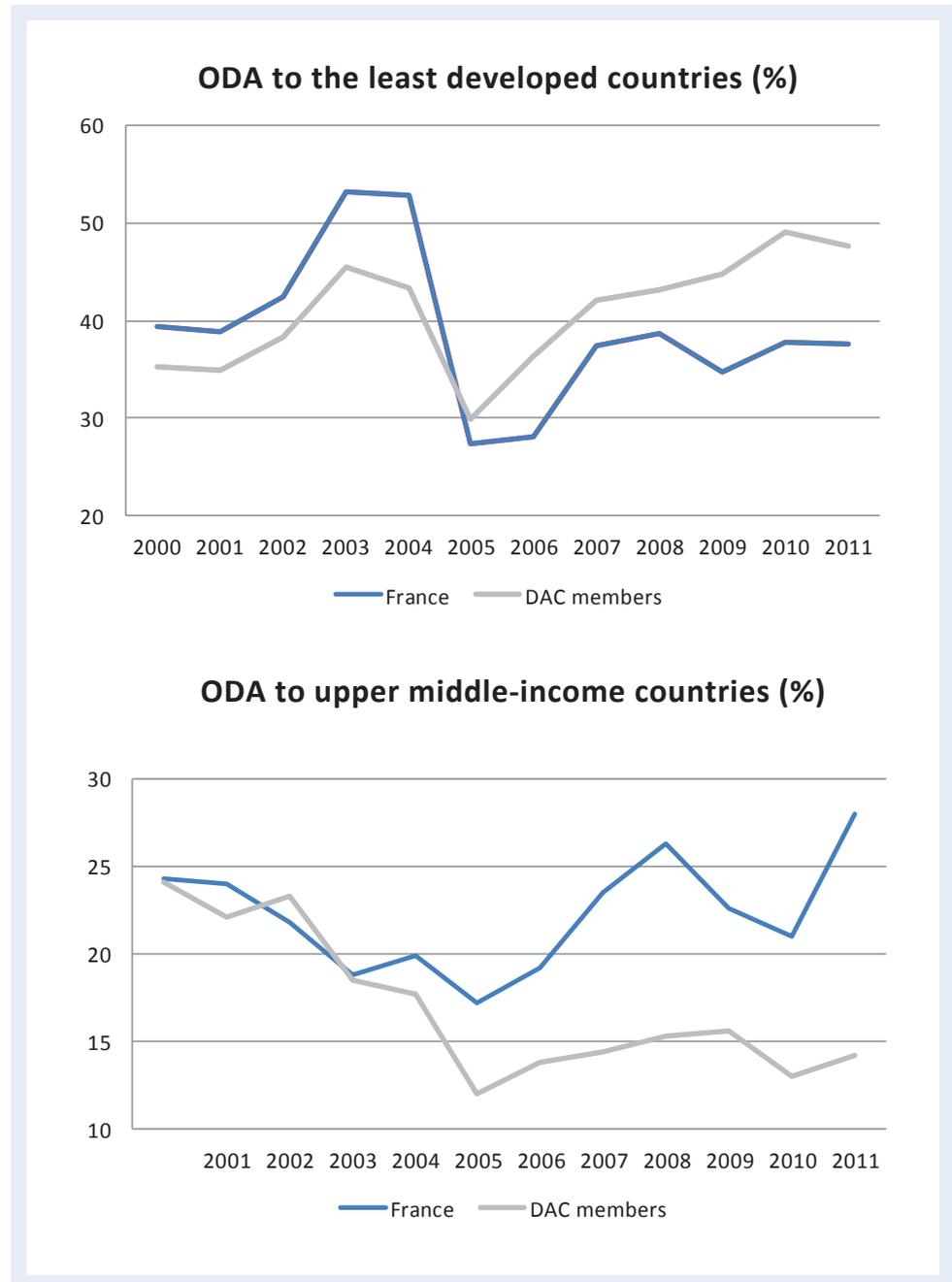
A number of other international commitments guide French programming. For instance, France committed in 2001 to allocating 0.15% of GNI to LDCs over the period to 2010, an objective that was nearly reached, as the percentage stood at 0.14% in 2011 (MAE/MEF, 2012). In 2009, France also achieved its 2005 Gleneagles commitment of doubling ODA to Africa from its 2000 level.

The loan component has risen sharply since 2008, affecting the geographic and sectoral targeting of aid

Since 2008, the share of loans in French aid has risen sharply, to the point where France failed to comply in 2010 with the OECD recommendation on aid terms and conditions.⁴ Loans, which accounted for 14% of annual bilateral commitments in 2005, now account for 40% (MAE/MEF, 2012). These loans finance programmes in infrastructure, urban development, environment and support to the productive sector. They allow France to maintain a presence beyond its traditional co-operation areas. While highly effective for supporting economic growth and promoting energy efficiency, loans are of limited use in countries that are poor and un-creditworthy, and are not very appropriate in certain strategic sectors such as basic services and governance.

As a matter of fact, the share of French aid flowing to LDCs fell steeply in 2004 and has gradually regained ground since then,⁵ while aid to upper middle-income countries rose sharply between 2005 and 2010 (Figure 3.2). In 2011, 67% of France's gross bilateral ODA went to middle-income countries, compared to 34% on average for the DAC (Table B.3). Consequently, there is only one low-income country among the 10 top recipients of French aid (Table B.4).

**Figure 3.2 ODA allocation by income group*
(net disbursements as percentage of total ODA)**

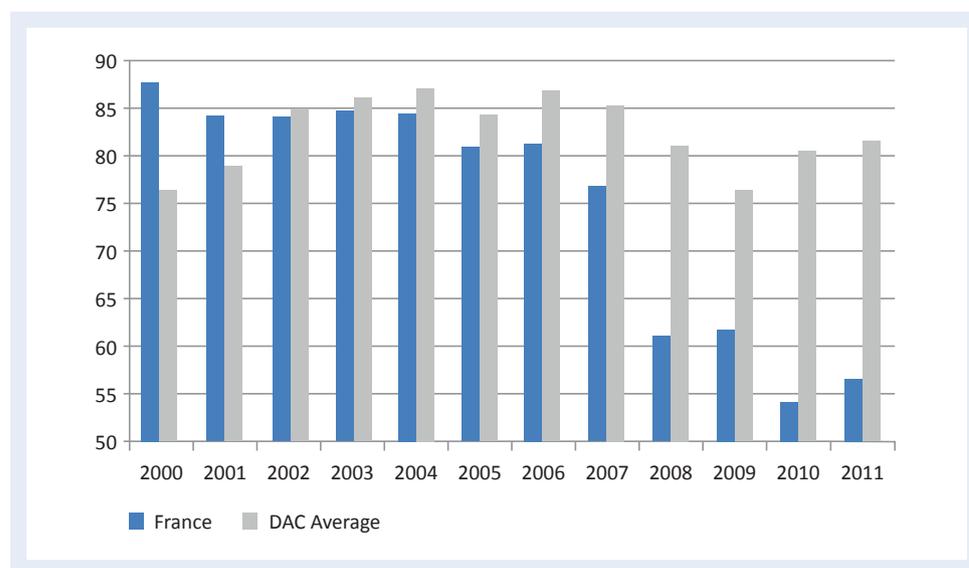


*The total includes imputed multilateral aid but excludes the more advanced countries as well as aid not allocated by country.
Source: OECD

At the same time, the share of grants in French bilateral aid has declined considerably (Figure 3.3). Yet in 2008, the DAC had recommended that France seek an appropriate balance between grants and loans. More recently, in its June 2012 report, the French audit office (*Cour des Comptes*) found that loans were skewing the geographic distribution of French aid (CC, 2012).

The decline, both absolute and relative, in grants poses a serious threat to France's capacity to intervene in poor countries or countries in crisis (for example in the Sahel) and relegates it to the sidelines of the international community's efforts to target poverty. In this context, it is of concern to note that the 2013 budget law forecasts a noticeable downward trend in grants, which would shrink from EUR 577 million in 2012 to 500 million in 2015, whereas bilateral loans would rise from EUR 1 818 million to 2 668 million over the same period (AN, 2012)⁶. This cut includes a 3.5% reduction in bilateral grants to the 17 priority countries (EUR 167 million) compared to 2012. (Coordination Sud, 2012). If France is to retrieve the resources to intervene primarily in the form of grants in the poorest or crisis countries, it will have to increase the volume of grants channelled bilaterally, or to review the balance between bilateral grants and grants allocated via multilateral channels, or else shift the balance of allocations between the government cost of loans and the grants.

Figure 3.3 Share of grants in bilateral commitments* (%)



*Excluding debt relief operations.
Source: OECD.

France could improve its ODA reporting

The previous DAC peer review as well as the midterm review noted several problems with the reporting as ODA of certain components of French aid, in particular regarding the imputed student costs and the low level of concessionality of several loans. Following the peer review recommendations, France no longer declares as ODA the tuition fees paid for foreign students with a French baccalaureate, or 25% of the total previous student numbers. In addition, and pursuant to recommendations, France now includes its contributions to UNITAID in the statistics it notifies to the DAC.

With respect to loans, the 2008 financial crisis sparked a decline in interest rates, which allowed France to finance and report as ODA loans that carried relatively low rates and implied very little budgetary cost.⁷ The AFD Director-General reported that, since 2012, AFD funding for India was confined to loans at market terms, and that its activities in that country were now cost-free for the French government (AFD, 2013). Not only does this practice change the list of beneficiaries in a drastic way, it also risks placing France in a position of non-compliance with the 86% grant element rule, as was the case in 2010. Although under the reporting rules loans serve to inflate ODA at the time they are provided, they will produce growing negative ODA flows as they are repaid. The DAC is now working on concessionality rules for notifying a loan as ODA (Annex A).

Finally, the reporting of French aid activities to the DAC is late and sometimes incomplete.⁸ France does not yet have a centralised database for compiling information from the various institutional contributors. It has however launched a project to develop an IT application of this kind by the summer of 2013.

Bilateral aid

Indicator: Aid is allocated according to the statement of intent and international commitments

France has moved forward with implementing its policy of differentiated partnerships. However, its objectives regarding fighting poverty and inequality are jeopardised by the low level of bilateral resources earmarked for priority countries, and French aid is still widely scattered in geographic and sectoral terms. Governance, NGOs and humanitarian aid receive relatively little attention in French co-operation.

The share of aid allocated to priority poor countries is low and aid is scattered

The share of gross bilateral ODA in total French aid has risen since 2009. It stood at 67% in 2011, or USD 9.08 billion (Table B.2). This amount includes non-programmable elements (debt cancellation, imputed student costs, refugee assistance, and development research), which accounted for 27% of total ODA in 2011.

France has moved forward with the implementation of the four partnerships described in the Framework Document (Chapter 2). The share of the State financial effort devoted to sub-Saharan Africa rose to 60% in 2010 and 77% in 2011, well up from the ratios in 2009 (57%) and 2008 (54%). France has therefore surpassed the 60% target set in the Framework Document. In addition, the proportion of grants allocated to the 14 priority countries of sub-Saharan Africa reached 47% in 2011, slightly below the 50% target, but above the 31% recorded in 2010. However, the share of net bilateral ODA allocated to priority poor countries is low and falling: 15% in 2008, 11.5% in 2009, 11% in 2010 (MAE/MEF, 2012) and less than 10% in 2011 (excluding debt relief).

France has not achieved its goal of allocating two-thirds of its aid to Africa (MAE, 2012a). It provides support to several countries of sub-Saharan Africa that are considered “aid orphans”,⁹ but only seven African countries figure among the 20 top recipients of French bilateral ODA (Table B.4). Countries in crisis or emerging from crisis received 17% of French grants in 2010 and 10% in 2011 (i.e. the rate set in the Framework Document), but only 4% of net bilateral ODA in 2010.

Finally, bilateral co-operation is becoming more dispersed geographically, largely because of the extension of the geographic scope of AFD's mandate. The share of aid directed to the 20 top beneficiaries declined from 61% between 2005 and 2009 to 57% in 2010-2011 (Table B.4). France should ensure that the extension of the geographic scope of its co-operation does not work to the detriment of its capacity to support poverty reduction in the priority poor countries.

Sectoral allocations are largely in line with sectoral priorities

The CICID has established five sectors of concentration: education and vocational training, health, agriculture and food security, sustainable development, and economic growth. Education receives the largest share of bilateral ODA, averaging 17% for 2010-2011, or USD 1.6 billion per year (Table B.5). This aid is for the most part directed to higher education, and imputed student costs in particular: USD 918 million in 2011 (Table B.2). Only 10% of the funds allocated to education (USD 166 million) went to basic education in 2010-2011.

The share of French bilateral aid going to the health sector is low (2%), as French support for health (USD 1 billion per year) is for the most part channelled multilaterally, essentially through the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund), the Global Alliance for Vaccines and Immunisation (GAVI), the International Finance Facility for Immunisation, and UNITAID. France is also involved in the Muskoka Initiative on Maternal, Newborn and Child Health.

France has relatively little involvement in agriculture (4% of bilateral commitments in 2010-2011). At the G8 Aquila Summit, however, it made some important commitments in the area of food security, amounting to EUR 1.5 billion.¹⁰ Moreover, following the French presidency of the G20 in 2011, a food aid envelope of EUR 35 million per year has been allocated to LDCs in sub-Saharan Africa.

Support for sustainable development has been growing strongly since the expansion to emerging countries of the AFD's geographic perimeter of action under the mandate for "promoting green and solidarity-based growth". This is reflected in the expanded commitments to the energy sector, which rose from 1% to 4% of bilateral ODA.

Commitments to economic infrastructure and the productive sectors have stabilised at around 16% of bilateral ODA since 2005. Under the initiative for private sector development in Africa, launched at Cape Town in 2008, France was to mobilise EUR 2.5 billion over five years. Having mobilised EUR 1.85 billion by the end of 2011, France is well on the way to achieving its objective (MAE/MEF, 2012).

Promoting stability and the rule of law is one of the four strategic thrusts of French co-operation. It is surprising that France has devoted so few resources to this theme: 2% of bilateral ODA was allocated to the governance sector in 2010-2011. While this rate is higher for countries in crisis (9%), the total French contribution is USD 206 million, a small amount in light of the issues at stake and the number of countries in which France is involved. French allocations to humanitarian aid are also very low: 0.9% of ODA, or USD 82.6 million, in 2011 (chapter 7).

Lastly, assistance to refugees has risen since 2008 to USD 512 million in 2011. These outlays should stabilise over the next three years.¹¹ Spending on development research has declined, and represented EUR 350 million in 2010 (MAE/MEF, 2012).

Little of France's bilateral aid is channelled through NGOs

French NGOs are presented as important actors in delivering development aid and humanitarian assistance, and France committed in 2008 to increasing the volumes of aid flowing through these organisations. However, the amounts of ODA allocated via NGOs, as reported to the DAC, stood at only EUR 94.5 million per year, placing France last among Committee members in terms of the percentage of ODA.¹² Funding for civil society organisations in partner countries is also low.

The government has announced its intention of doubling the share of ODA channelled through NGOs in the next five years. This announcement is welcome. It will be important to ensure that this doubling applies not only to funds allocated by AFD to development NGOs, but also to funds allocated to humanitarian NGOs and volunteer associations.¹³

Nearly 5,000 local governments and municipalities in France are engaged in projects with partner countries of the South. Decentralised co-operation activities contribute around EUR 60 million to the ODA effort, and they embrace many different domains, including emergency aid. Partnership relationships with local communities in the South range from simple twinning arrangements to the pursuit of projects of regional scope in liaison with bilateral co-operation and international organisations. Particular emphasis is placed on water and sanitation, since the law ("the Oudin-Santini Act") encourages French sub-national governments to allocate 1% of their budgets for decentralised co-operation in this area. Although they are supported and encouraged by France, these programmes pose a challenge when it comes to co-ordination in the field, as was observed in Madagascar (chapter 5).

Multilateral aid

Indicator: The member uses multilateral aid channels effectively

French multilateral co-operation is concentrated, although it is divided among 68 institutions. The share of ODA allocated to United Nations institutions is low and fragmented, which argues in favour of more strategic targeting. France could strengthen its approach to evaluating international organisations, including within the MOPAN framework. It should continue its effort to reduce the proliferation of multilateral channels.

France should adopt a comprehensive strategic approach to multilateral aid

The multilateral component of French aid rose strongly until 2009, when it peaked at USD 5.29 billion or 39% of total ODA, following commitments given in the context of the G8, the European Union and the multilateral funds replenishment process. The multilateral share of ODA has since declined (Table B.2), dropping to USD 4.47 billion (33%) in 2011.

French multilateral co-operation is highly concentrated (table B.2), although it is spread out among 68 organisations, programmes and special funds. More than 80% of this co-operation involves European institutions, the World Bank group, the Global Fund and the African Development Bank. France plays an important role in all these institutions and is able to convey its priorities and viewpoints to their senior management bodies.¹⁴ France seeks to promote geographic and sector complementarity. As an illustration, the French strategy for the World Bank makes LDCs a major concern (MEIE, 2010).

On the other hand, France's small contribution to United Nations agencies is not commensurate with its economic weight and limits its influence in these bodies. In 2011, it disbursed EUR 883 million to 42 UN institutions (nearly 89% in compulsory contributions). Non-earmarked resources have been cut back since 2007 in favour of the Muskoka Initiative and the Global Fund, which are more visible and reflect the French preference for the development of specific expertise. France could boost its "multi-bi" co-operation in the areas of supporting democracy and strengthening state capacities, as well as in the sectors covered by AFD. This would allow better use of French expertise in the context of multilateral activities.

Every year, France assesses the activity of international financial institutions as well as its own action within them, in preparation for the parliamentary debate on the budget. It also produces reports prior to replenishing the funds for those institutions. In addition, France evaluates the efficiency of the main international organisations that it finances. It would benefit from developing a common base of indicators for evaluating multilateral agencies, so that it could do a better job of capitalising on information from the field and inform its strategic choices. Through the Multilateral Organisations Performance Assessment Network (MOPAN), of which it is an active member, France could take more advantage of joint evaluations performed within this framework.

France advocates rationalising the multilateral system

France advocated rationalising the multilateral aid system in its preparations for the Busan Forum, as well as the “building block” devoted to that subject. It has reduced the fragmentation of its contributions to United Nations organisations – 21 organisations were receiving less than EUR 2 million in 2010, compared to 31 in 2007 (MAE, 2012a) – an effort that it should pursue. In addition, France would like to see the “green climate fund” gradually absorb some pre-existing multilateral funds, and it has supported creation of a common World Bank/GAVI platform for financing health systems.

Notes

1. According to the Cour des Comptes, to achieve the 0.7% target by 2015 would require a 20% increase in the ODA budget between 2012 and 2015, “assuming a French GNI of EUR 2.489 trillion in 2015”, a condition that is deemed unrealistic in the current fiscal context (CC, 2012a).
2. This reduction is explained in part by the exit of Mayotte from the French ODA perimeter in 2011.
3. This share is fixed at 10%. As specified in the 2013 budget law, “in the context of the 2013-2015 multiyear budget, this allocation will be progressive, up to a ceiling set in the cross-cutting article of the budget concerning revenue allocation. The ceiling will be set for 2013 at EUR 60 million, within article 46 of the initial budget law for 2012. It will be increased in 2014 (by approximately EUR 100 million) to reach EUR 160 million in 2015.” (France, 2012).
4. Article 2 of that recommendation stipulates that the grant element of total ODA must be at least 86%. The grant element of French ODA was 83.7% in 2010 (OECD, 1978, and www.oecd.org/investment/aidstatistics/31426776.pdf, para. 2).
5. ODA allocated to least developed countries nevertheless increased in volume between 2005 and 2011.
6. Loans, then, remain the preferred instrument, even in these countries. Thus, in 2010, of the EUR 433 million in the AFD's ODA commitments to priority poor countries, 62 million was in the form of project grants and 136 million in the form of concessional loans, representing 14% and 33% of commitments, respectively. In 2012, the work plan indicates 25% in grants and 66% in concessional loans, or EUR 148 million in grants and EUR 392 million in loans, out of a total commitment of EUR 597 million (AN, 2012).
7. Several loans reported by France as ODA, however, carry higher interest rates than those granted by other DAC members. See DCD/DAC (2013)² for further details. In April 2013, France submitted a rationale setting out the principles for using certain concessional loans. The DAC has taken note of it.
8. For several years now France has been reporting its detailed data in November/December, notwithstanding the deadline set at 15 July. Moreover, with respect to the DAC questionnaire, as of 25 March France had not notified its preliminary ODA data for 2012, despite the deadline of 7 March 2013.

9. The countries are: Burkina Faso, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Guinea-Bissau, Madagascar and Togo
10. These interventions relate to: ODA (EUR 1 billion), research (EUR 290 million), food aid programmes (EUR 105 million), support for international organisations (EUR 100 million), technical assistance (EUR 30 million), and support for NGO projects (EUR 10 million).
11. The 2013 Budget Law estimates these cumulative costs (tuition and refugees) as ranging between EUR 1.175 billion in 2012 and EUR 1.158 billion in 2015.
12. France considers this estimate too low; a survey conducted in 2010 estimated the amount at EUR 169 million.
13. The AFD envelope earmarked for NGOs stood at EUR 42 million in 2011, a modest amount considering the capacities of NGOs to work in sectors and contexts where official assistance is less suitable. In addition, within the Humanitarian Emergency Fund (FUH), the share of assistance reserved for NGO projects is very low (EUR 6.2 million in 2011, or 18% of the FUH) (Coordination Sud, 2012).
14. Thus, as part of its 2011-2013 contribution to the Global Fund, France launched the “5% Initiative”, which allows up to 5% of its contribution to be used for financing the services of French-speaking technical experts.

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Chapter 4: Managing France's development co-operation

Institutional system

Indicator: The institutional structure favours the coherent and high-quality rollout of development co-operation

France has improved its steering of co-operation by focusing efforts on the three main players. Institutional arrangements remain complex, however, and generate high transaction costs. Measures to improve steering and rationalise structures will therefore have to be continued and extended to other players. That will mean revitalising interministerial co-ordination mechanisms and restoring a forum for consultation with civil society. AFD, which has retained its status as a financial institution, will have to continue to adapt its procedures and instruments to its extended remit and to the contexts in which it operates.

The institutional system is complex and France should continue to improve its strategic management

The President of the Republic, the Prime Minister, the Minister Delegate for Development, the Minister of Foreign Affairs and the Minister of the Economy and Finance are jointly responsible for framing development policy. In administrative terms, the system is jointly steered by the General Directorate of Global Affairs, Development and Partnerships at the Ministry of Foreign Affairs (DGM/MAE), which takes the lead in defining strategy, and the Treasury Directorate General (DG Trésor) at the Ministry of the Economy and Finance (MEF). These two institutions have joint aegis over AFD, the operator which delivers two-thirds of bilateral ODA.

Implementing the recommendations made in 2008, France has taken measures to rationalise its institutional arrangements for co-operation. In particular:

- > it has stepped up MAE's steering capacity, with the creation of the DGM in 2009 and the appointment in June 2012 of a Minister Delegate for Development. The minister ensures co-ordination between MAE and MEF so that both ministries share a common position in AFD's management bodies;
- > it has taken steps to supervise AFD more closely, with the establishment in 2010 of a Strategic Orientation Board chaired by the Minister Delegate for Development and, in 2011, the conclusion of a single "means and objectives contract" (*contrat d'objectifs et de moyens*, COM). The minister holds fortnightly meetings with AFD's Director General.

These measures have improved the strategic oversight of AFD. As an example, the indicators included in the COM 2011-2013 mean that AFD has had to adjust its programming and allocate more aid to education (AFD 2011a).¹ Likewise, in October 2012 the government imposed a change to AFD's Energy sectoral framework in order to give priority to renewable energy sources and energy efficiency (AFD, 2012c).

Despite these efforts, the steering of co-operation as a whole still needs to be improved, as many observers have pointed out.² On the one hand, transaction costs arising from the need to co-ordinate the two steering ministries are high.

On the other hand, the system remains complex and fragmented: apart from MAE and MEF, nine other ministries are involved in co-operation, some of them for very significant amounts (especially the Ministry of Higher Education and Research), as well as eight specialist operators, few of which focus exclusively on this mission (Figure 0.1). Decentralised co-operation initiatives have also increased substantially over the last five years and would gain from being more coherent. However, the steering bodies essential to bring order to such complexity do not seem to be operational. CICID, which is chaired by the Prime Minister and brings together the ministers involved in development co-operation to define policy orientations and priorities, has not met since June 2009.³ This means that ministries other than MAE and MEF do not take part in strategic decisions, such as the geographical targeting of co-operation. The announcement that a CICID meeting has been called for summer 2013 is therefore welcome.

Meanwhile the model of a government which defines strategy that is then implemented by an agency is not yet fully complete. Despite the ongoing transfer of powers to AFD, the relevant ministries still have an operational role in certain sectors;⁴ AFD also plays a growing part in the framing of strategy on account of the extent of its intellectual investment at a time when staffing levels in oversight ministries are falling.⁵ AFD has thus some leverage on the strategic frameworks defined by the ministries, by positioning itself as a source of input and influence.

Following the abolition of the High Council for International Co-operation in March 2008 and of the Development Co-operation Commission more recently, there is no longer any forum for dialogue with civil society. (A Strategic Council for Non-Governmental Co-operation was set up in 2009 but has met only three times and has failed to make its mark as a discussion forum.) There is also no comprehensive overview of work with NGOs, which depends on different bodies according to whether the NGO in question is involved in development, humanitarian aid or voluntary work. At a time when the government has announced its intention of increasing the funding channelled through NGOs, it is necessary to establish a permanent forum for consultation with representatives of civil society. In this regard, the announcement, on closure of the Assises on 1 March 2013, of the creation of a National Council for Development and International Solidarity is welcome.

France takes a pragmatic approach to co-operation

France has improved operational co-operation between MAE, DG Trésor and AFD, with numerous meetings helping to harmonise approaches. General budget support is monitored and tracked by the three organisations, with the Treasury taking the lead. France has also introduced interministerial arrangements to co-ordinate policy on certain issues such as food security.

In partner countries, where the system also involved many different players, the ambassador oversees co-operation and encourages the pooling of skills to that end. For example, ambassadors invite heads of economic departments which depend on the Treasury to give opinions on sector budget support. The team saw in Cameroon and Madagascar that the various French players work pragmatically to co-ordinate

their efforts and to develop complementary approaches, even if there are missed opportunities (Chapter 5).

Institutions have different and flexible operating methods

The players involved in co-operation operate differently in partner countries, MAE being more decentralised than AFD. Consequently, 70% of MAE permanent staff are on foreign postings, compared with only 15% of AFD staff employed in France.⁶

France has a very extensive diplomatic network, with 163 embassies and 16 permanent missions to multilateral institutions. Within embassies, co-operation and cultural action departments (*services de coopération et d'action culturelle*, SCAC) enjoy real independence once projects have been approved, giving them great flexibility. MAE uses a large number of specialist operators and SCACs control more or less directly those that are represented in partner countries, such as Instituts français, Campus France, ESTHER, research centres, Alliances françaises and France Volontaires. Within embassies, the economic mission and specialist co-operation departments (police and defence in Madagascar) also take part in co-operation activities.

AFD's scope of action was extended by a CICID decision in 2009 and the agency has continued to extend its network (it had 71 agencies and missions in 2012) while continuing to be run from the centre. However, the ongoing transfer of powers has not been matched by a change in the agency's legal status. AFD is still an industrial and commercial public establishment with the status of specialised financial institution. It is subject to banking regulations which, in the event of a clash, take precedence over its by-laws and the means and objectives contract (AFD, 2011a). Thus, as pointed out in the last peer review, it is appropriate to consider the extent to which the streamlining measures taken by AFD since 2008 within this regulatory framework enable it to fulfil all its functions as a development agency. This applies especially in fragile contexts and with regard to civil society organisations, which now fall within its remit. The combination of ministry and AFD resources, plus resources earmarked for crisis resolution, may offer a degree of flexibility in fragile situations, as the review team was able to see in Madagascar (Annex C). At the same time, the team noted that in such a context an excessively restrictive risk analysis may exclude certain local economic players (Chapter 5). AFD should demonstrate the capacity for innovation it has displayed in financial engineering to adjust its institutional model or develop specific operating methods suited to fragile contexts or players needing small-scale support.

The system generates high transaction costs because of its scale and the number of different structures involved

As mentioned earlier, France maintains a vast and complex development co-operation network. The *Cour des Comptes* (French audit office) points out that this generates high transaction costs, especially in partner countries.⁷ The *Cour* put the figure at over EUR 700 million in 2010, or nearly 9% of government budget spending allocated to co-operation and AFD commitments.⁸ The *Cour* therefore recommended reducing the cost of the network that delivers co-operation (CC, 2012).

MAE has embarked on a cost-cutting policy, notably by reducing staffing levels. However, the necessary resources for strategic functions have to be preserved, which implies making adjustments elsewhere. Thus, MAE and MEF will have to ensure that their joint oversight of AFD is exercised at strategic level, avoiding time-consuming micro-management; at the moment, many non-strategic meetings are attended by representatives of each oversight ministry and AFD. On the ground, in a context where the co-operation resources managed by SCACs are falling sharply,⁹ the question arises of rationalising the network in order to reduce overheads, as the *Cour des Comptes* recommends. It will also be helpful to look at the impact on operating costs of the creation of *Instituts français*.

AFD also needs to improve its profitability and optimise the operation of its network. Objective 5 of the means and objectives contract calls for a significant reduction in the ratio of non-bank operating expenses to outstanding loans and a stabilisation in real terms of overheads (excluding personnel and depreciation charges), which should be lower than EUR 82.8 million in 2013, in comparison with EUR 80.8 million in 2009 (AFD, 2011a).

Innovation and changing behaviour

Indicator: The system encourages innovation at the same time as risk management

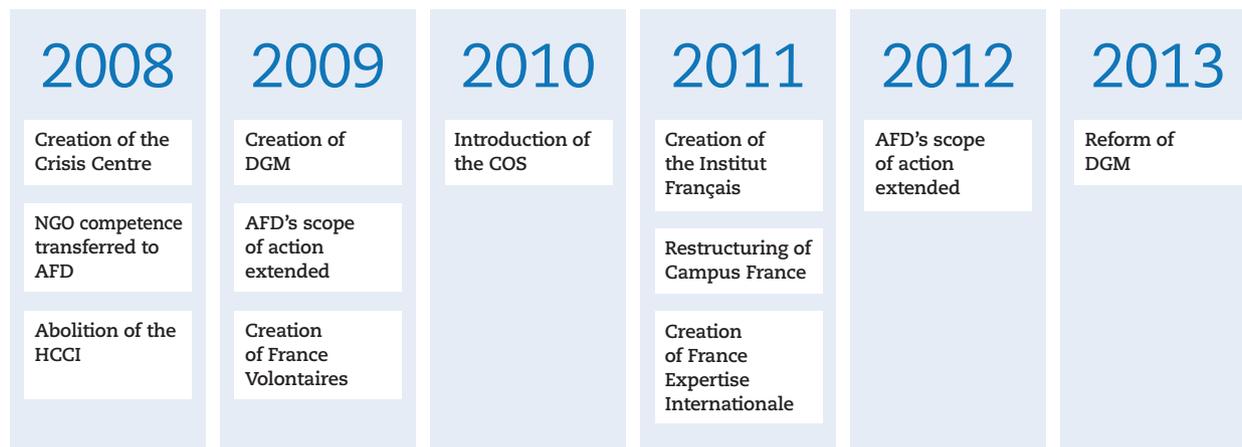
The Ministry of Foreign Affairs has been extensively reorganised since 2008. Some reforms remain to be finalised in pursuit of a rationalisation of resources and systems. After a period of strong growth, during which it has demonstrated a great capacity for innovation and managing risks, AFD is consolidating its organisation and will have to adjust its financial model to the new international environment.

France has reformed its system in order to better address co-operation issues

Numerous reforms have taken place in France's development co-operation system.¹⁰ They include the creation in 2008 of a Crisis Centre covering humanitarian intervention; the creation in 2009 of the DGM with the aim of better incorporating global economic issues into development matters; the creation in 2010 of three public establishments of an industrial and commercial nature¹¹ authorised to enter into agreements with partners and respond to international calls for tender; and the creation from 2011 of Instituts français to cover cultural co-operation (Figure 4.1).

DGM was restructured again in 2012-13, with the Development and Global Public Goods departments being merged into a single directorate and the creation of a Business and Global Economy directorate to support a strengthening of economic diplomacy (Annex D). The reform of cultural co-operation remains to be completed. The status of Instituts français in partner countries has not yet been clarified,¹² while the transfer of powers and instruments for higher education and culture from SCACs to the Instituts remains incomplete. Adapting the legal status of the Instituts so that they can manage higher education grants would complete rationalisation of the management of cultural resources. This succession of changes has sometimes caused confusion, felt more or less keenly by staff depending on the country, as seen in Cameroon and Madagascar. Greater consultation and better internal communication would help to dissipate uncertainty.

Figure 4.1 Development co-operation: institutional reforms



AFD has experienced strong growth together with rapid and far-reaching change over the last ten years, reflected in a fivefold increase in its activities, extension of its geographical and sectoral scope, diversification of its counterparts and its range of financial products and expansion of knowledge production. The agency is now consolidating and preparing for the future. It began to do so at an organisational level in 2011 with the creation of two new executive departments (risk, and external affairs and partnerships) and the reorganisation of its operations department, responsible for ensuring coherence and for co-ordinating activities (Annex D). Each executive director concludes an annual means and objectives contract, implementation of which is monitored at twice-yearly meetings.

AFD also needs to consolidate its financial model. The growth generated by a steady increase in lending may well run out of steam, even though the agency extended its operations to six new countries in 2012.¹³ The *Cour des Comptes* pointed out that AFD's solvency ratio has fallen, though it remains higher than that of many development banks (CC, 2012). Against a background of international economic and financial crisis, where regulatory requirements are becoming more stringent, AFD aims to continue its strategy in relation to the financing of non-sovereign partners, ensuring that the risks it takes are controlled (AFD, 2012b). Nonetheless, lending-based growth is exposed to a number of uncertainties, such as the difficulty of identifying reliable investment projects, especially in sub-Saharan Africa. The preservation and credibility of AFD's financial model in the medium term is therefore a major challenge, in response to which various scenarios need to be prepared and closely monitored.

AFD has great capacity to innovate and is responsive

France has developed many innovative instruments, ranging from debt reduction and development contracts to financing tools and methods for engaging with the private sector. France thus has a wide range of instruments at its disposal that enable it to adjust to national priorities and to the changing economic and social context in partner countries. AFD takes a proactive approach to private-sector players, facilitated by its Proparco subsidiary. It is also responsive, as illustrated by the EUR 350 million budgetary loan it was able to grant to Ivory Coast as soon as the crisis was over (in April 2011), which helped to restore the country's public finances and revive its economy.

In response to uncertainties arising from the economic and financial crisis, AFD has set up a sizeable risk directorate, with a staff of about 100. The directorate has developed an elaborate risk management and monitoring system. Although the greater attention paid to risk helps to improve the quality of the programmes given support, it is essential that the level of risk control should be proportionate to the country, the institution (public sector, private sector, civil society organisation) and the amount of funding concerned (Chapter 5).

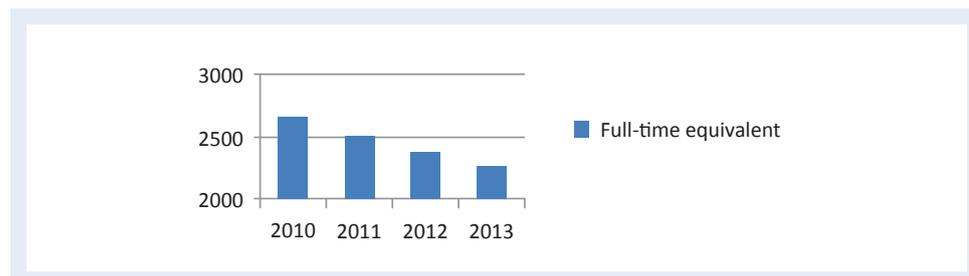
Human resources

Indicator: The member manages its human resources effectively in order to meet requirements on the ground

France's technical expertise is acknowledged and appreciated by both governments and other donors in partner countries. It is important that pressure on public expenditure should not affect the quality of this expertise or its rollout on the ground, and that embassies should maintain the necessary capacity to steer the co-operation programme. AFD needs to underpin its recent strong growth by modernising its human resources management and by seeing how it can strengthen teams on the ground, taking into account the nature and scale of the programme managed by each field office.

MAE and AFD have developed in different ways

The number of ministry staff assigned to development co-operation fell by 15% between 2010 and 2013 (Figure 4.2). The trend, which started in 2008, will continue since the budget programme 2013-15 calls for a further 7% reduction. The decline in staffing levels has been accompanied by a drastic cut in resident technical assistance, the number of experts being slashed from 2,850 in 2006 to 984 in 2011. This has been partly offset by other forms of short-term technical co-operation; a EUR 20 million expertise fund has recently been created to fund this type of co-operation.

Figure 4.2 MAE staff working in development co-operation

Source: PLF/PAP 2011, 2012 and 2013.

The use of contract staff has helped to preserve a pool of expertise within the ministry and in embassies. However, the number of contract staff in DGM (144 for 214 civil servants in 2011) creates a precarious situation because of the very high turnover rate. Most contract staff cannot stay longer than six years, which raises problems of continuity and makes it difficult to capitalise expertise. However, the planned reduction in the number of contract staff and staff on secondment from other ministries risks undermining the capacity of DGM and embassies to steer the co-operation programme.¹⁴ It also leads to an increase in the number of diplomats in relation to co-operation technicians. Forward human-resources planning is needed to manage these changes, anticipating medium-term needs so that the programme can be steered effectively.

In contrast to the ministry, AFD has seen a 35% increase in its headcount in six years, due to its wider mandate and a sharp increase in lending. This strong growth (258 new recruits since 2010) has been accompanied by a 20% turnover in staff, and led to a higher average level of qualifications, a younger average age and a higher proportion of women, even though the proportion of women in managerial positions is low, a failing which AFD intends to remedy.¹⁵

Staffing levels in field offices have remained limited, despite a greater workload (eleven staff on average, including two AFD Group France employees). This is because the increase in AFD Group France employees has been greatest at head office; the number of local staff has risen more slowly (Figures 4.2 and 4.3).¹⁶ It is true that head office devotes more resources to supporting field offices by sending technical expert missions. Nonetheless, the use of less experienced staff such as international volunteers or local staff for high-responsibility tasks, although it raises opportunities, needs to be supported if the quality of the programme is not to suffer. By seeking to optimise the operation of its network, AFD could reconsider its staff assignment policy so that it can allocate more resources to field offices according to the nature of their portfolio.

Figure 4.3 Breakdown of AFD Group France employees*

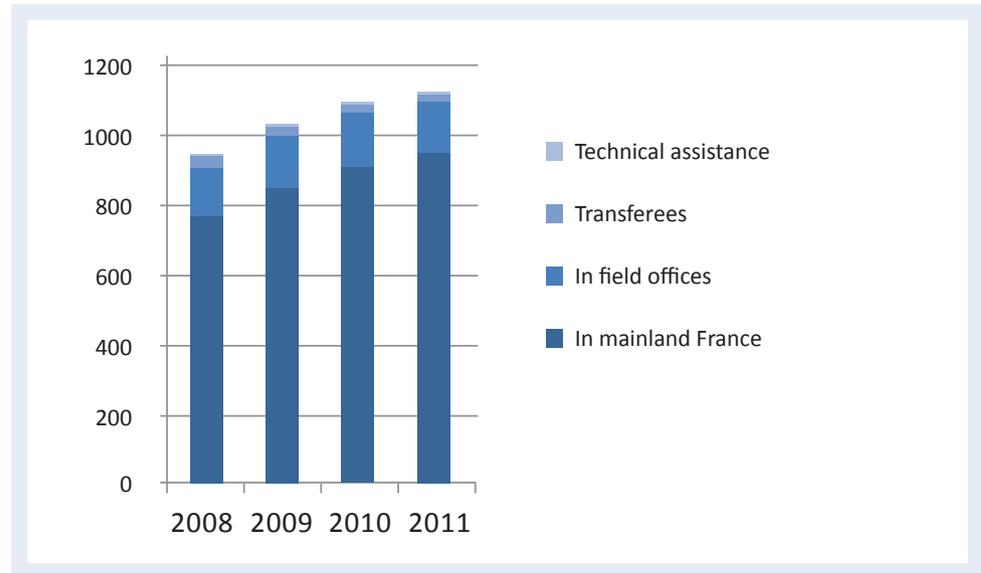
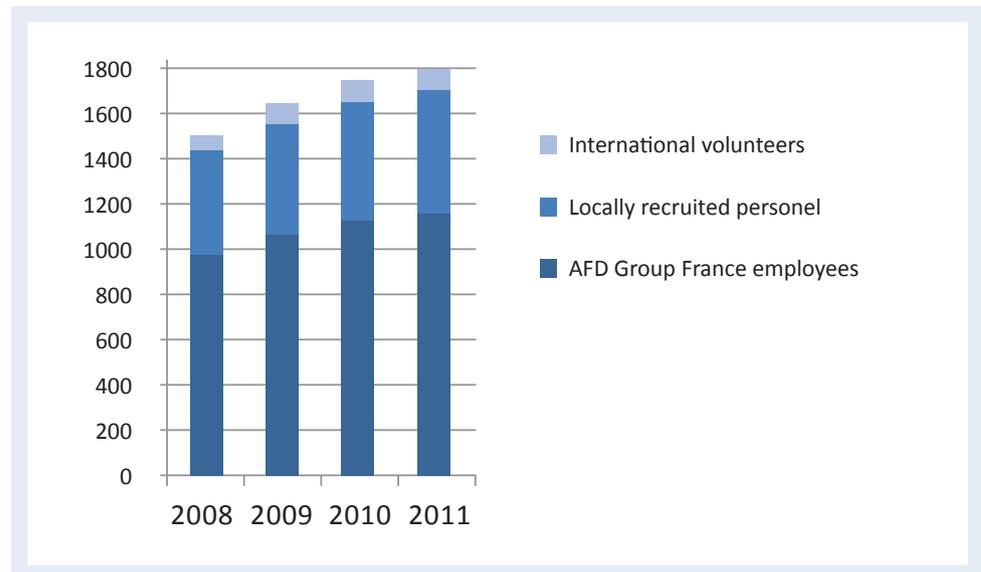


Figure 4.4 Breakdown of all AFD employees



* The figures relating to technical assistance concern only AFD staff with the status of technical assistant.

Source: AFD Annual Reports, 2008 to 2011 (AFD, 2008, 2009, 2010a and 2011b).

AFD, one of whose characteristics has long been a high degree of stability, is aware of the challenge posed by these developments. It is aiming for a more proactive management style, encouraging mobility among staff. That implies stepping up annual appraisals and introducing careers planning, with a more precise classification of positions and responsibilities.

AFD is introducing a corporate social responsibility policy focusing on working conditions (including pay and social security), constructive labour relations and career paths (AFD, 2011b). That should help to improve the enhancement and transmission of skills and their deployment in the network while also helping AFD to attract high-quality applicants.

In fragile contexts, France seeks to adapt the profile of staff to needs and requirements on the ground. It acknowledges the need for more experts in social sciences and is building its skills in this area. Voluntary staff receive benefits (bonuses, downtime) that encourage them to stay in position for an appropriate length of time. AFD makes greater use of local managers in crisis situations, sometimes using volunteers in two-person teams with an experienced manager to make up for temporary shortages of staff.

AFD has an effective training system

AFD has set up an effective and well-funded training system. The annual training budget of EUR 3 million in 2011 represented 4% of the total payroll, three times more than the statutory minimum of 1.6%. AFD has introduced a personal training and development plan for all employees, including local staff, and offers a wide range of training courses. The Centre for Financial, Economic and Banking Studies (CEFEB) helps to train AFD staff, though the agency also uses outside trainers.

Ministry training budgets seem to be leaner, especially for jobs in development co-operation. However, staff are offered training courses, six of which focus specifically on co-operation (project evaluation, gender and development, governance, etc.). Training is also provided at different career stages, especially when taking up a position and before leaving for a field assignment. Some ministry staff take part in CEFEB's "co-operation and development" training cycle. Initial training for diplomats has been extended to include global issues and development aid, a welcome move that should be stepped up, given the growing number of diplomats working in co-operation and development.

Notes

1. The share of aid allocated to education and vocational training in sub-Saharan Africa is due to rise from 12% in 2009 to over 30% in 2013, and the share of aid allocated to basic education from 8% in 2009 to over 20% in 2013. AFD's Strategic Orientation Plan 2012-2016, adopted in October 2012, very clearly follows the guidelines contained in the Framework Document (AFD, 2012b).
2. Especially the *Cour des Comptes* (French audit office) in its June 2012 report on French development aid policy and Ernst & Young in the cooperation evaluation review published in 2013 (MAE/MEF/AFD, 2013).
3. Another steering body, the Strategic Orientation and Programming Conference, created by CICID in 2004, has not met since December 2007.
4. Higher education, governance and humanitarian assistance for MAE; financial and monetary cooperation, debt relief and the implementation of specialist cooperation instruments for emerging countries for DG Trésor.
5. Thus, AFD took part alongside MAE in G20 preparatory work, overseen by DG Trésor, on infrastructure, food price volatility and climate change, and conducts economic analyses for DG Trésor.
6. DG Trésor has economic affairs departments in embassies which manage economic cooperation instruments alongside their economic monitoring and business support missions.
7. AFD, Instituts français and research institutes all have their own field offices.
8. The figure includes over EUR 300 million for embassy cooperation services and EUR 246 million for AFD's operating costs. It does not include DG Trésor's operating costs.
9. An 11% cut in payment appropriations to Priority Solidarity Funds (FSP) is planned between 2012 and 2013. The FSPs will fall from EUR 62 million to EUR 55 million (AN, 2012).
10. The changes formed part of the general review of public policies, which in the case of MAE addressed six major challenges: i) restructuring the diplomatic network in order to adapt it to the geographical priorities of foreign policy; ii) strengthening cultural and scientific influence abroad; iii) simplifying consular procedures; iv) adapting ODA to global development issues; v) adapting crisis management systems to improve their performance; vi) improving the effectiveness of international contributions.
11. They are France Expertise Internationale, for technical assistance; Institut français, for cultural action abroad; and Campus France, for the promotion of higher education. They were created by Act 2010-873 of 27 July 2010 relating to action by the State abroad.
12. Twelve posts in the French cultural network have been attached to the Institut français on an experimental basis from 1 January 2012 until July 2013, when a decision is due to be taken on whether the entire French cultural cooperation and action network should be attached to the Institut français.
13. Bangladesh, Kazakhstan, Uzbekistan, Armenia, Azerbaijan and Georgia.
14. The number of contract staff and international volunteers will fall from 1,817 in 2011 to 1,693 in 2013, a drop of 7%. The number of local staff will fall by 40%, from 364 in 2011 to 217 in 2013 (AN, 2012).

15. Its aims are that women should occupy 50% of managerial positions by end-2013 (compared with 43.4% in 2011), 33% of senior managerial positions (excluding department head), compared with 25.4% in 2011, and 28% of positions in the network (22.4% in 2011), and that women should be promoted at the same rate as men in proportion to the target gender mix at each level (AFD, 2011b).
16. In 2011, field offices had an average of 2.1 AFD Group France employees, compared with 2.2 in 2008.

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Chapter 5: France's development co-operation delivery and partnerships

Budgeting and programming procedures

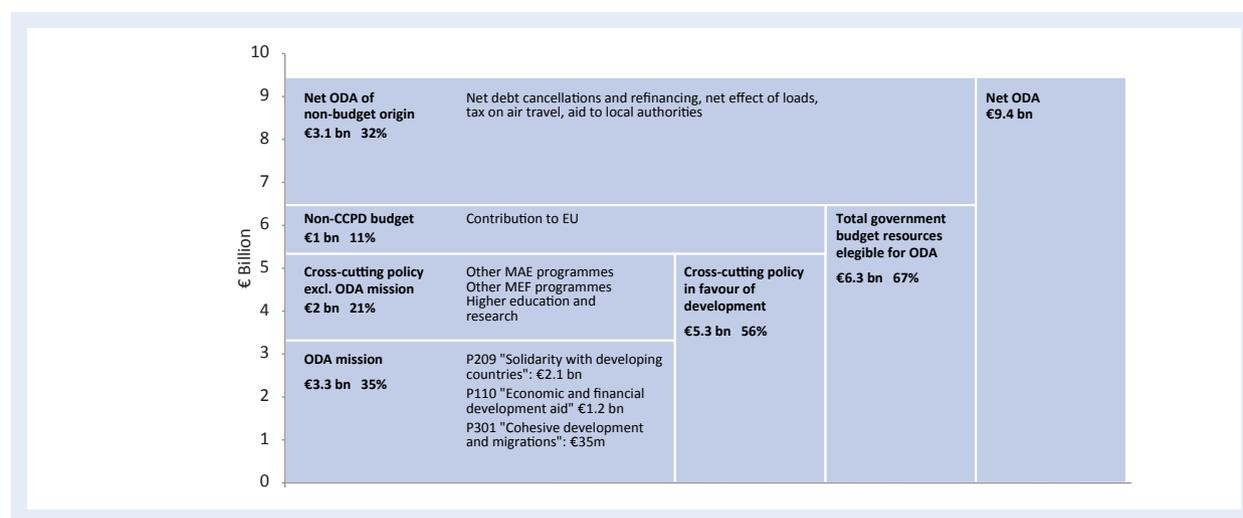
Indicator: These procedures contribute to the delivery of high-quality aid as defined at Busan

France's aid is almost entirely untied and extensively aligned on national priorities and systems. Despite the efforts made, the budgetary presentation of co-operation remains complex and would gain from being simplified. Embassies are sometimes allocated fewer resources than the commitments made, which adversely affects programme quality and could undermine France's credibility. A better match between commitments and disbursements is therefore needed. Partnership framework documents are now mandatory only in priority countries. Elsewhere, it would be helpful to develop an overall framework in order to ensure that France's commitments are both clear and cohesive.

France can further improve the clarity and coherence of the presentation of its ODA budget

France is continuing to improve its budget presentation but there is still room for progress. Fragmented budget architecture combined with the fact that some amounts declared as ODA correspond to expenditures not included in the government budget make it difficult to appraise all the resources committed. First, 32% of France's net ODA is not covered by budget programming, and the same applies to France's contribution to the European Union (Figure 5.1). Thus, the cross-cutting policy document in favour of development attached in an annex to the Finance Bill, although it offers a certain degree of predictability, in fact covers only 56% of ODA. Furthermore, the corresponding appropriations are dispersed between 11 ministries, 12 missions and 23 programmes (France, 2012). This fragmentation is reflected in the fact that the Official Development Assistance mission represented only 35% of France's net ODA in 2012.

Figure 5.1 Architecture of Official Development Aid (2011)



Source: Cross-cutting policy document, 2012 (France, 2011).

The flexibility of aid is limited by the fact that it can be redeployed only within the same programme of the Official Development Assistance mission.

It was found, on field visits to Cameroon and Madagascar, that the payment appropriations of certain funds managed by embassies, especially the Priority Solidarity Fund (*Fonds de solidarité prioritaire*, FSP), which covers the key areas of alleviating poverty and improving governance, are smaller than the commitment authorisations. This situation undermines budget predictability and the continuity of programmes to which France is committed *vis-à-vis* its partners.

The programming process favours alignment but the variety of players involved does not make it easy to ensure coherence

The ambassador is responsible for drawing up and revising partnership framework documents (*document cadre de partenariat*, DCP), which set the priorities for French bilateral aid in the 17 priority poor countries. 80% of appropriations for operations are supposed to be concentrated in three sectors. This concentration is being implemented step-by-step and for the time being seems to concern only AFD, especially in the context of the debt reduction and development contracts (*contrat de désendettement et de développement*, C2D). The DCPs consulted contained no fewer than seven priorities, reflecting the difficulty of concentrating French aid.

DCP programming is partnership-based and favours alignment with the national strategies of partner countries and due consideration of their realities.¹ Once adopted, the embassy co-operation department (SCAC) programmes activities relating to governance and academic, scientific and cultural co-operation. AFD field offices, under central supervision, carry out the process in other areas and draw up a country action framework (*cadre d'intervention pays*, CIP), which must correspond to the priorities of the DCP and to AFD's strategic frameworks.² Other players are involved, some of them independent (decentralised co-operation, NGOs) or following their own institutional rationale (especially research institutes). The number and variety of players, combined with the fact that some ministries intervene directly with their own funding and programmes, do not make it any easier to co-ordinate and ensure the coherence of co-operation in partner countries.³

Since 2011, DCPs have been mandatory only for the 17 priority poor countries for French co-operation. Elsewhere it is up to co-operation departments to decide whether to prepare or update such documents according to their discussions with the beneficiary country. The review team noted that the lack of a DCP in Cameroon and Madagascar impairs the clarity and cohesion of France's commitment.

AFD operations are aligned with national systems

France performs better than the average of DAC members in terms of alignment with the national systems of partner countries.⁴ It has made considerable progress in the use of public finance management and public procurement systems. Projects funded by AFD are carried out with local project management in accordance with the beneficiary country's procedures (Box 5.1). This approach helps to build local capacity, especially in public enterprises and local authorities that have little

experience of such matters. The other institutions in the French system make little or no use of national procedures and systems: embassies continue to manage Priority Solidarity Funds, for example.

Box 5.1 Use of national systems in the context of Cameroon's debt reduction and development contract

Debt reduction and development contracts (C2Ds), which concern 22 countries, are the bilateral way for France to reduce debt contracted in the context of ODA. They supplement debt reduction measures under the multilateral initiative in favour of highly indebted poor countries (HIPC). Under these contracts, ODA debts are cancelled by conversion into grants: countries continue to honour their debt, but as soon as it has been repaid, France returns the corresponding amount for allocation to poverty alleviation programmes.

Currently representing a contractual commitment worth a total of EUR 863.6 million, the C2D is the central pillar of Franco-Cameroonian co-operation. It provides a basis for open dialogue on partnership and for supporting sectoral policies focusing on issues relating to economic growth and the alleviation of poverty and inequality. The first C2D (2006-2010) targeted seven sectors from the poverty alleviation strategy document. The second (2011-2016), aligned with the priorities of the strategic document for growth and jobs, targets only three sectors. There is a joint steering committee made up of the Cameroonian Finance Minister, the French ambassador, representatives of the private sector and civil society and other partners, including elected officials. Funds for the C2D pass through the Cameroonian budget via the Autonomous Amortisation Fund after the expenditure has been authorised by the Cameroonian Finance Ministry. Ministries with sectoral responsibilities, engineering firms and/or C2D support units provide project management for the various projects and programmes. This makes it possible to include other technical and financial partners, especially during the appraisal of programmes and projects, and encourages the full participation of local firms in procurement contracts financed by these means.

Source: Review team on the basis of documents provided by the French authorities in Cameroon.

AFD has an effective risk management system

The AFD group has introduced a set of procedures to counter risks associated with money laundering and terrorist financing, politically exposed persons, bribery, fraud and anti-competitive practices. A general policy, in the form of operating procedures to be followed and control points to be verified by staff at headquarters and in the field, has been in place since 2012. It includes a staff awareness-raising and training programme. This approach to risk management can be helpfully shared with other development actors (Box 5.2). Implementation could be modulated according to the context to ensure that certain local economic players who could help to alleviate poverty are not automatically excluded.

In 2007, AFD also introduced a system to oversee the control of environmental and social risks which covers the project lifecycle from initial identification to retrospective evaluation.

Box 5.2 AFD and risk management

AFD has introduced a system for measuring, monitoring and controlling the different types of risk incurred. For credit risk, AFD uses rating methodologies adapted to the sectors in which it operates and to the specific characteristics of borrowers in order to assess their capacity to remain solvent in the long term. It reviews the quality of its loan portfolios every three months.

In the fight against money laundering, terrorist financing and bribery, AFD has strict procedures that enable it to control the use of funds (AFD, 2012d). More broadly, it is careful to control legal risks not only in its financing transactions but also in its relations with other institutions and its internal operation.

AFD also has an internal control system which includes permanent monitoring, with a risk map designed to forestall accounting errors, fraud and system malfunctions, and regular audits by the general inspectorate, which verifies ex-post the compliance of transactions, the level of risk actually incurred and compliance with procedures and ensures that the measures in place are effective and appropriate. The audits conducted by the general inspectorate comply with international standards. Regular reports of these audit activities are provided to the internal control committee.

Source: AFD Annual Report (AFD, 2011b) and interviews in Paris, November 2012.

French aid is almost entirely untied

France has fulfilled its commitments for untying aid given at Accra: 95% of French ODA was untied in 2010, compared with 85% in 2008 (OECD, 2012b). It ranks above the DAC average in this respect. In 2009 and 2010, almost 100% of French ODA to LDCs and HIPC countries was untied. It is important that France should continue this policy of untying aid.

The conditions are technical and economic

AFD imposes conditions of a technical and economic nature, linked to its banking due diligence and to social and environmental responsibility. Non-objection opinions are issued at various stages during project implementation in order to ensure that they comply with the agreed standards. Provided that it does not cause long delays, this approach makes it possible to leave responsibility with partners while supporting them through technical dialogue and project management support.

Partnerships

Indicator: The member state uses coordination mechanisms appropriately, encourages strategic partnerships in order to increase synergies and endeavours to strengthen mutual responsibility

France plays an active part in aid co-ordination mechanisms. It establishes strategic partnerships with many northern and southern players in order to increase the impact of its aid. France should see joint European programming as an opportunity to target its own programme better. Resources to promote better governance and the rule of law are insufficient in the light of French ambitions and the challenges facing partner countries and should be increased. France would also gain from stepping up its dialogue with civil society organisations, including local bodies.

France should continue its commitment to the division of labour

As the review team found in Cameroon and Madagascar, France is actively involved in political discussion and aid co-ordination mechanisms, as well as in sectoral and thematic groups. It often takes the lead in its sectors of concentration and is gradually becoming more involved in joint programming with its European partners. That has been reflected in Rwanda and Ghana in the preparation of a common diagnosis and a single European document aligned with the country's poverty alleviation timetable and strategy document. Under the fast-track initiative, France is co-ordinating the action of European partners in a certain number of countries with which it has preferential relations and is also involved as a facilitator.

AFD has developed a cofinancing policy, especially with the World Bank and the African Development Bank. France's co-operation with these bodies and with UN agencies is greatly appreciated, from both a strategic and an operational standpoint, as was found in Cameroon and Madagascar. AFD is also involved in a process of mutual recognition of procedures with KfW and the European Investment Bank

(EIB), resulting in a single appraisal procedure by the lead institution. AFD and the European Commission delegate each other appropriations in a growing number of countries.

Progress has been made in French co-operation in relation to the Paris Declaration indicators on the use of harmonised procedures between partners, the conduct of joint missions and joint analytical studies. Programming at European level provides an opportunity to concentrate aid better in the context of the division of labour.

France needs to continue to ensure accountability

France supports the Busan Building Block on Results and Accountability.⁵ During its G8 presidency, it promoted joint accountability between G8 countries and African partners. In Cameroon, France has sought to ensure that civil society organisations are represented on C2D governance bodies and that an independent mechanism is established to monitor the instrument. It should continue its efforts in all partner countries, ensuring that all the components of civil society are duly represented.

France enters into partnerships with a wide range of public and private sector actors

France works with a very wide range of northern and southern players, including partner foundations, research centres and universities, local authorities, public and private enterprises, bilateral and multilateral bodies and international solidarity organisations and their platform. This wide range of partnerships enhances the complementarity of bi- and multilateral approaches and helps to achieve economies of scale through cofinancing.

France supports concerted multi-player programmes which bring together government authorities and civil society from North and South around specific issues. Regional centres of expertise with UN agencies illustrate the many examples of efforts made in this sphere in recent years. Partnerships take several different forms (cofinancing, contribution of know-how, studies and research, assessments) but are not always the subject of specific agreements with clearly identified development goals and outcomes. AFD has decided to step up its management of this activity by setting up a “partnership cycle” designed to formally define the objectives, means and expected results of any new partnership, under the supervision of an ad hoc committee. In contrast, France has not made much progress in the area of triangular co-operation.⁶

Other partnerships have been formed between the Ministry of Foreign Affairs, AFD and some 250 French local authorities. This decentralised co-operation allows for differentiated approaches in initiatives to support local authorities in partner countries. AFD has decided to back these initiatives by creating a support unit to favour the construction of a technical, financial and institutional response bringing together French players with complementary powers (AFD, 2012a). Actions in partnership with French local authorities are carried out within the guidelines drawn up by the National Commission for Decentralised Co-operation, a joint body whose membership comprises three national associations of local politicians (municipal, departmental and regional), two associations specialising in international development and AFD.

Support for good governance and the rule of law remains fragmented and limited

France works at international, national and local level to promote good governance and the rule of law by supporting the justice sector, land policies, decentralisation, democratisation and financial governance in partner countries. Specific initiatives on these issues are divided between the Ministry of Foreign Affairs, AFD and the Ministry of the Economy and Finance and support is provided through technical assistance, NGOs and decentralised co-operation. Despite the priority given to these issues, however, field visits show that support remains fragmentary and limited.

In the fight against bribery, France supports the Financial Action Task Force and the Extractive Industries Transparency Initiative as well as OECD initiatives in that area. The action plans of serving ambassadors in partner countries may contain a section on the subject. AFD has laid down detailed and conservative rules of conduct and behaviour for officials facing money-laundering and bribery risk. However, the visit to Cameroon showed the difficulty of implementing Article 40 of the French Code of Criminal Procedure with regard to bribery (Chapter 1).

France has stepped up its dialogue with NGOs and would gain from clarifying its policy towards them

France has not framed a clear policy towards civil society organisations, and strengthening civil society in southern countries is not presented as a major co-operation objective. However, the lack of any formal structure for dialogue between NGOs and the French authorities has not prevented consultation, *inter alia* during preparation of the Framework Document, the preparation and representation of NGOs at major international meetings and the Assises process. France supports moves to structure French NGOs and to make them more professional and innovative⁷ and is committed to doubling the funds allocated to development NGOs (Chapter 3).

In 2009, AFD was entrusted with cofinancing projects of French international development NGOs. The agency created a division for partnerships with NGOs which oversees and monitors cofinanced projects. Some funding is earmarked for development education projects.⁸ It would be helpful for MAE, as the oversight ministry, to take part at a strategic level in the dialogue between AFD and Co-ordination Sud, the platform for French international development NGOs, on the subject of financing, development education and support for partner country NGOs.

AFD has developed a methodological guide and qualification criteria for civil society organisations (CSOs), incorporating a measure of due diligence into project appraisal. As pointed out earlier, it is important to adapt the level of requirements to the scale of the funding granted and the nature of the partners so that the application of banking restrictions does not rule out certain organisations and cause long delays in implementation. Some of that adjustment has been made, since AFD has streamlined the project approval process and now conducts some due diligence itself rather than leaving it up to the CSOs. These efforts are welcome and should be continued.

Embassies, through SCACs, manage the Social Development Fund targeting southern CSOs, though it has very limited resources. As found in Cameroon and Madagascar, the limited level of resources explain why local organisations receive little information about this source of funding. The lack of dedicated AFD staff in the field does not favour relations between NGOs and French institutions, which could be mutually beneficial. More broadly, the division of institutional responsibilities between AFD, which is responsible for French organisations, and embassies, which are responsible for partner country CSOs, makes it difficult to take a co-ordinated approach.

Fragile states

Indicator: Delivery methods and partnerships help to ensure high-quality aid

Partnership framework documents do not give sufficient consideration to issues of conflict and fragility where necessary. The instruments for delivering French aid, which are numerous and varied, can be usefully adapted to the realities of such states, but certain AFD procedures would gain from being streamlined.

DCPs do not reflect issues of conflict and fragility

DCPs deal with situations of fragility, instability and conflict by emphasising prevention, backed up by strengthening the State and, where action is necessary, by emphasising the co-ordination of humanitarian assistance and reconstruction programmes (MAE, 2011a). This approach to fragile states is not expressed in the DCPs signed with partner country authorities, even if tools have been developed to guide France's action. The strategic guidelines for fragile situations currently being prepared will therefore be welcome.

France co-ordinates and adapts its action

France shares information and analyses with other partners where fragile situations occur and uses multi-partner trust funds to increase the coherence of action, as for example in Afghanistan, Haiti and the Palestinian Territories. In the Central African Republic, it is actively supporting the government in its pilot implementation of the "New Deal". In Madagascar, in the specific context of transition, France has shown itself capable of adapting its means of action: while continuing to provide substantial support in order to meet the needs of the population and prevent the administrative system from collapsing, it has stopped granting budget support and has reallocated the corresponding sums to targeted actions to alleviate poverty and protect the environment (Annex C).

AFD can adjust its methods

The range of instruments that France has developed in order to deliver its aid can be usefully adapted to fragile situations,⁹ but some of AFD's procedures ought to be streamlined. Its risk analysis seems to be too restrictive in certain contexts and can exclude local economic players that could help to alleviate poverty.

Notes

1. The environment and climate change are included, whereas gender equality is not.
2. These are the regional action framework, sectoral action frameworks and cross-cutting action frameworks.
3. This was the case with Labour Ministry involvement in a programme involving several countries and the International Labour Office (ILO) in Cameroon, and with funding for a sanitation programme allocated by Paris to the African Development Bank (ADB) in Madagascar.
4. This information is taken from the Paris Declaration monitoring survey (OECD, 2011b).
5. In this context, in November 2012 France organised a regional seminar in Cotonou attended by 11 delegations from French-speaking countries in sub-Saharan Africa, including Cameroon.
6. France has financed a UN study on the subject, presented to the UN Economic and Social Council (ECOSOC) Development Cooperation Forum in July 2012.
7. In particular through a EUR 1.2 million grant allocated in 2013 to Coordination Sud, the French NGO platform (compared with EUR 4 million for 2010-2012) and another of EUR 2 million allocated in 2012-2014 to F3E (Fund for the Promotion of Preliminary Studies, Cross-Cutting Studies and Evaluations), a mechanism that enhances French NGOs' methodological capacities for evaluation and analysis.
8. This funding concerns: (i) projects that operate on the principle of a partnership between a French NGO and one or more southern players, (ii) programme agreements and multi-country agreements which involve a coherent set of actions implemented by an NGO, and (iii) general-interest actions, which may concern development education projects, advocacy projects or educational processes to support project sponsors.
9. These instruments include crisis resolution appropriations, the Social Development Fund, project aid and debt reduction and development contracts.

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Chapter 6: Results and accountability of France's development co-operation

Policies, strategies, plans, monitoring and notification

Indicator: A results-based management system is implemented in order to evaluate performance in relation to partner countries' priorities, development objectives and systems

France has continued its efforts to implement a results-based management system, though the link between objectives, budget programming and measurement of results, both at headquarters and in partner countries, can still be improved. The passing and implementation of framework legislation for development policy should make it easier to steer and programme co-operation while also meeting the requirements of transparency and monitoring of results.

France needs to improve the link between objectives, budget programming and results

France has improved its co-operation programming since 2008. It has defined better the objectives pursued (2009 CICID and 2011 Framework Document) and sectoral strategies; it has made better use of the budget programming mechanisms associated with the Constitutional Bylaw on Budget Acts (LOLF) which came into force in 2006; and it has strengthened the contracts between the main operators and the State, promoting results-based management at that level. Despite these improvements, however, the programming mechanism still falls short in three areas.

First, although the cross-cutting policy document now explicitly refers to the Framework Document, it remains to a considerable extent a compilation of programmes, without detailing how they contribute to the four strategic priorities of co-operation.¹ The result is a disparity between the objectives pursued and the resources allocated. For example, very little funding is earmarked for stability and the rule of law, even though it is one of the Framework Document's four strategic priorities. Clearly, if priorities were set more explicitly and the objectives of French co-operation were implemented more precisely in operational terms, it would make budget programming easier. This could be one priority of future framework legislation.

Second, the expected results are neither stated explicitly nor quantified. Thus, the future law should include indicators to measure not only resources but also the results obtained in priority co-operation countries and sectors.

Third, until now there has been a break in the chain because the strategic documents for French co-operation in partner countries do not contain a results framework. That makes it difficult to assess how much each activity contributes to the achievement of country objectives, and hence to overall co-operation objectives. The announcement that the new documents will have to include a precise results framework, aligned as far as possible with the partner country's system, is therefore welcome.

Improvements, but the set of indicators needs revision

Although the broad outlines of co-operation are determined at interministerial level (CICID), programming and budgeting form part of the annual process of preparing the Finance Act. In addition to the cross-cutting policy document, which specifies the objectives (with indicators) and amounts allocated to each programme, an annex to the Finance Act contains an annual ODA performance plan. The plan sets out detailed objectives and performance indicators for the two major programmes concerned (110 and 209). An annual report on co-operation policy performance and, since 2012, a biannual report on implementation of the Framework Document are also prepared and presented to Parliament.

These documents have been improved from year to year but they are still not sufficiently results-oriented. Budget indicators mainly concern the resources allocated (and, in some cases, outputs), without being indicators of results or impacts. In addition, they do not entirely coincide with the 19 bilateral aid indicators adopted by the CICID in 2009 and do not permit monitoring of all the strategic objectives of co-operation. Likewise, most of the indicators contained in the means and objectives contracts concluded with operators focus on means.²

Nonetheless, since the late 1990s the AFD has used a logical framework that allows for results-based project steering according to the chain of means – outputs – results – impacts. This system has proved effective in monitoring outputs. AFD is improving it by selecting indicators that can be aggregated by sector, helping to consolidate and summarise the results of its operations.

The government wishes to better identify the results of development policy, and a round table at the Assises was devoted to indicators. The resulting discussion should make it possible to identify both output indicators that provide useful information to the public and results indicators that help to steer the co-operation programme. The choice of indicators is crucial. The results sought must firstly be consistent with the development objectives pursued. They must not lead to a policy which tends to give priority to short-term results to the detriment of long-term impacts, often more difficult to measure.³

A particular effort may be made in two areas. The first is development research, which is the subject of a specific objective in the 2013 cross-cutting policy document, its indicator being the share of co-publications with southern partners. This indicator illustrates the desire to build balanced partnerships, seeking to reconcile the priorities and thrust of high-level French research with capacity-building in partner countries. However, the review team found that the IRD results framework did not fully render account of the impact of its programmes on Cameroon's scientific capacity and development (see below).

Second, France should re-assess whether it is appropriate to use loan leverage⁴ as an indicator of "efficient and rigorous management of appropriations for development aid" in the Finance Act (France, 2012, objective 7). This recalls the

priority given to African countries, which must be granted softer interest rates; but the indicator, which targets leverage of between 9.1 and 9.4 over the period 2012-2015, helps to reinforce AFD's policy of lending at very restrictive levels of concessionality. As we have seen, this leads to an increase in the share of aid going to emerging countries⁵ (Chapter 3).

France could make better use of partners' data and should continue to strengthen statistics

France participates in ongoing international work on results and is aware of the need to construct common indicators for all partners (Chapter 5). MAE, DG Trésor and AFD are seeking to develop a consensual methodology and to identify a set of relevant indicators for bilateral aid that will help to improve accountability while making maximum use of partner country data.

For many years, France provided a substantial amount of technical co-operation in order to improve national statistics. This support has diminished considerably, although great needs remain in many of its priority countries. MAE now focuses its support at regional level in Africa, providing financial and technical support to AFRISTAT and training teachers in Africa's three statistical colleges. INSEE and French statistical colleges also provide technical assistance to many North African and sub-Saharan countries.

It is difficult to monitor programmes in fragile environments

France has developed a framework for analysing fragilities which helps to understand contexts of fragility and vulnerability, but it has proved to be of little operational use for programming and monitoring programmes and projects, the appraisal of which includes a risk assessment. As the review team found in Cameroon and Madagascar, France takes a pragmatic approach, acknowledging the difficulty of a results-based policy where the environment is uncertain. In a fragile context like Madagascar, it is awaiting the return of political stability before starting to prepare the partnership framework document. Nonetheless, France could strengthen its strategic approach by constructing different scenarios that would enable it to better anticipate change and adapt its response to changes in local conditions.

Evaluation system

Indicator: The system complies with the DAC evaluation principles

Despite its fragmented system, France has continued its efforts to strengthen its evaluation policy and make it more consistent, while complying with the DAC principles. Evaluation practices still need to be standardised and coverage needs to be improved.

France is strengthening its evaluation policy

France has sought to make its evaluation policy more coherent, despite a system which remains fragmented between the three main institutions. The three evaluation units⁶ comply with the DAC evaluation principles and criteria and regularly consult each other on the programming of evaluations, some of which are conducted jointly.

The resources allocated to evaluation remain slim, in both human and financial terms (six officials at DGM, five at the Treasury, corresponding to two full-time equivalents, and ten at AFD, with a total budget of around EUR 3 million).

AFD has done a great deal to strengthen evaluation, in particular by developing impact assessments and meta-evaluations. The oversight ministries exercise their role as strategists through evaluations of partnership framework documents and large-scale strategic evaluations, especially the evaluation of ten years of co-operation carried out in 2012 (MAE/MEF/AFD, 2013). These bodies also devote some of their resources to evaluations of the development projects and activities of the institution to which they are attached.

The independence of evaluations has been strengthened

Guarantees of the independence of evaluations exist in terms of implementation and institutional positioning. Evaluations are entrusted almost exclusively to outside assessors, selected by calls for tender. They are monitored by a steering committee which includes independent experts (representing civil society, the research sector and the private sector, in the case of evaluations carried out by DG Trésor).

DGM's evaluation division works with the audit unit and management control and reports to the Director General via an evaluation committee. DG Trésor's evaluation unit reports to the head of the multilateral affairs and development department. At AFD, the evaluation and capitalisation unit is part of the research department within the strategy division. It reports to the AFD's Director General and accounts for its work to the Evaluations Committee set up in 2010 to help AFD steer its evaluation policy. The committee has an independent chairman and reports to the Board of Directors.

Planning is not standardised and some actions partly escape evaluation

The three institutions consult on planning but have different methods and schedules. At DGM the evaluation programme reflects the ministry's priorities, in consultation with the relevant departments. It is validated by an evaluation committee chaired by the Director General.

DG Trésor has a three-year evaluation plan, decided in consultation with operational units and, for joint evaluations, with its French partners, then validated by the Director General.⁷

AFD's evaluation unit works on the basis of three-year strategic guidelines, with programmes approved each year by the Director General. The strategic plan sets out the different types of activity (decentralised evaluations, strategic evaluations, impact assessments, meta-evaluations, capacity-building and dissemination).

Most co-operation projects have to be evaluated at least once. 90% of AFD-funded projects must be evaluated on completion in 2013 (AFD, 2011a). However, certain categories of aid escape evaluation.⁸ France is aware of the need to evaluate the most strategic programmes and is currently taking measures to this effect. Some projects remain difficult to evaluate because of the lack of indicators defined when they were being prepared. Thus, evaluations of MAE's FSP projects will be stepped up when a single set of indicators has been defined and incorporated into all projects.

Teams from development research institutes are evaluated every four years by the Scientific Research Evaluation Agency (AERS). These evaluations focus on scientific publications. They would gain from taking more account of the contribution to development, which is the mandate of development research institutes. The institutes also conduct in-house evaluations, with analytical frameworks that emphasise not only the number of scientific publications but also activities carried out in partnership with southern countries. The frameworks thus seek to measure the contribution to the social, economic and cultural development of those countries. They could go further, by also assessing essential but less easily quantifiable aspects such as training, the structuring of research laboratories and partner countries' ownership of results.

Evaluations are participatory and use local expertise

Evaluations of French co-operation are generally conducted with the partners, who are represented on the steering committees. Value is placed on the involvement of local authorities, seen as necessary to subsequent ownership of the results.

France regularly conducts joint evaluations with other donors.⁹ The ongoing process of mutual recognition of procedures between the EIB, KfW and AFD should include evaluation methods and hence make mutual learning and a division of labour easier for future project evaluation. Some joint impact assessments have already been carried out.¹⁰ Likewise, France has used the 5% of its Global Fund contribution which reverts to it to carry out an assessment of the impact of the Fund's action on malaria, using an ex-post approach, a first for the Global Fund. Consideration

is now being given, with a group of five countries, to defining a methodology for evaluating the effectiveness of a programme ex post.

The three evaluation units encourage the use of local experts. DGM has organised training for consultants in Guinea, Kenya and Togo. AFD uses decentralised evaluations for its current projects, drawing on field offices, an approach likely to build national capacity. Holding feedback workshops in countries also seems to be a well-established practice.

Institutional learning

Indicator: Evaluations and appropriate knowledge management systems are used as management tools

Feedback, capitalisation and dissemination of the results of evaluations are used in order to improve programmes. However, AFD has not implemented a system to follow up recommendations, which undermines its capacity to use them as a strategic steering resource.

Dissemination is extensive, but AFD should monitor the implementation of recommendations more closely

The three evaluation units systematically share the conclusions of evaluations with stakeholders and publish the conclusions and recommendations on their websites, making them accessible to the media and to civil society. A report on the evaluations is regularly submitted to Parliament.

DGM and DG Trésor have implemented a system for monitoring the implementation of recommendations. Although AFD organises many workshops and seminars to draw conclusions from evaluations, it does not have a system for following up recommendations, which undermines its capacity to use them fully as a strategic steering resource.

France uses evaluations to improve the programme

French institutions wish to use evaluations to improve future policies on the basis of previous experience. In order to do so, DGM's evaluation unit takes part in reviews of projects in preparation. The evaluation unit at AFD summarises evaluations by sector. These summaries help to identify lessons to be learnt, which are incorporated into the sectoral action frameworks, updated every three or four years. Field offices also frequently undertake evaluations in order to prepare a new programme. In Madagascar, for example, the Embassy has decided to carry out an external evaluation of the Social Development Fund before launching a new one.

AFD is carrying out an ambitious knowledge capitalisation and management policy

AFD has developed an ambitious programme for capitalising on, producing and exchanging knowledge about development. It has developed a number of resources to help it in this, such as feedback workshops, seminars and thematic networks, and is becoming recognised as a standard-setter in the field. Its co-operation with French and international academic networks and with development research institutes enables it to inform debate and forward thinking about development.¹¹ Knowledge production at AFD has a short-term operational purpose, the results of which are shared, and a more academic purpose which concerns the research department's work (80% of subjects are economic and 20% technical).

DGM, DG Trésor and AFD invite suitably qualified people to sit on evaluation steering committees. This encourages mutual enhancement on development issues and helps to some extent to ensure the capitalisation of knowledge, hampered at DGM by staff turnover linked to the high proportion of staff on fixed-term contracts.

Communication, accountability and awareness-raising

Indicator: The member communicates development-related results in a transparent and open way

Despite its efforts, France still has some way to go in order to fulfil the Busan commitments on aid transparency. In order to do so, it needs to reorganise its interministerial information system. Activities to raise public awareness about development aid and to enhance the visibility of the players involved would be strengthened by better communication about the results of development co-operation.

France is taking steps to improve transparency and accountability

The first biennial report on implementation of the development co-operation framework document, issued in 2012, is an encouraging step towards greater communication about the progress and results of development co-operation (MAE/MEF, 2012). The report improves communication with elected officials as well as with multilateral organisations and civil society. The www.data.gouv.fr web platform, intended to bring together all data about French government policies, and the updating of Embassy websites, as was the case in Madagascar, to give the public better access to information about achievements in partner countries, should be seen in the context of a comprehensive strategy designed to improve the transparency of development co-operation.

French co-operation policy is subject to scrutiny by many players and observers, such as the *Cour des Comptes*, members of parliament and civil society.¹² The *Cour des Comptes*, an independent jurisdiction, takes the initiative for its audits, which are made public. Thus, it has issued a report on the use of tsunami funds (including

private funds received by NGOs) and conducts regular audits of AFD's governance and accounts. It has recently issued a first comprehensive report on French ODA policy (CC, 2012). Other bodies, such as the General Inspectorate of Finances and the Economic Analysis Council, also carry out analyses and audits.¹³

Parliament plays a growing role in accountability, producing informed reports on co-operation policy,¹⁴ putting many questions about co-operation policy to the ministries concerned and regularly hearing players involved in co-operation. Better regulation of communication is needed so that Parliament is kept fully informed of the strategic issues and guidelines of development policy, without over-burdening the ministries concerned. That implies that the government should submit the reports due to Parliament in good time, especially as regards the cross-cutting policy document.

France still has some way to go in order to fulfil the commitments given at Busan relating to the common standard on publishing aid data. It issued an implementation timetable in 2012, as required, and wishes to increase the level of detail of the definitive ODA survey. However, according to the 2012 aid transparency index – prepared before publication of the French timetable – its results are poor.¹⁵ More needs to be done in order to publish comprehensive, accessible and comparative information about earmarked budgets by country and by activity, framework agreements with partner countries and results. In order to do so, France will have to reorganise its interministerial information system.

France is trying to raise awareness of results

France is trying to raise public awareness about development issues and to improve communication about its co-operation policy. That is necessary because the annual opinion poll organised by AFD and MAE shows a drop in the proportion of French people who believe that France's aid to developing countries is effective (51% in 2012, compared with 55% in 2011). However, 72% still believe that ODA is useful and would like to see a focus on sub-Saharan Africa as a priority and on alleviating poverty. Among the players in development aid, NGOs are perceived as the most credible, effective and impartial (IFOP, 2012 and IPSOS, 2011).

International solidarity weeks, supported by the government for the last 15 years, are one of the flagship development education projects. On the occasion of its 70th anniversary, AFD organised a travelling exhibition called "Objective development – A new look at the South", which helped to raise many people's awareness about development.¹⁶ These important initiatives could have a greater impact if they were matched by better communication about results in this sphere, giving coverage to both successes and failures. AFD's aggregate indicators, by consolidating the results of its operations, will be helpful in this respect, as will the agency's analysis of the challenge of accountability (AFD, 2010b). The passing of a framework law, which is scheduled for 2014 and should encourage better explanation, transparency and accessibility of information about co-operation strategies and resources, should also help to improve communication about and ownership of French development policy. The focus on communication should also continue in partner countries, where it is sometimes particularly difficult for France to manage its image.¹⁷

Notes

1. The 2013 cross-cutting policy document refers to nine objectives, but they are not set out according to the four priorities which, according to the Framework Document, French cooperation must address.
2. To give just one example, indicator nine in the AFD's 2011-2013 means and objectives contract measures the proportion of aid allocated to countries in crisis.
3. Certain indicators involve players other than France (European Union, multilateral banks and funds), for which it will be difficult to attribute the success or failure of France's action alone, but which demonstrate France's determination to wield influence within those institutions.
4. I.e. the ratio between the total amount of concessional loans granted by AFD and the corresponding budget appropriations (mainly in the form of soft interest rates).
5. Leverage varies from one sector to another, between a maximum of 20.9 for the environment and a minimum of 4.7 for education (MAE/MEF, 2012). This indicator therefore tends to direct AFD towards sectors where the effect is greatest. See also the commentaries in the Peyronnet-Cabon report (Senate, 2012).
6. The evaluation division at DGM, the development activities evaluation unit at DG Trésor and the evaluation and capitalisation unit at AFD.
7. Specific evaluation topics are confirmed annually, taking account of the fact that certain programmes (such as trade aid) must be evaluated by law.
8. The Court of Auditors estimated that 15 AFD projects representing a total of EUR 642 million were not evaluated in 2010, and that a significant proportion of projects under the Emerging Country Reserve and overall budget aid managed by the Treasury had not been evaluated between 2007 and 2010. The same applies to the multilateral contributions managed by MAE (CC, 2012).
9. AFD conducts three joint evaluations a year.

10. Ex-post joint evaluation of the Manantali dam carried out in 2008 by KfW, EIB and AFD, in cooperation with the Organisation for the Development of the Senegal River.
11. AFD's cooperation with research institutes is mandatory under the means and objectives contract, which requires AFD research projects to be shared with IRD and CIRAD. Many links exist: for example, AFD's Director General sits on IRD's board.
12. In particular through the advocacy activities of the NGO platform Coordination Sud.
13. See the report of the General Inspectorate of Finances on the performance indicators of ODA passing through multilateral organisations (IGF, 2010), and the Economic Analysis Council's 2006 report on France and ODA (CAE, 2006).
14. These reports deal with a wide range of subjects, such as ODA in the Finance Bill (AN, 2012 and Senate, 2012), the balance between multilateralism and bilateralism in ODA (AN, 2010 and 2009a), and economic partnership agreements between the European Union and ACP countries (AN, 2009b).
15. AFD is ranked 44th out of 72 countries and organisations considered, with an overall score of 35% of information published. MAE and MEF are in 62nd and 68th place respectively out of 72 (PWYF, 2012). This evaluation is confirmed by the comparative analysis of implementation plans carried out by Publish What You Fund (<http://tracker.publishwhatyoufund.org/organisations/>).
16. Nearly 270,000 visitors (and over 24,000 visitors in Africa), 300,000 leaflets circulated, 80 fringe events (conferences, debates), 500 press articles and 3,000 participants made aware of development objectives during the 2011-2012 tour. The Water Forum in Marseille (2012), shown on France 2 in prime time, also helped to raise extensive public awareness.
17. A parliamentary report in 2008 evoked a risk of the special relationship with Africa running out of steam (AN, 2008).

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Chapter 7: Humanitarian assistance

Strategic framework

Indicator: Clear political directives and strategies for resilience, response and recovery

France has finalised a first humanitarian strategy, and is working to develop an implementation plan. However, France does not yet have the right tools to ensure a holistic recovery from crisis. To ensure that the new humanitarian strategy is translated into practice, France will need to:

- > Draw up a realistic implementation plan
- > Ensure clear buy-in to by relevant actors across government
- > Clarify the links between the humanitarian strategy and other strategies including food security, fragile states, and the protection of civilians in conflict
- > Ensure coherent funding support to post-crisis recovery and transition situations
- > Translate good intentions to fund prevention and preparedness into systematic programming

To fulfil its global commitment to burden sharing, France will also need to significantly increase its humanitarian assistance budget.

The new humanitarian strategy is a first step towards a coherent cross-government response to crises

France has elaborated a first humanitarian strategy (MAE, 2012a) outlining broad guiding principles. The strategy was finalised after extensive consultation,¹ including with key NGO partners.² The strategy aligns with the EU Consensus,³ mentions the Principles and Practice of Good Humanitarian Donorship (GHD, 2003) and claims to be in line with France's development, food security and fragile states policies, although these links are not clear. The strategy follows on from new legislation,⁴ which charges the Minister of Foreign Affairs with responsibility for humanitarian assistance – divorcing humanitarian response from the development portfolio and undermining opportunities for holistic responses to prevent, respond to and recover from crises. Indeed, despite efforts to raise awareness within the MAE, the peer review found very little awareness of the humanitarian strategy in other areas of government, calling into question how, and if, it will function as guidance for whole-of-government responses. The new *Groupe de Consultation* has been tasked with designing a realistic implementation plan.⁵

France does not yet have a coherent approach to post-crisis recovery

The previous peer review asked France to develop the appropriate tools to link humanitarian and development programming, and this recommendation remains valid. AFD and the MAEE both claim responsibility for post-crisis recovery – but there is no overall mechanism to ensure that these post-crisis recovery programmes build on or complement France's emergency responses. Partners confirm that they are uncertain who to approach in the French government for post-crisis funding. AFD engages in programmes to deal with issues surrounding conflict, such as providing additional support to communities hosting displaced people, aimed at reducing tensions between the two groups. AFD also supports

communities that return home. The MAEE now also has a crisis management task force. However, these different groups could work more closely together to ensure a coherent post crisis recovery.

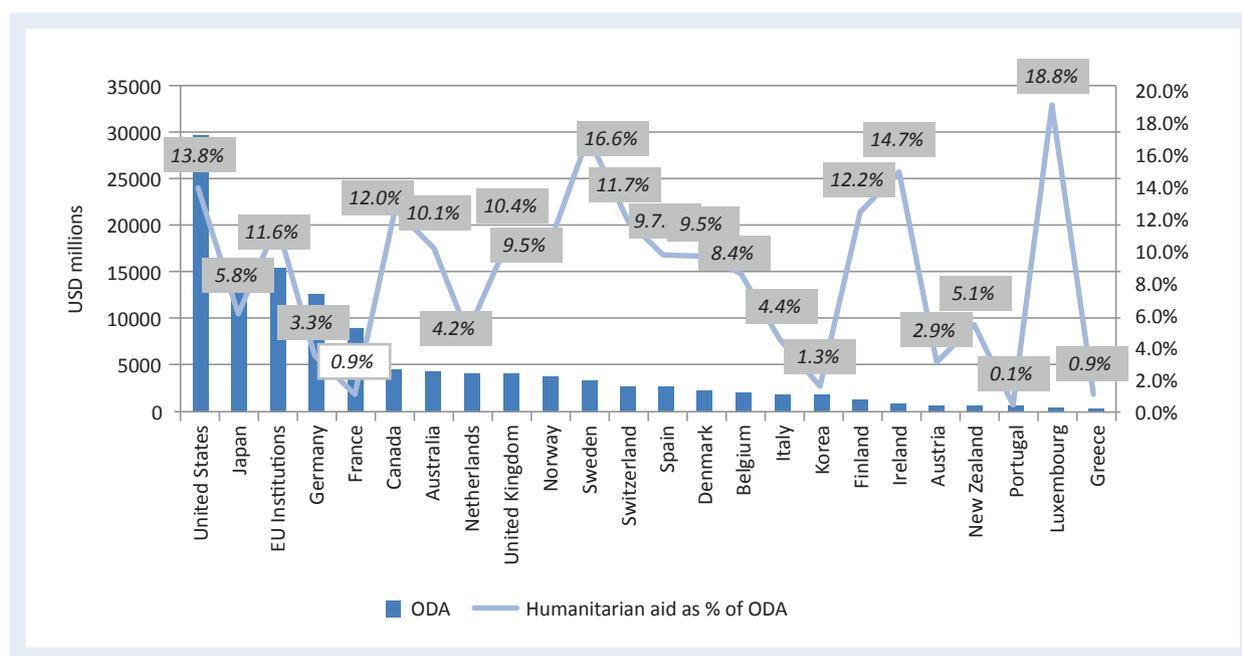
Good intentions to fund prevention and preparedness, but implementation is not systematic

France’s new humanitarian strategy outlines an intention to fund crisis prevention and preparedness. So far, most of this work has been in the food security sector, both through AFD and the Globalization General Directorate, including contributions to the cross-European initiative to build resilience in the Sahel region.⁶ The DGM has also set up a working group to study the issue of resilience.

The current humanitarian budget does not represent responsible burden sharing

As a signatory to the GHD principles, France has committed to ‘contribute responsibly, and on the basis of burden sharing’ to global humanitarian appeals.⁷ And yet, in 2011, France was the DAC’s 5th largest development donor, but only the 17th humanitarian donor. In 2011 France reported USD 82.6 million of humanitarian disbursements to the DAC (0.9% of its overall ODA), an amount that includes both funding to humanitarian agencies and direct provision of in-kind goods. There have been no major humanitarian budget increases since that date, and France has only announced one very minor plan⁸ to scale up the humanitarian programme. DAC donors, on average, allocated 8.2% of their ODA to humanitarian assistance in 2011 (Figure 1). If France is to shoulder its fair share of the global humanitarian burden it will have to allocate funds at approximately this level – and this will mean a significant expansion of the humanitarian budget.⁹

Figure 7.1 Share of ODA allocated to humanitarian assistance in 2011



Source: OECD/DAC Creditor Reporting System.

Effective programme design

Indicator: Programmes target the highest risk to life and livelihood

If France is to ensure that it is adhering to humanitarian principles, and especially that humanitarian assistance is allocated solely on the basis of need, it will need to set out clear criteria for where, what and who to fund. France should also clarify how its excellent early warning service will help ensure early response to pending and escalating crises, and how affected populations will be empowered to participate throughout the programme cycle.

Criteria for who, what and where to fund are not transparent

The new humanitarian strategy states that France will seek the advice of a number of actors when assessing needs – including French embassy staff, inter-ministerial contacts, the EU and UN-OCHA, French NGOs, universities and think tanks. However, France does not have consistent and transparent criteria to determine the severity of each crisis – and thus how to determine where to fund and how much funding to allocate, what are the greatest needs in each crisis, and who would be best placed to respond. A review of France’s funding allocations for 2011 (MAE, 2012b) does not show any clear patterns. This lack of transparency is a major constraint for the predictability of French humanitarian assistance. It also leaves France open to misperceptions that allocations are made on criteria other than humanitarian principles, and in practical terms means that partners spend time preparing and submitting proposals that are unlikely to be funded.

France does not yet have a systematic link between early warning and early response

The newly-established *Centre de Crise* (Section below) has, through its consular functions, a watching brief on hot spots around the globe. In times of crisis, Ambassadors are required to provide a situation analysis and updates to the Centre – providing the basis for solid early warning diagnostics. In some cases, these early warnings lead to early action – for example France maintains that the results of its early analysis of the Sahel crisis allowed for an early intervention to support resilience in that region. However, and like other donors, the operational links between early warning and the provision of an early humanitarian response could be more systematic.

Beneficiary participation requires more thought

The new humanitarian strategy discusses France’s adherence to the principle of “Responsibility to Protect”¹⁰ but does not discuss how affected populations will be empowered to participate throughout the programme cycle, nor how France will use feedback from beneficiaries to improve the response.

Effective delivery, partnerships and instruments

Indicator: Delivery modalities and partnerships help deliver quality assistance

Fragmentation remains a significant challenge for France, with a number of different tools and budgets with separate decision making processes, and no overall coherent strategy to bind them. Partners appreciate France's commitment to consultation and dialogue, but remain confused about who to contact for funding. France actively co-ordinates with other donors, both in the field and at the European level.

A range of tools for supporting protracted crises, but decision-making is fragmented

France uses a mix of instruments to support protracted crises, with funding from different areas of the MAEE. The United Nations and International Organizations Department (NUOI) provides voluntary contributions to UN agencies¹¹ and to the Red Cross Red Crescent Movement. The Globalization General Directorate funds programmes to support the prevention and management of food crises, and allocates small bilateral funding baskets to embassies – these are used for small local crises and can also fund local NGOs. All humanitarian funding is project based, as legal restrictions prevent France from providing core funding. Decision-making on when and where to use each of these instruments is made by individual departments, leading to a risk of fragmentation.

France has a variety of rapid response tools

France has a number of rapid response tools, co-ordinated by the Centre de Crise with input from key stakeholders across government, and from French NGOs. The Centre's Fonds d'Urgence Humanitaire provide rapid funding to NGOs and affected governments in times of crisis. Partners confirm that this is a rapid mechanism; proposals are turned around quickly and funding – if approved – arrives quickly. For major crises, the Centre can ask the Ministry of Finance to provide supplementary funding from its reserves,¹² and can also disburse funds collected by local authorities.¹³ France also provides civil protection teams (search and rescue, for example), under the EU co-ordination mechanism,¹⁴ or through United Nations mechanisms.¹⁵ Some funds and stocks are pre-positioned – including minor contributions to the United Nations CERF rapid response fund,¹⁶ and to stocks in World Food Programme warehouses¹⁷ and French Red Cross warehouses. France also stockpiles its own relief stocks and medical supplies, including in suburban Paris, managed by the securite civile, which it supports with its own logistics – including air transport, which NGO partners can also use.

France should designate a single focal point would improve the relationship

Partners appreciate France's commitment to consultation and dialogue. The national humanitarian conference, held in 2011, brought together French and international actors, journalists, researchers and local authorities to lay out the basis for the new humanitarian strategy. Another conference is planned for 2013. NGO partners are members of the Group de Consultation, tasked with drawing up an implementation plan for the new humanitarian strategy, and with guiding

France's advocacy work. NGOs also appreciate the security advice provided by the consular services of the Centre de Crise. However, there are also some less positive points. Having a number of different humanitarian and response instruments spread over various departments and agencies makes it difficult for partners to know who to contact for funding, except for sudden onset crises, where the Centre de Crises is the sole entry point. French taxpayers get tax breaks for charitable donations, but it is not clear whether this rebate also applies to donations that are used outside of France's borders – France has yet to clarify this legal ambiguity.

France consults with ECHO and other European donors

As a European donor, France chooses, appropriately, to consult with DG-ECHO about evolving situations and funding needs. France also participates in the European co-ordination mechanism. The humanitarian advisor stationed in most embassies will also actively consult with other donors present in the field.

Organisation fit for purpose

Indicator: Systems, structures, processes and people work together effectively and efficiently

The French response remains highly fragmented, between different instruments, governance mechanisms and budgets. If France wants to ensure a coherent response, it will need to ensure clear leadership for its cross-government humanitarian and post-crisis responses. The establishment of the Centre de Crise provides a structure that could oversee cross-government responses to new and escalating emergencies. Appropriate mechanisms for co-ordinating the response to other humanitarian emergencies, and providing a clear focal point for partners, are less clear. Safeguards to ensure that the military are deployed on when clear, 'last resort' criteria have been met would be useful. Posting humanitarian staff to embassies in major crisis situations has been useful.

Co-ordination of the different tools, governance mechanisms and budgets needs to be strengthened

There have been two major structural changes since the 2008 review – the creation of the dual-function Centre de Crise and the shift in ministerial responsibility for the humanitarian budget and operations. The Centre de Crise, stood up in 2008, is charged with foreign crisis management, providing consular support to French citizens as well as organising the humanitarian response.¹⁸ Two other departments in the MAEE also provide humanitarian assistance, and AFD provides some funding, including support for recovery. All of these entities report to, and receive budget through, the Minister of Development, but the Centre reports directly to the Minister of Foreign Affairs, who also provides its budget. Other Ministries can be involved in a humanitarian response, including Defense, Health and Interior.¹⁹ With such a fragmented structure it is critical that France has a functioning co-ordination mechanism with a clear lead agency. This was also a recommendation of the 2008 review. For major crises, this is now in place - a dedicated response

team is put together with senior leadership,²⁰ and thus a co-ordination mechanism is in place. For other crises, the ambassador is charged with ensuring a coherent response. However, it is difficult for the ambassador to co-ordinate when s/he has no decision making power over the different response instruments. Partners confirm that important issues fall between the cracks – for example post-crisis recovery funding and support to mine action.

Military assets are deployed under civilian control, but the decision to deploy needs more safeguards

France's new humanitarian strategy commits to international principles and guidelines governing civil military relations.²¹ Staff at the Centre de Crise informed the peer review team that military assets will be deployed only when no civilian alternative is available, and that civilian control over these assets will be maintained at all times. Decisions to deploy the military are made by the President, following a request by the relevant ambassador. Partners are concerned that this system does not have sufficient safeguards, and want clearer criteria for the use of military assets.

Staff are generally well-informed, and posting humanitarian staff to embassies has been useful

Partners are universally positive about the quality of France's humanitarian staff, both those in Paris and the humanitarian counsellors posted to French embassies. Field counsellors receive a week's training in Paris prior to deployment, a comprehensive course that NGOs help to provide. NGOs report that having a counterpart in the embassies is useful for sharing information and helping support funding requests.

Results, learning and accountability

Indicator: Results are measured and communicated, and lessons learnt

France has committed to reviewing its performance as a donor, but this will require a clearer set of measurable results. Partner monitoring systems are appropriate. The new annual report on funding activities has increased transparency, and France could build on this by also publishing the results of its performance as a donor.

Plans to start monitoring France's performance as a humanitarian donor

France has not conducted any monitoring of its performance against its strategic humanitarian objectives during the peer review period, but a mid-term evaluation of the humanitarian strategy is planned for 2014.

Monitoring of partners is conducted by embassy staff

Monitoring of partner projects is usually conducted by the humanitarian counsellors in the field, under the supervision of the ambassador. Centre de Crise staff can also travel to the field to monitor projects, but this option is rarely used. The Cour des Comptes has also reviewed the performance of French NGOs in major emergency situations, including the use of funds donated by the individuals.²² Partners feel that the reporting burden on them is more or less appropriate.

France has begun to publish an annual summary of its humanitarian activities

MAEE has begun to publish an annual report (MAEE, 2012b). The report is focused on activities and inputs – for example funding provided – but is a good first step towards transparency of the overall French humanitarian effort. France could build on this effort by also publishing the results of its performance as a humanitarian donor, once proper indicators are in place.

Notes

1. France hosted a *Conférence Nationale Humanitaire* in November 2011. This conference provided three guiding principles for the humanitarian programme – 1) the programme must clearly respond to needs, 2) it must support prevention and reinforce resilience through links to the development programme, and 3) choices should be discussed with civil society representatives.
2. The humanitarian strategy was significantly supported by the report from the “Analysis mission and proposal for humanitarian action in crisis and post-crisis situations” written by MR Boinet (Solidarités) and Miribel (Action Contre la Faim).
3. European Consensus on Humanitarian Aid, 2007
4. Decree of 16 March 2008
5. The *Groupe de Consultation* has already begun to meet. The group has been tasked with defining the scope of the humanitarian programme and to look at issues like linking relief to development.
6. For more information on this initiative refer http://europa.eu/rapid/press-release_IP-12-613_en.htm
7. GHD principle 14: “Contribute responsibly, and on the basis of burden-sharing, to United Nations Consolidated Inter-Agency Appeals and to International Red Cross and Red Crescent Movement appeals...”
8. France will increase its humanitarian emergency funds from EUR 8.3 million in 2012 to around EUR 15 million in 2017.
9. For example, if France were to have allocated its humanitarian funding in line with the 8.2% DAC average rate in 2011, this would have meant a humanitarian budget of approximately USD 729.3 million that year; USD 646.7 million more than actual allocation levels.
10. Refer UN Security Council resolution 1674 of 2006 : www.un.org/en/preventgenocide/adviser/responsibility.shtml.

11. Including UNICEF, WFP, ICRC, UNRWA, IOM, OCHA, UNFPA, UNHCR and the CERF (MAEE, 2012b)
12. For example, additional funding of EUR 6 million was secured for the Syria crisis, and EUR 25 million for the Horn of Africa crisis.
13. These funds are called *Fonds de concours*
14. The Monitoring and Information Centre, MICS – part of DG-ECHO in the European Commission – facilitates the provision of European civil protection teams in times of disaster. For more refer: http://ec.europa.eu/echo/policies/disaster_response/mic_en.htm
15. United Nations Disaster Assessment and Co-ordination (UNDAC) supports the UN and governments in the co-ordination of incoming international relief at national level and/or at the site of the emergency. For more refer www.unocha.org/what-we-do/coordination-tools/undac/overview
16. France provided USD 2.22 million to the CERF in 2008, USD 0 in 2009, USD 0.66 million in 2010, USD 0.72 million in 2011 and USD 0.39 million in 2012.
17. WFP has a series of warehouses around the world, containing emergency supplies and response support equipment. Refer www.wfp.org/logistics/humanitarian-response-depot
18. More at www.diplomatie.gouv.fr/en/global-issues/development-assistance/humanitarian-action/emergency-humanitarian-action/
19. The Interior Ministry manages France’s Securite Civile units.
20. The Decree of 16 March 2008 states that the *Centre de Crise* will co-ordinate the contribution of the different ministries to emergency humanitarian aid operations.
21. Guidelines on the Use of Foreign Military and Civil Defence Assets in Disaster Relief – “Oslo Guidelines” - Rev. 1.1 (November 2007) and Guidelines on the Use of Military and Civil Defence Assets to Support United Nations Humanitarian Activities in Complex Emergencies – “MCDA Guidelines” - Rev. 1 (January 2006). www.unocha.org/what-we-do/coordination-tools/UN-CMCoord/publications
22. Refer, for example the report on funds used for the victims of the 2005 Tsunami, available at www.ccomptes.fr/Publications/Publications/Fonds-des-associations-pour-les-victimes-du-tsunami.

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Annex A: Progress made in implementing the recommendations of the 2008 peer review

Strategic orientations

Recommendations in 2008	Progress since 2008
<p>1. 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.</p>	<p>Recommendation implemented</p>
<p>2. 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.</p>	<p>Recommendation partially implemented</p> <p>France has not drawn up an action plan for all its strategies and does not have precise overall sectoral objectives. Gender policy is not reflected in programming. However, CICID has identified five sectors for action in favour of priority poor countries. Sectoral priorities are reflected in the partnership framework documents concluded with partner countries.</p>
<p>3. 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.</p>	<p>Recommendation implemented</p>
<p>4. France is encouraged to pursue further its dialogue with civil society, in terms of both strategic consultation and the aid effectiveness agenda.</p>	<p>Recommendation partially implemented</p> <p>Despite the lack of a forum for consultation, regular dialogue has continued and French NGOs have been involved in defining the main strategic orientations. In partner countries, however, there are not as yet any institutional arrangements for dialogue between French institutions and either local or French NGOs, which could be mutually beneficial.</p>
<p>5. 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.</p>	<p>Recommendation partially implemented</p> <p>France did not increase the share of ODA allocated through NGOs over the period 2008-2012, and funding via NGOs remains very small. It is only in 2013 that the amounts flowing through NGOs increase.</p>

Development beyond aid

Recommendations in 2008	Progress since 2008
<p>6. 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.</p>	<p>Recommendation partially implemented</p> <p>France is committed to promoting policy coherence. It has drawn up an agenda, it has interministerial co-ordination systems, and the Minister Delegate for Development has a mandate to ensure that this dimension is taken into account. In the absence of a system for monitoring progress, however, the extent to which those systems help to defend positions favourable to development is unclear.</p>

Aid volume, channels and allocations

Recommendations in 2008	Progress since 2008
<p>7. 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.</p>	<p>Recommendation not implemented</p> <p>France has not drawn up a roadmap for moving towards the European ODA objectives for 2010 and 2015. The 2013 Finance Act plans to stabilise ODA at around 0.48% of GNI in 2015, less than the European objective of 0.7%.</p>
<p>8. 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.</p>	<p>Recommendation partially implemented</p> <p>France's aid budgetary effort and its instruments are in line with its strategic guidelines, but the allocation of ODA reflects these guidelines poorly.</p>

Aid volume, channels and allocations

Recommendations in 2008	Progress since 2008
<p>9. France should ensure that the ODA statistics it reports annually are consistent with the ODA eligibility directives established by the Committee.</p>	<p>Recommendation partially implemented</p> <p>France's notification to the DAC is late and sometime incomplete. Since 2008, France has included its contributions to UNITAID in the statistics it reports to the DAC and no longer reports the cost of the university studies of foreign students with a French baccalaureate as ODA. France asserts that it complies with existing directives on concessionality. In April 2013, it submitted a rationale setting out the principles for using certain concessional loans. The DAC has taken note and asked the Secretariat to prepare a report on the concessionality of DAC members' loans. It will be for the DAC to decide whether the loans meet the conditions for reporting as ODA.</p>
<p>10. 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.</p>	<p>Recommendation partially implemented</p> <p>France concentrates 50% of its grants on 17 priority poor countries in sub-Saharan Africa, though its aid effort, spanning 138 countries, remains highly fragmented. The share of aid earmarked for the LDCs is shrinking, as are grants to fragile states. Loans have increased substantially since 2008, creating an imbalance in relation to grants, the low level of which threatens France's capacity to take action in poor countries and countries in crisis.</p>

Organisation and management of development co-operation

Recommendations in 2008	Progress since 2008
<p>11. 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.</p>	<p>Recommendation partially implemented</p> <p>The three main players in co-operation are doing more to co-ordinate their activities. Although AFD's role has been strengthened, however, the model of a government that sets strategy and an agency that implements it has not been fully achieved. The system remains complex, featuring a large number of players with different profiles and powers, and the instruments for steering the system as a whole have not worked well.</p> <p>The budget presentation remains complex. Appropriations for the cross-cutting development policy are fragmented between 11 ministries, 12 missions and 23 programmes. In 2012, the "ODA" mission, itself comprising three programmes, covered only 62% of the cross-cutting policy and only 35% of net ODA. In the field, the lack of DCPs in non-priority countries risks undermining the capacity to incorporate French players' strategic frameworks and tools.</p>
<p>12. 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.</p>	<p>Recommendation partially implemented</p> <p>Although budget predictability has been improved, French aid programming covers only the resources allocated to the "ODA" mission (a third of ODA) and remains subject to two different programmes, raising the risk of letting players and instruments take precedence over strategy. In priority countries, the DCPs set five-year priorities for bilateral French aid. However, as there is no results framework attached to each DCP, it is difficult to make the link with the overall objectives of French co-operation in sectoral terms.</p>

Organisation and management of development co-operation

Recommendations in 2008	Progress since 2008
<p>13. 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.</p>	<p>Recommendation partially implemented</p> <p>The Ministry of Foreign Affairs does not have a specific human resources policy for co-operation staff. Their status varies and the number of contract staff has increased sharply over the period. Although that has helped to maintain a pool of expertise, rapid turnover makes it difficult to capitalise that expertise.</p> <p>AFD has begun to modernise its human resources policy, made necessary by the rapid increase in headcount over the last five years. This should enable the agency to plan profiles and skills better and adjust them to developments in the sectors and contexts in which it operates.</p>
<p>14. 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.</p>	<p>Recommendation partially implemented</p> <p>France has continued its efforts to institute results-based management, defining tracking indicators at central level. Projects also have robust results frameworks which make tracking and evaluation easier. At DCP level, however, a link is missing between projects and the achievement of overall objectives, because there is no results matrix attached to the latter.</p> <p>Much has been done in the sphere of evaluation. However, AFD has not implemented a system for following up recommendations, which undermines its capacity to make full use of them as strategic management tools.</p>

Aid effectiveness and results

Recommendations in 2008	Progress since 2008
<p>15. 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.</p>	<p>Recommendation partially implemented</p> <p>France has not established a schedule for implementing its aid effectiveness action plan but it has taken many steps to apply the principles of the Paris Declaration, the Accra Action Programme and the Busan Partnership for Effective Development Co-operation. DCPs are drawn up in partnership; France uses budgetary support wherever possible; and AFD-funded projects are carried out with local project management in accordance with the beneficiary country's procedures. In the field, France is starting to get involved in joint European programming, though it still operates in a large number of sectors and hence does not systematically comply with the code for the division of labour defined at European level.</p>
<p>16. 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.</p>	<p>Recommendation implemented</p>
<p>17. 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.</p>	<p>Recommendation partially implemented</p> <p>France makes extensive use of expertise and training to build capacity in partner countries and AFD has begun the process of capitalising experience. However, France has not yet drawn up guidelines for capacity-building, even though that is one of the main thrusts of its co-operation at both bilateral and multilateral level.</p>

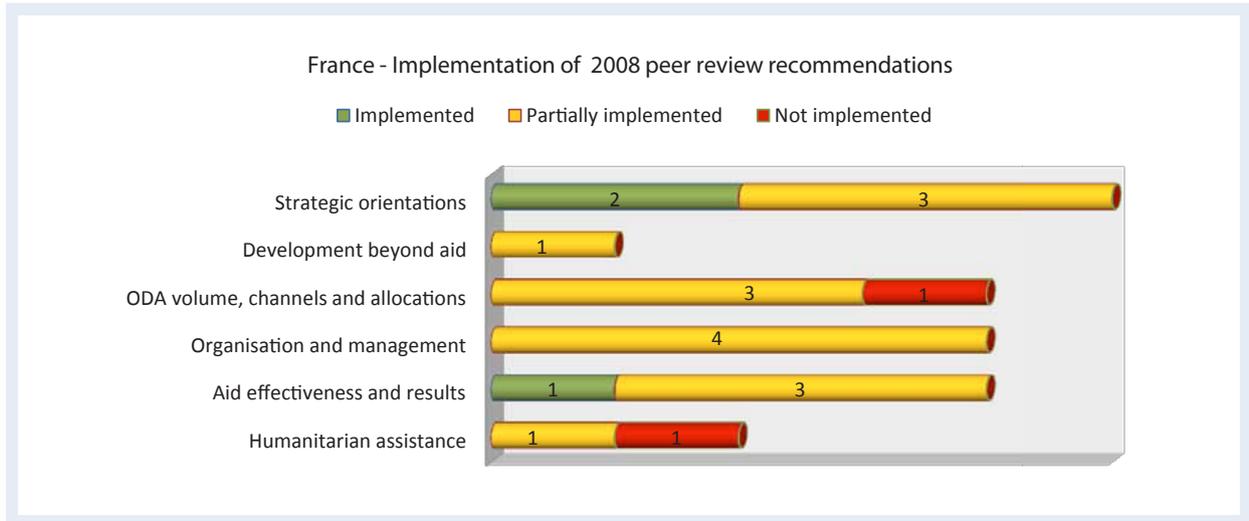
Aid effectiveness and results

Recommendations in 2008	Progress since 2008
<p>18. 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.</p>	<p>Recommendation partially implemented</p> <p>In partner countries, the ambassador co-ordinates France's diplomatic, security and development actions. In some fragile states, an additional interministerial system has been established in Paris to co-ordinate activities. France shows flexibility in fragile contexts. It shares its analyses with other partners and uses trust funds to make actions more coherent. However, France does not have an effective mechanism to co-ordinate humanitarian, risk reduction and development programmes.</p>

Humanitarian assistance

Recommendations in 2008	Progress since 2008
<p>19. 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.</p>	<p>Recommendation partially implemented</p> <p>France has completed its first humanitarian aid strategy and is now preparing an action plan.</p>
<p>20. France should consolidate institutional responsibility for managing the response to humanitarian emergencies, and examine ways of articulating it with development assistance.</p>	<p>Recommendation not implemented</p> <p>With the Crisis Centre, France has created a structure capable of overseeing the response of all the relevant government departments to new emergencies or deteriorating situations. The appropriate mechanisms for co-ordinating the response to other humanitarian emergencies and providing a central point for partners are less clear. In addition, France still does not have an overall mechanism for ensuring that post-crisis recovery programmes support or complement emergency measures.</p>

Figure A.1 Implementation of recommendations made after the 2008 Peer Review



Annex B: OECD/DAC standard suite of tables

Table B.1 Total financial flows

USD million at current prices and exchange rates

France	Net disbursements						
	1997-2001	2002-2006	2007	2008	2009	2010	2011
Total official flows	5 173	8 267	8 704	10 679	12 896	12 342	12 927
Official development assistance	5 198	8 368	9 884	10 908	12 602	12 915	12 997
Bilateral	3 703	5 911	6 258	6 669	7 187	7 787	8 495
Multilateral	1 495	2 457	3 625	4 239	5 415	5 128	4 503
Other official flows	- 25	- 101	- 1 179	- 229	294	- 573	- 71
Bilateral	- 25	- 101	- 1 179	- 229	294	- 573	- 71
Multilateral	-	-	-	-	-	-	-
Net Private Grants	-	-	-	-	-	-	-
Private flows at market terms	5 512	4 201	34 422	29 962	25 524	22 856	21 289
Bilateral: <i>of which</i>	5 512	4 201	34 422	29 962	25 524	22 856	21 289
Direct investment	5 328	4 515	14 337	24 609	16 300	6 667	15 717
Export credits	- 345	- 1 046	- 1 840	- 745	- 210	8 387	- 25
Multilateral	-	-	-	-	-	-	-
Total flows	10 685	12 467	43 126	40 641	38 420	35 198	34 216
<i>for reference:</i>							
ODA (at constant 2010 USD million)	8 086	10 405	9 933	10 146	12 083	12 915	12 198
ODA (as a % of GNI)	0.37	0.43	0.38	0.39	0.47	0.50	0.46
Total flows (as a % of GNI) (a)	0.75	0.64	1.66	1.44	1.43	1.35	1.21
ODA to and channelled through NGOs							
- In USD million	22	43	61	51	21	12	1
- In percentage of total net ODA	0	1	1	0	0	0	0
- DAC countries' average % of total net ODA	6	9	7	7	7	8	10

a. To countries eligible for ODA.

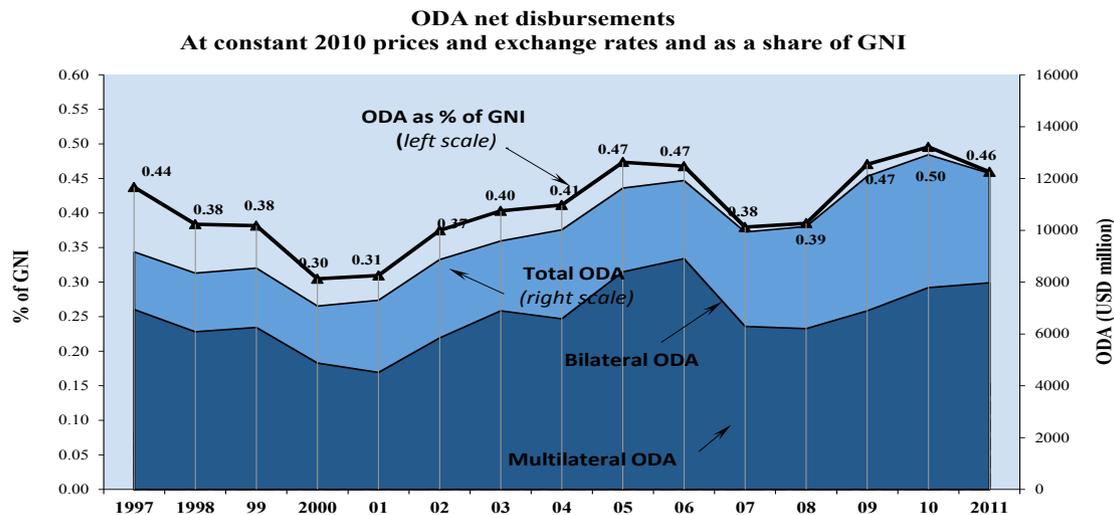


Table B.2 ODA by main categories

France	Constant 2010 USD million					Per cent share of gross disbursements					Total DAC 2011%
						Disbursements					
	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011	
Gross Bilateral ODA	7 732	7 539	8 235	9 155	9 077	67	65	61	64	67	73
General budget support	301	653	250	259	529	3	6	2	2	4	1
Core support to national NGOs	51	47	20	12	1	0	0	0	0	0	1
Investment projects	1 569	2 309	2 359	2 943	3 857	14	20	17	20	28	14
Debt relief grants	1 692	1 024	864	1 678	1 260	15	9	6	12	9	4
Administrative costs	359	383	423	439	439	3	3	3	3	3	4
Other in-donor expenditures	379	346	363	436	518	3	3	3	3	4	3
Gross Multilateral ODA	3 824	4 125	5 298	5 220	4 471	33	35	39	36	33	27
UN agencies	237	255	251	255	245	2	2	2	2	2	4
EU institutions	2 167	2 352	2 781	2 661	2 273	19	20	21	19	17	9
World Bank group	544	509	606	872	710	5	4	4	6	5	7
Regional development banks	219	227	207	210	260	2	2	2	1	2	3
Other multilateral	657	783	1 453	1 223	983	6	7	11	9	7	4
Total gross ODA	11 556	11 665	13 533	14 375	13 548	100	100	100	100	100	100
Repayments and debt cancellation	-1 623	-1 518	-1 450	-1 460	-1 350						
Total net ODA	9 933	10 146	12 083	12 915	12 198						
<i>For reference:</i>											
<i>Free standing technical co-operation</i>	<i>2 912</i>	<i>2 360</i>	<i>2 511</i>	<i>2 680</i>	<i>1 280</i>						
<i>Net debt relief</i>	<i>1 545</i>	<i>950</i>	<i>1 413</i>	<i>1 477</i>	<i>1 174</i>						
<i>Imputed student cost</i>	<i>1 210</i>	<i>861</i>	<i>893</i>	<i>931</i>	<i>918</i>						
<i>Refugees in donor countries</i>	<i>379</i>	<i>346</i>	<i>363</i>	<i>435</i>	<i>512</i>						

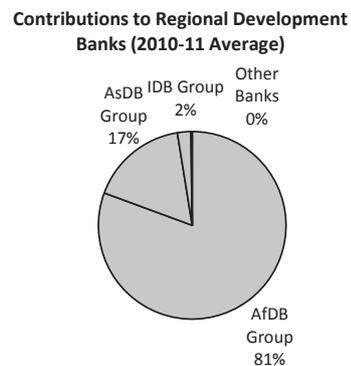
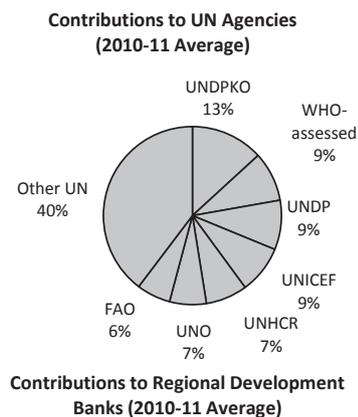
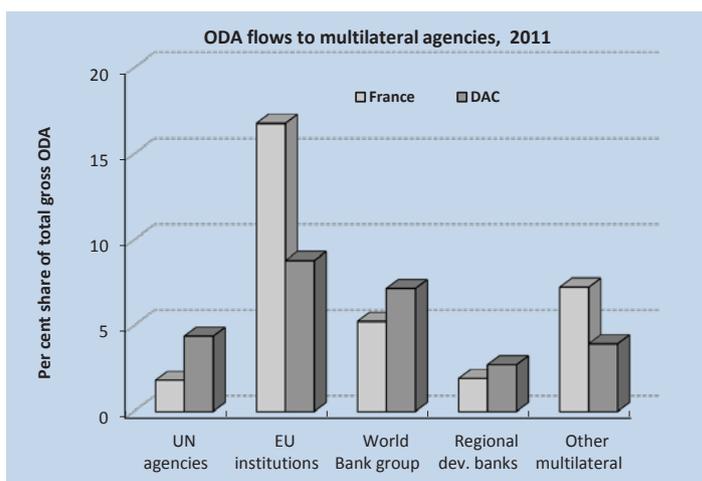
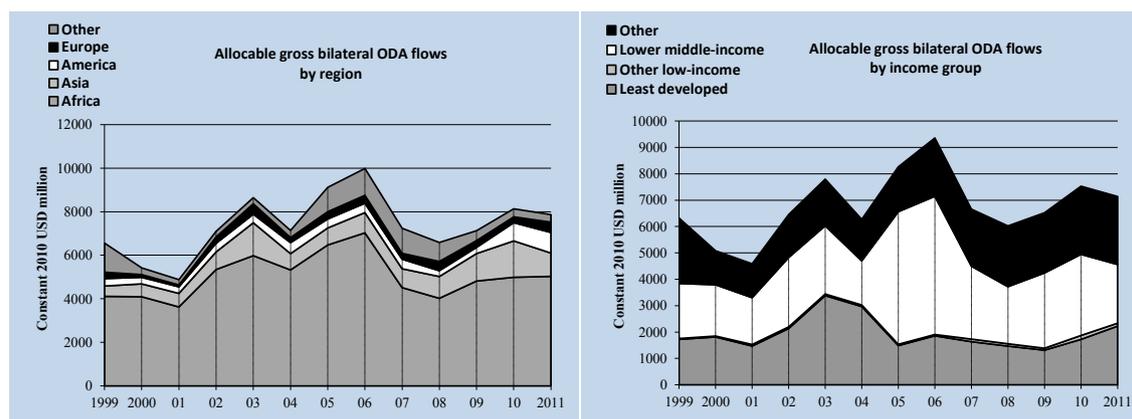


Table B.3 Bilateral ODA allocable by region and income group

Table 3. Bilateral ODA allocable¹ by region and income groups

France	Constant 2010 USD million					Per cent share					Total DAC 2011%
	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011	
Africa	4 515	4 023	4 815	4 989	5 030	62	61	68	61	64	44
Sub-Saharan Africa	3 333	2 983	3 715	3 911	3 626	46	45	52	48	46	38
North Africa	1 066	931	980	973	1 296	15	14	14	12	16	4
Asia	866	1 001	1 262	1 668	1 072	12	15	18	21	14	33
South and Central Asia	291	242	272	343	340	4	4	4	4	4	19
Far East	573	756	989	1 325	731	8	11	14	16	9	12
America	440	267	285	839	945	6	4	4	10	12	11
North and Central America	197	112	121	534	621	3	2	2	7	8	5
South America	243	154	164	304	324	3	2	2	4	4	5
Middle East	1 014	730	315	221	210	14	11	4	3	3	6
Oceania	136	140	140	148	135	2	2	2	2	2	2
Europe	267	425	309	267	472	4	6	4	3	6	4
Total bilateral allocable by region	7 238	6 585	7 126	8 132	7 865	100	100	100	100	100	100
Least developed	1 636	1 469	1 314	1 724	2 226	25	24	20	23	31	43
Other low-income	99	89	73	148	111	1	1	1	2	2	5
Lower middle-income	2 764	2 164	2 854	3 075	2 225	42	36	44	41	31	34
Upper middle-income	1 732	1 850	1 750	1 967	2 578	26	31	27	26	36	19
More advanced developing countries	429	453	531	615	-	6	8	8	8	-	-
Total bilateral allocable by income	6 660	6 024	6 522	7 529	7 140	100	100	100	100	100	100
<i>For reference:</i>											
<i>Total bilateral</i>	7 732	7 539	8 235	9 155	9 077	100	100	100	100	100	100
<i>of which: Unallocated by region</i>	493	954	1 108	1 022	1 212	6	13	13	11	13	23
<i>of which: Unallocated by income</i>	1 072	1 515	1 712	1 625	1 937	14	20	21	18	21	30



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

Table B.4 Main recipients of bilateral ODA

France	2000-04 average				2005-09 average				2010-11 average				Memo: DAC countries' average %	
	Current		Constant		Current		Constant		Current		Constant			Per cent share
	USD million	2010 USD mln	USD million	2010 USD mln	USD million	2010 USD mln	USD million	2010 USD mln	USD million	2010 USD mln				
	318	419	6	797	8	700	797	8	594	559	6			
Congo, Dem. Rep.	280	440	6	538	6	502	538	6	510	491	5			
Morocco	249	367	5	401	5	397	401	5	504	502	5			
Senegal	230	324	5	376	4	376	411	4	366	355	4			
Cameroon	223	319	4	366	4	366	379	4	358	340	4			
Top 5 recipients	1 300	1 869	26	2 526	28	2 341	2 526	28	2 332	2 246	25		26	
Egypt	185	288	4	372	4	361	372	4	357	343	4			
Madagascar	165	218	3	328	4	328	323	4	305	305	3			
Mayotte	147	215	3	248	3	248	251	3	299	287	3			
Tunisia	139	206	3	236	3	236	243	3	290	281	3			
Pakistan	114	157	2	217	3	217	227	3	212	203	2			
Top 10 recipients	2 051	2 952	40	3 942	44	3 731	3 942	44	3 795	3 666	40		39	
Algeria	113	160	2	209	2	209	219	2	202	196	2			
Mozambique	111	176	2	176	2	176	179	2	196	190	2			
Niger	103	141	2	167	2	167	171	2	191	190	2			
China	95	137	2	154	2	154	152	2	182	182	2			
Mali	94	142	2	133	2	133	132	2	171	166	2			
Top 15 recipients	2 567	3 709	51	4 794	54	4 570	4 794	54	4 742	4 589	50		47	
Vietnam	87	126	2	133	2	133	137	2	142	138	2			
Burkina Faso	80	119	2	125	1	125	121	1	136	130	1			
Indonesia	79	121	2	125	1	125	129	1	133	132	1			
Serbia	71	102	1	115	1	115	118	1	128	125	1			
Gabon	69	101	1	108	1	108	110	1	123	120	1			
Top 20 recipients	2 951	4 278	58	5 409	61	5 175	5 409	61	5 405	5 232	57		52	
Total (147 recipients)	4 159	6 042	82	7 072	84	7 072	7 368	84	7 570	7 336	80			
Unallocated	913	1 326	18	1 386	16	1 386	1 420	16	1 844	1 780	20		34	
Total bilateral gross	5 071	7 368	100	8 458	100	8 458	8 788	100	9 413	9 116	100		100	

Table B.5 Bilateral ODA by major purposes
at constant 2010 prices and exchange rates

Table 5. Bilateral ODA by major purposes
at constant prices and exchange rates

Commitments - Two-year averages

France	2000-2004 average		2005-09 average		2010-11 average		2010-11 Total DAC per cent
	2010 USD million	Per cent	2010 USD million	Per cent	2010 USD million	Per cent	
Social infrastructure & services	2 515	35	3 024	32	2 848	29	40
Education	1526	21	1 797	19	1 613	17	8
of which: basic education	260	4	202	2	166	2	2
Health	273	4	290	3	148	2	5
of which: basic health	52	1	157	2	56	1	3
Population & reproductive health	15	0	8	0	61	1	7
Water supply & sanitation	220	3	380	4	399	4	5
Government & civil society	102	1	133	1	206	2	13
of which: Conflict, peace & security	-	-	32	0	59	1	3
Other social infrastructure & services	379	5	416	4	421	4	3
Economic infrastructure & services	391	5	1 005	11	989	10	16
Transport & storage	180	2	711	8	463	5	6
Communications	41	1	14	0	5	0	0
Energy	79	1	115	1	405	4	7
Banking & financial services	67	1	142	2	79	1	2
Business & other services	24	0	23	0	38	0	1
Production sectors	347	5	449	5	582	6	8
Agriculture, forestry & fishing	275	4	393	4	360	4	5
Industry, mining & construction	65	1	35	0	206	2	1
Trade & tourism	7	0	20	0	16	0	1
Multisector	587	8	947	10	2 162	22	12
Commodity and programme aid	231	3	537	6	603	6	3
Action relating to debt	2 404	33	2 608	28	1 496	15	4
Humanitarian aid	21	0	59	1	68	1	9
Administrative costs of donors	343	5	387	4	439	5	5
Refugees in donor countries	386	5	460	5	473	5	3
Total bilateral allocable	7 225	100	9 475	100	9 660	100	100
<i>For reference:</i>							
Total bilateral	7 393	70	9 597	67	9 907	68	75
of which: Unallocated	168	2	123	1	247	2	1
Total multilateral	3 103	30	4 754	33	4 737	32	25
Total ODA	10 496	100	14 351	100	14 644	100	100

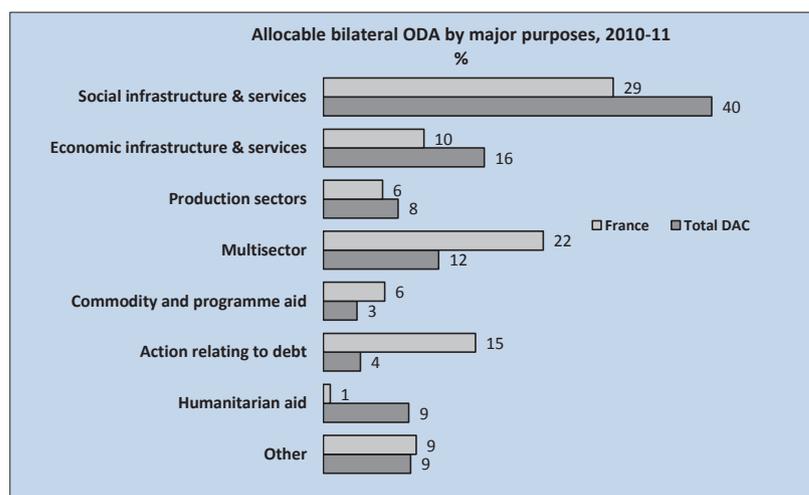
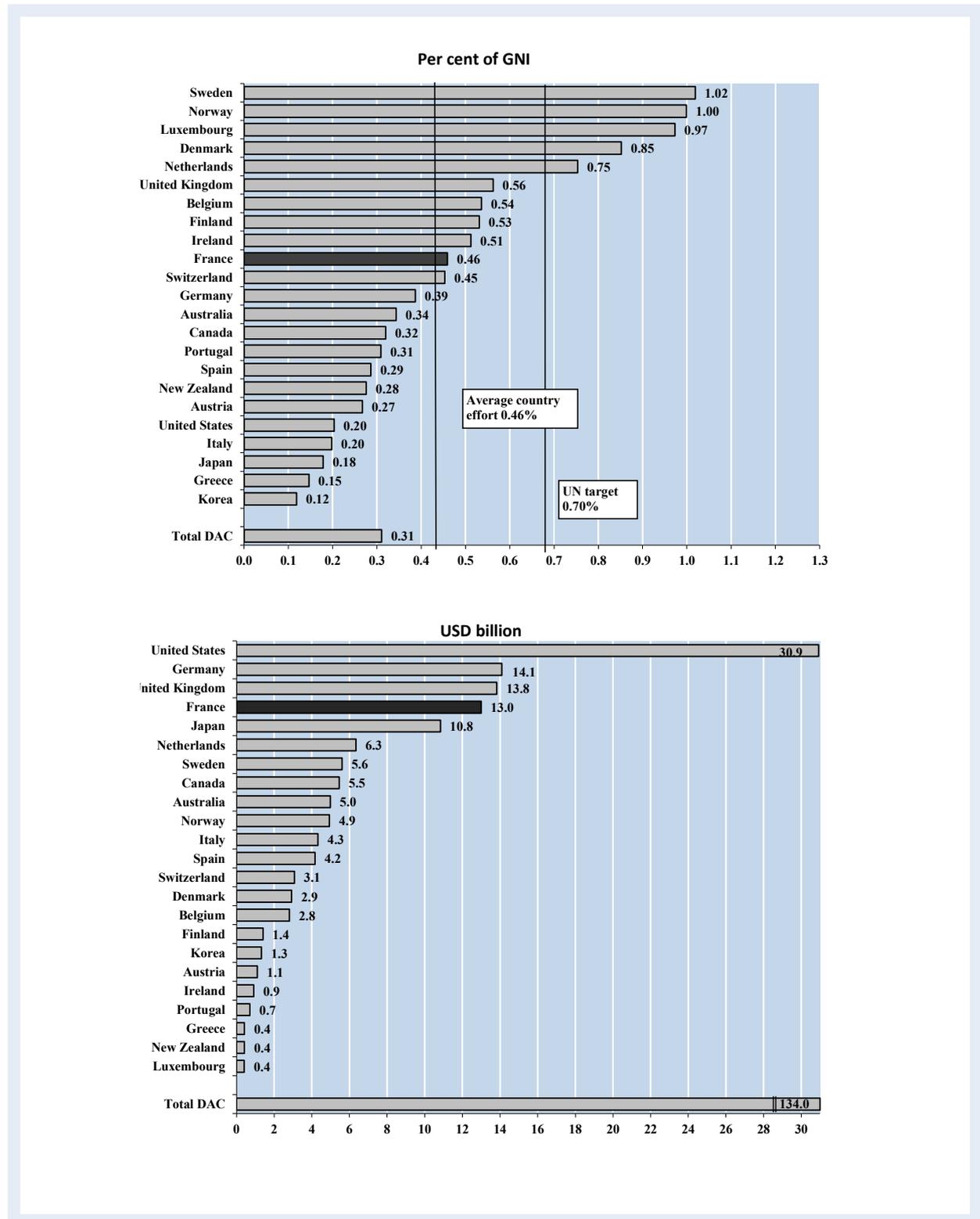


Table B.6 Comparative aid performance

	Official development assistance			Grant element of ODA (commitments) 2011 % (a)	Share of multilateral aid				ODA to LDCs Bilateral and through multilateral agencies 2011	
	2011		2005-06 to 2010-11 Average annual % change in real terms		2011		2011		% of ODA	% of GNI
	USD million	% of GNI			% of ODA (b)	% of GNI (c)	% of ODA (b)	% of GNI (c)		
Australia	4 983	0.34	8.0	99.8	13.5		0.05		27.5	0.09
Austria	1 111	0.27	-8.5	100.0	55.9	27.6	0.15	0.07	29.1	0.08
Belgium	2 807	0.54	4.3	99.9	38.0	19.4	0.20	0.10	39.3	0.21
Canada	5 457	0.32	2.0	100.0	24.7		0.08		34.7	0.11
Denmark	2 931	0.85	1.8	100.0	26.8	17.5	0.23	0.15	36.8	0.31
Finland	1 406	0.53	5.6	100.0	40.3	25.1	0.21	0.13	33.9	0.18
France	12 997	0.46	1.3	86.2	34.6	16.0	0.16	0.07	29.4	0.14
Germany	14 093	0.39	3.0	90.8	38.0	18.8	0.15	0.07	27.6	0.11
Greece	425	0.15	-1.7	100.0	63.8	3.4	0.09	0.01	21.1	0.03
Ireland	914	0.51	0.4	100.0	33.9	17.2	0.17	0.09	53.1	0.27
Italy	4 326	0.20	-6.8	100.0	60.6	16.2	0.12	0.03	39.1	0.08
Japan	10 831	0.18	-6.7	89.2	39.1		0.07		39.2	0.07
Korea	1 328	0.12	15.6	93.9	25.2		0.03		35.8	0.04
Luxembourg	409	0.97	2.8	100.0	31.6	22.8	0.31	0.22	37.9	0.37
Netherlands	6 344	0.75	0.8	100.0	31.6	20.8	0.24	0.16	23.5	0.18
New Zealand	424	0.28	2.2	100.0	22.3		0.06		28.7	0.08
Norway	4 934	1.00	4.0	100.0	24.2		0.24		29.6	0.30
Portugal	708	0.31	8.2	86.5	32.6	7.1	0.10	0.02	50.9	0.16
Spain	4 173	0.29	4.7	99.2	45.3	17.6	0.13	0.05	28.2	0.08
Sweden	5 603	1.02	2.8	100.0	35.0	28.3	0.36	0.29	35.0	0.36
Switzerland	3 076	0.45	2.4	100.0	22.8		0.10		26.0	0.12
United Kingdom	13 832	0.56	3.5	100.0	38.7	25.0	0.22	0.14	38.1	0.21
United States	30 924	0.20	1.5	100.0	12.0		0.02		35.1	0.07
Total DAC	134 038	0.31	1.1	95.9	29.8		0.09		33.3	0.10
Memo: Average country effort		0.46								

Notes:
a. Excluding debt reorganisation.
b. Including EU institutions.
c. Excluding EU institutions.
.. Data not available.

Figure B.1 Net ODA from DAC countries in 2011



Annex C: Field visit to Cameroon and Madagascar

As part of the peer review of France, a team of examiners visited Cameroon in December 2012 and Madagascar in January 2013. The team met French development co-operation professionals, partner country civil servants, other bilateral and multilateral partners and representatives of French and partner country civil society organisations.

The overall development context

A low human development index in both countries

Both Cameroon and Madagascar have an estimated population of 20 million and a poverty alleviation performance that leaves them some way from achieving the Millennium Development Goals. Both of them are at the bottom end of the ranking according to the 2011 human development index, Cameroon coming 150th out of 169 countries and Madagascar 151st. However, the two countries are very different in development terms.

Cameroon: not enough growth to reduce poverty

Cameroon is politically stable, with a president in power since 1982. A lower-middle income country, it reached the completion point of the Heavily Indebted Poor Countries (HIPC) Initiative in April 2006. Growth in Cameroon is steady but structurally insufficient (barely 3% on average over that last five years) to yield any significant increase in income per capita or alleviate poverty. 37% of households are in poor rural areas and 12% in urban areas. Ten years of budget austerity, poorly managed public affairs, unequal distribution of resources and public services (especially healthcare), insufficient infrastructure, endemic corruption and an unfavourable business climate explain why economic growth rates are low and development results less than impressive.

Madagascar: political instability affects the country's development

Madagascar is one of the world's 30 poorest countries, with a history of almost constant political upheaval. Nevertheless, the country reached the HIPC Initiative completion point in April 2004 and its debt to international financial institutions was cancelled in 2006. The most recent political crisis was a *coup d'état* in January 2009. After several months of intense negotiation and mediation led by the Southern African Development Community, a crisis resolution plan and a timetable for elections were adopted in 2012 with the support of external partners. They provide for a presidential election on 24 July 2013, followed by a second round on 23 September.

Four years of crisis have had dramatic consequences for Madagascar's economic and social situation: 77% of the population are in poverty and over 50% in extreme poverty, and this rate is even higher in rural areas, where 85% of poor people live. The number of children not attending school has risen by over half a million and acute infant malnutrition has risen by over 50% in some areas. The crisis has aggravated chronic difficulties linked to shortcomings in governance: growing insecurity, looting of natural resources, little progress in the fight against corruption and opaque management of public resources. Madagascar is also

extremely vulnerable to natural disasters. Paradoxically, however, none of the major macroeconomic indicators shows a significant imbalance despite the crisis, though it is a major obstacle to the return of foreign investment.

**Close links with
France**

France has many links with both countries, in addition to development co-operation, starting with the French language, which plays an important role in government, education and business.

France has a significant presence in Cameroon, both in the 250 subsidiaries of French companies there and the number of small businesses created by Franco-Cameroonians. France supports regional institutions and programmes (Central African Economic and Monetary Community and the Central African Forests Commission) based in Yaoundé. The French Immigration and Integration Office finances initiatives of Cameroonian migrants in France wishing to return to their home country and create a business there.

France is Madagascar's leading economic partner, supplier and customer. Trade with France accounts for around 30% of all Madagascar's trade. Five hundred French-owned companies operate in all sectors of the economy. Madagascar is also the country with the largest French community south of the Sahara, with 25,000 citizens, 60% of them Franco-Malagasy.

Donor co-ordination

ODA is relatively insignificant as a proportion of both countries' income

ODA has relatively little importance in the Cameroonian economy since net aid represented only 2.5% of GNI in 2011. The same applies to Madagascar (4.2% of GNI), which is an aid orphan. Cameroon did not take part in the first evaluation of implementation of the Paris Declaration in 2006 but has participated in all the international forums on the subject and set up an aid co-ordination mechanism. Madagascar signed up to the Paris Declaration in 2005. A partnership framework was then established, bringing together the technical and financial partners (TFP) providing budgetary support to the Malagasy government.¹ The framework became dormant in 2008, when the IMF programme was suspended. Despite the socio-economic situation, efforts are being made to continue dialogue with the authorities (Box C.1).

Box C.1 Aid co-ordination in Cameroon and Madagascar

Cameroon's multi-partner committee (MPC), originally an informal body focusing on monitoring HIPC Initiative funds, has gradually extended its activities to become a consultation and co-ordination framework for implementation of the current strategy document for growth and employment, which replaced the strategy document for poverty alleviation in 2009. The MPC is chaired by TFPs on a rotating basis and has been co-chaired by the General Secretariat of the Ministry of the Economy, Planning and Regional Development since December 2010. It aims to strengthen the coherence of external support, improve communication between TFPs and implement the principles of the Paris Declaration. It has 14 thematic and sectoral sub-groups covering all issues relating to economic, social and human development. France is represented in the majority of sub-groups, generally by the co-operation and cultural action department (SCAC) of the French Embassy, though sometimes by AFD or the Regional Economic Department, with the power to take initiatives in certain areas, including the environment. French co-operation has provided the MPC secretariat for a number of years, a task shared with the Ministry of the Economy since 2013.

Madagascar drew up a poverty alleviation strategy in 2003, replaced in 2007 by an action plan which ended in 2012, but is still used as the reference.² Most of the TFPs have suspended any new commitment on account of the crisis, while maintaining existing humanitarian programmes, implemented via specialist agencies or NGOs. The TFPs have their own co-operation strategies drawn up before the crisis, which they have sought to adapt to the national context.³ A strategic dialogue group has been created, providing a forum where they can discuss aid policy with the prime minister and the main ministries concerned. It is supported by a permanent technical secretariat, attached to the Prime Minister's Office. 13 TFPs have also set up a group on rural issues, chaired by AFD since 2012. The level of partners' involvement varies according to the constraints and the real desire to seek harmonisation. The situation needs to be cleared up and investment needs to return to Madagascar in order to give fresh impetus to a genuine forum for consultation reaching a critical mass of donors determined to apply the principles of aid effectiveness and the Busan Partnership.

Source: French Embassies in Cameroon and Madagascar

French cooperation programmes in Cameroon and Madagascar

A significant and multifaceted presence

France's development co-operation relations with Cameroon and Madagascar are long-standing, substantial in financial terms and varied in the number of instruments used, the projects funded, the sectors covered and the beneficiaries targeted. In 2011, France was the leading partner of both countries in terms of net ODA, devoting USD 202 million to Cameroon and USD 97 million to Madagascar. Cameroon is not one of the 17 priority poor countries, unlike Madagascar, but it received more aid than Madagascar on account of two major debt reduction and development contracts (C2Ds).

France is present in both countries through development aid, its cultural and scientific network (Alliances Françaises, teaching establishments, research institutes), support for internal security and decentralised co-operation, plus military co-operation.

Need to communicate better on strategic guidelines, players and instruments

France does not have an updated comprehensive strategy per se for its co-operation with either Cameroon or Madagascar. The ambassador's action plan sets the guidelines for France's policy in each country but remains confidential.

As partnership framework documents (DCPs) have not been mandatory for non-priority countries since 2009, Cameroon did not renew its 2006-2011 DCP and is preparing for joint programming with the European Union, scheduled in 2013-2014. However, it has limited room for manoeuvre because most of the programme consists of a C2D negotiated separately with the Cameroonian government. A strategic approach that anticipates developments and envisages different scenarios would help to better prepare the next co-operation programme.

The DCP for Madagascar covered the period 2006-2010. It was not renewed on account of the political crisis. Unlike other partners, France has nonetheless maintained dialogue and its co-operation with Malagasy institutions. French co-operation has remained active in the priority sectors and cross-cutting strands of the DCP, though operating methods have been adjusted. France has not issued an interim plan that enables it to communicate the nature of its commitment, the role of the players involved or the operational implications of the crisis. The preparation and conclusion of a new DCP (when a new government is installed after democratic elections) are a priority. France would benefit from communicating a clear and comprehensive vision of its action in Cameroon and Madagascar that could guide all the French players involved and inform the authorities and the public both in France and in the two countries concerned.

Aid is still too fragmented, but it is coherent and adaptable to the context

In both countries, France has aligned its co-operation programme with national strategies and with sectoral poverty alleviation strategies where they exist. AFD makes extensive use of national procedures and systems and of local contracting authorities. In Cameroon, independent monitoring is funded from the C2D: a platform of civil society organisations can thus take part in monitoring the transparency and efficient use of funds.

The C2D between France and the Cameroon government (Chapter 5) constitutes de facto France's development aid strategy, while coexisting with other strategic documents drawn up by other institutions in the French system (especially SCACs and French research institutes). The first C2D (2006-2010), worth EUR 537 million, targeted seven sectors of the poverty alleviation strategy document. The second (2011-2016), worth EUR 327 million, tied to the priorities of the strategy document for growth and employment,⁴ targets only three sectors, though they are extensive: agriculture and rural development, urban development and infrastructure, and vocational training. The agency disburses EUR 60 million a year on average under the C2Ds. In the context of national delivery, AFD's C2D programmes may be combined with actions funded by Embassy departments and with work in partnership with the national authorities and other technical and financial partners (Box C.2). Leverage is sought, especially with the World Bank, the European Union and German co-operation agencies, for infrastructure-related projects in particular.

In Madagascar, French co-operation is highly fragmented but the type of initiatives and operating methods have been adapted to the crisis context (Box C.2). Co-operation focuses on four of the sectors identified in the DCP 2006-2010, namely education and vocational training, rural development, infrastructure and healthcare. In addition to these sectors, priority is given to three cross-cutting areas: governance and the rule of law, higher education and research, cultural diversity and promotion of the French language. AFD is also involved in "non-concentration" sectors, especially the protection of biodiversity and promotion of the private sector.

Box C.2 Examples of the complementarity and adaptability of French co-operation

In the context of supporting the forest and environment sector in Cameroon, French co-operation participates in a broader policy sustained by (i) funding from the first C2D (EUR 20.7 million) allocated to implementation of the Sectoral Forest and Environment Programme; (ii) funding from the French Global Environment Facility and AFD subsidies; and (iii) regional support for the preservation of biodiversity, the provision of satellite images, technical assistance, research and strengthening of the Central Africa Forests Commission. At the same time, SCACs are working with other partners to promote land governance in rural and forest areas and improve quality in the management of public finances.

In Madagascar, half of the C2D resources (EUR 26.6 million for the period 2008-2012) were allocated to support for the environment sector in the form of an injection of capital into the Foundation for Protected Areas and Biodiversity. The other half was allocated from 2009 partly to emergency programmes for vulnerable people (rebuilding of structures destroyed by cyclones, school canteens, purchase of drugs) and partly to longer-term structural actions to support national public policies (Education for All programme, land reform). From a post-crisis standpoint, support is likely to shift towards the gradual construction of instruments for financing national sectoral strategies in the form of quasi-budgetary or even budgetary common funds, if the situation allows.

Active involvement in harmonising co-operation programmes

France is actively involved in co-ordination structures in both countries, at both political and technical level. It does not hesitate to take the lead in certain sectors to which it brings high-quality expertise, much appreciated by its partners. France works effectively with certain multilateral agencies, such as the World Bank, the African Development Bank and UN agencies. Its efforts to harmonise procedures with its main partners (including KfW) make it easier to cofinance large-scale, complex projects, especially in infrastructure and healthcare.

However, the crisis in Madagascar has impeded the harmonisation of technical and financial partners. Although it is difficult for France to concentrate its action in a country regarded as an aid orphan, once the transition is complete it must take care to support the European joint programming process and to identify a limited number of sectors for action as part of the division of labour between partners. It must also ensure that it devotes enough resources to these sectors for its actions to have a real and lasting impact.

Meeting the challenges of governance and gender equality with appropriate means

In Cameroon as in Madagascar, the review team found that the resources made available to SCACs were insufficient for them to provide a substantive and lasting response to the challenges associated with democratic and financial governance. Cuts in FSPs and technical assistance in particular hamper SCACs' capacity for action in this sphere, even though French expertise supports, inter alia and on a one-off basis, public policies, justice, the fight against corruption, business law, public finances, land governance, decentralisation and parliaments. In both countries, the difference between commitment authorisations and FSP payment appropriations impairs the quality of the programme and undermines France's credibility.

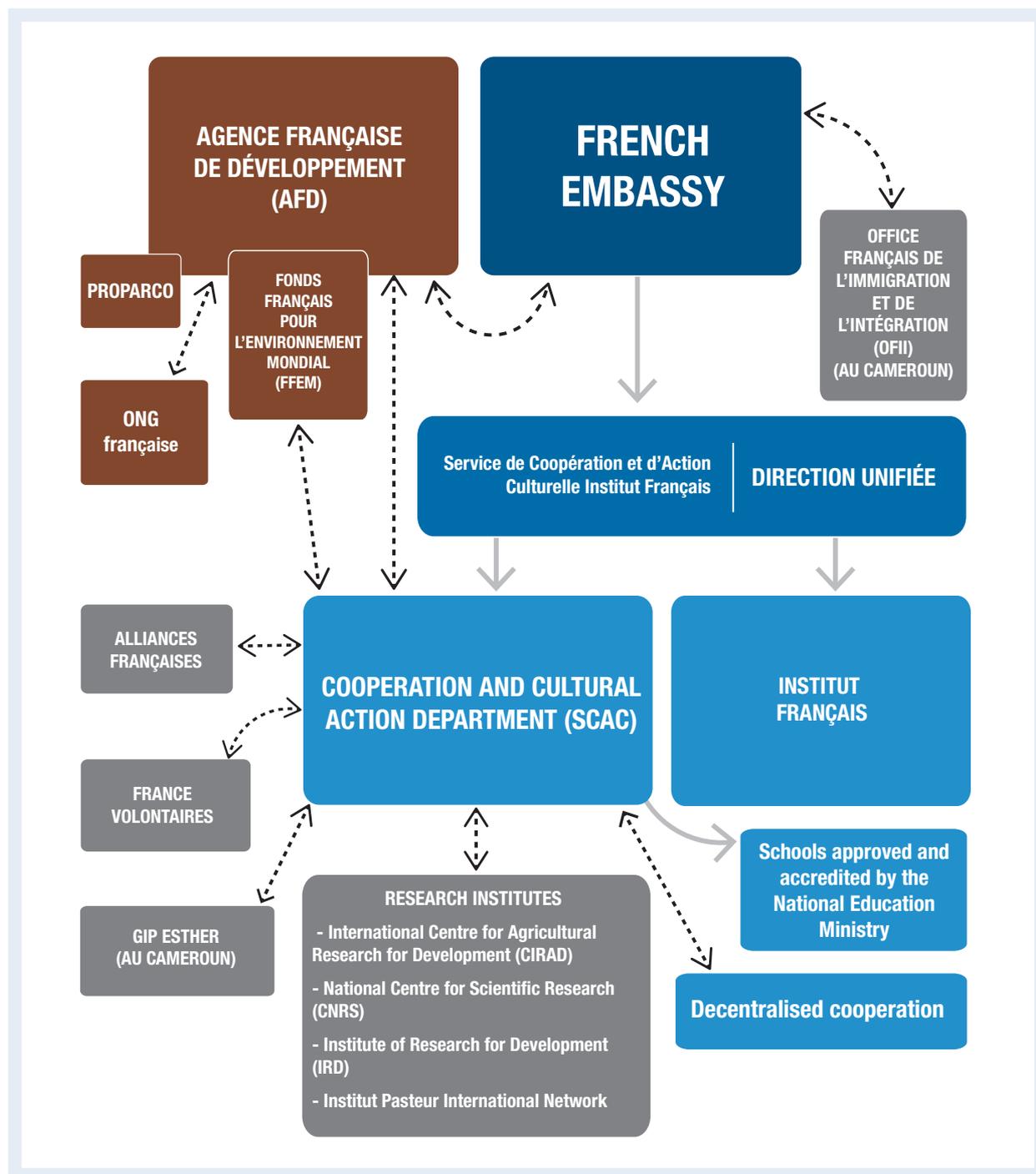
Co-operation strategies (DCPs and AFD country action frameworks) do not incorporate the concept of gender equality. France finances a few projects focusing on women, for example in the spheres of healthcare, justice and combating the violence of which they are victims, but most of the officials encountered had an insufficient grasp of the concept of a gender approach. They have no incentives, no resources and no training adapted to their needs. France needs to call on the necessary expertise to embed the gender approach in its co-operation programmes (Chapter 2).

Organisation and management

A fragmented system that is difficult to manage

The development co-operation system is fragmented between a number of institutions and players which work in different ways and sometimes have very different interests⁵ (Figure C.1). Some ministries other than MAE intervene directly on instructions from their headquarters. The proliferation of actions, players and financing instruments, combined with their geographical dispersal, does not encourage co-ordination of the system or the coherence of the co-operation programme. In this context, the various players involved in French co-operation try pragmatically, under the aegis of the ambassador, to co-ordinate their efforts and build bridges between programmes and actions. In this regard, the reduction in human and administrative resources at the embassies in Cameroon and Madagascar, if continued, could threaten the policy steering and sectoral co-ordination capacity of the ambassador and his staff.

Figure C.1 The French system in partner countries



Source: French Embassy at Yaoundé, Cameroon

A range of instruments

Each player involved in co-operation takes action in its sphere of competence. Since the recent reform of the co-operation system, SCAC co-operation and cultural action counsellors are also directors of the Instituts français. This reform is being implemented at a different pace in Madagascar and Cameroon and is not yet complete (Chapter 4). In both countries, the SCAC monitors the Priority Solidarity Fund, the Social Development Fund, technical expertise, higher education and study-grant programmes. It also monitors multilateral co-operation, global issues, research, governance and support for local civil society.

AFD uses its whole range of instruments: C2Ds, French Global Environment Facility, subsidies, sovereign loans (in Cameroon) and non-sovereign loans, guarantees to encourage banks to grant loans to small businesses, and equity interests, especially in microfinance in Madagascar. AFD also grants subsidies to French NGOs. These amounted to EUR 3.5 million in Cameroon and EUR 24.6 million in Madagascar, representing the largest portfolio in French co-operation for financing the direct and indirect activities of NGOs. However, in the absence of specific staff at AFD, there is no institutional dialogue and local NGOs are insufficiently aware of the possibilities and procedures for accessing French financing.

Complementarity

In certain contexts, AFD resources supplement SCAC resources. In Madagascar, for example, AFD supports higher education in the healthcare sector, which is normally the province of the SCAC/IFM. As part of the “small FFEM initiatives” programme in Cameroon, AFD grants subsidies to local initiatives in addition to those funded by the MAE’s Social Development Fund.

The contribution of research institutes

French research institutes are prominent in Cameroon and Madagascar. Some, like the International Centre for Agricultural Research for Development (CIRAD) in Madagascar, invest in research, teaching, training and project support (Box C.3). These institutes try to reconcile the agenda and the quest for excellence corresponding to the priorities of their oversight ministry (Ministry of Health, Ministry of Higher Education and Research) with the particular concerns of each country. Research activities are prepared and carried out on the basis of a partnership with teams in the country and within the framework of national policy guidelines. The Institut Pasteur has a special status, since it gives priority to establishing national structures in partner countries.

Box C.3 CIRAD's activities in Madagascar

CIRAD in Madagascar engages in research to enhance the country's exceptional biodiversity, manage environmental services and promote an agro-ecological approach to encourage sustainable agriculture, especially on family farms in the highlands. These activities are carried out in partnership with the main research institutions, universities and development players. CIRAD also contributes to various development and public policy observatories, in land and agriculture for example, and works with regional networks on product quality, health security and safety, emerging animal diseases and territorial development in the Indian Ocean.

CIRAD has some 25 permanent researchers in Madagascar, specialising in areas such as agronomics, forestry and geography, making it CIRAD's largest establishment outside France. The researchers are backed up by over 100 missions from mainland France, La Réunion and other CIRAD establishments in southern and eastern Africa. They supervise or co-supervise 30 PhD students and dispense 250 hours of courses a year at Antananarivo University. The multiyear strategic plan comprises six research priorities: ecological intensification; energy biomass; safe and diversified food; animal health and emerging diseases; public policies, poverty and inequality; agriculture, environment, nature and societies. Research is conducted with the ministries concerned, small-farmer organisations, charities, the private sector and major AFD, FFEM, EU and other projects. In addition to supporting researchers, partners and projects, CIRAD's regional directorate based at Antananarivo represents Agreenium, a national consortium for agriculture, food, animal health and the environment, and promotes French research in synergy with the IRD field office for Madagascar, the Comores, the Seychelles and other Indian Ocean island states.

Highly active decentralised co- operation

Within the space of a few years, decentralised co-operation has become a dynamic actor in French development co-operation. There are now 23 partner French local authorities in Madagascar, including 10 regional councils, seven departmental councils, five intercommunal authorities, seven municipalities and one water agency. These authorities fund projects in a variety of spheres, including agriculture, urban planning, crafts, tourism, water and sanitation, healthcare, civil protection, education and culture. Overall, decentralised co-operation partnerships injected EUR 6.7 million in 2012 (compared with EUR 8.36 million in 2010). In Cameroon, there are around thirty ongoing projects involving French and Cameroon local authorities, worth a total of 13.8 billion CFA francs. Decentralised co-operation is regarded in a positive light, as a form of long-term local co-operation, an experiment in decentralisation, a channel for transferring skills and an opportunity for considering co-development. In Madagascar, the team noted the efforts made to ensure that decentralised co-operation is effective, professional and targeted in sectoral terms. At the same time, it requires co-ordination in order to ensure complementarity with other co-operation programmes.

Skilled human resources

French technical expertise is appreciated by the Malagasy and Cameroonian authorities and by France's other technical and financial partners. As the team found in Cameroon and Madagascar, it is important that the pressure on public expenditure should not affect the quality of that expertise or its deployment in the field, and that embassies should maintain the necessary capacities to manage the co-operation programme. The pressure on administrative expenditure is reflected in greater workloads for the staff of French co-operation bodies. Local staff are starting to be employed at managerial level, which is a positive step, though the challenge of managing the career paths of such personnel remains to be taken up. The use of less experienced people such as international volunteers or of local staff for highly responsible tasks, although providing opportunities, needs to be accompanied in order to ensure that the quality of the programme does not suffer.

Notes

1. African Development Bank, World Bank, European Union, France and Germany.
2. The plan was the subject of extensive consultation and is based on eight "commitments": good governance, transformation of education, healthcare and family planning, infrastructure, rural development, the economy and the private sector, the environment and national solidarity.
3. The UN has adopted an interim strategy which sets new goals for social sectors. The African Development Bank extended its strategic partnership document until 2012. The World Bank also has an interim plan.
4. The strategy document identifies low productivity, the energy crisis, the effects of the financial crisis, food insecurity, poverty and high unemployment as the main challenges facing Cameroon over the period 2009-2019.
5. French embassy departments, French research institutes (IRD, CIRAD, Institut Pasteur), Campus France, Alliances françaises, France Volontaires, the GIP Esther inter-hospital network and the French Immigration and Integration Office (in Cameroon) and schools, as well as experts, technical assistants and the many representatives of French local authorities (regions and municipalities).

Annexe D: Organisation charts

Figure D.1 MAE/DGM 1 March 2013

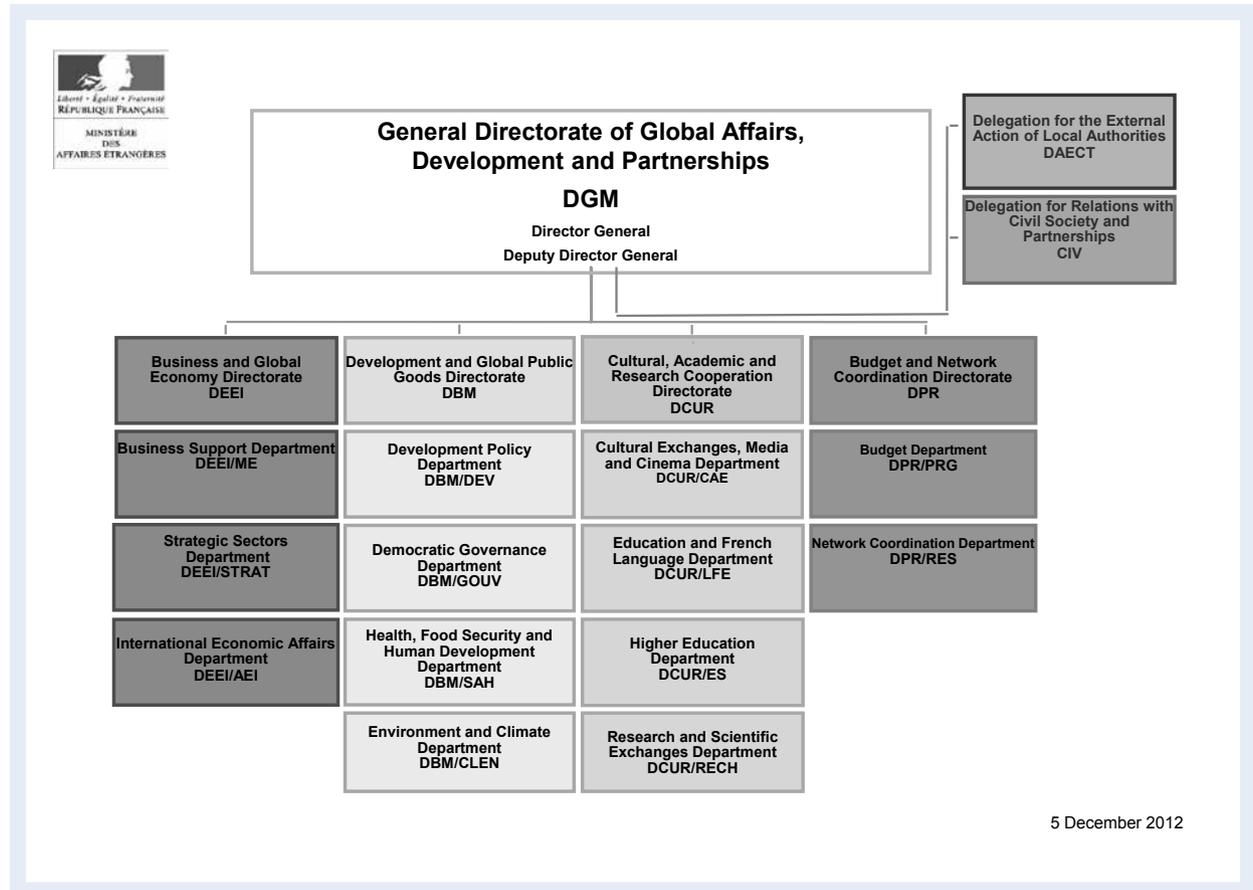
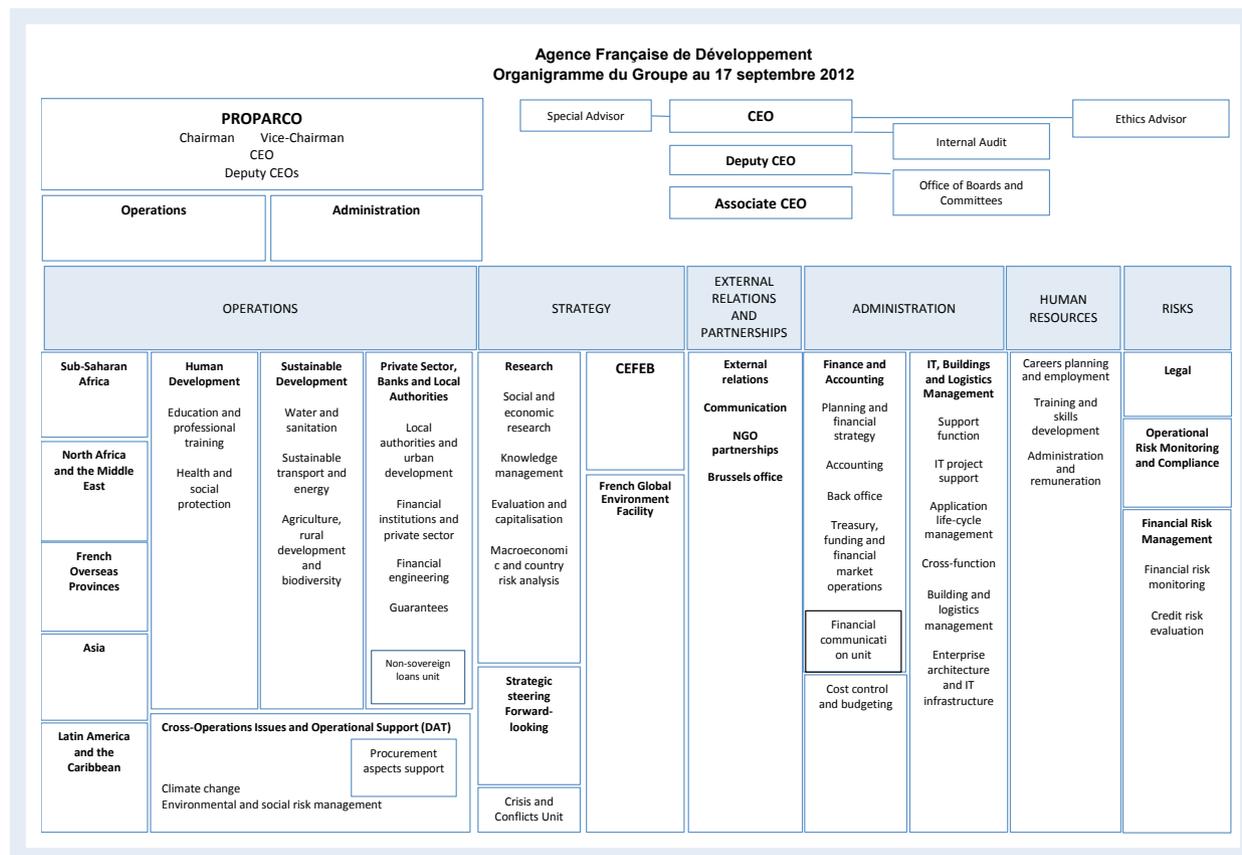


Figure D.2 Agence Française de Développement organisation chart
17th September 2012



OECD Development Co-operation Peer Review

France 2013

The OECD's Development Assistance Committee (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 five years. DAC peer reviews assess the performance of a given member, not just that of its development co-operation agency, and examine both policy and implementation. They take an integrated, system-wide perspective on the development co-operation and humanitarian assistance activities of the member under review.

France's Official Development Assistance (ODA) was USD 12.1 billion in 2012, making it the 4th largest member of the DAC in terms of the volume of aid. However, this represents 0.46% of French Gross National Income (GNI) – below France's international commitment. The review recommends that France plan to reach the 0.7% ODA/GNI ratio as soon as possible.

OECD's review of French aid commends the country's overall strategic vision for development and its engagement at the global level to promote development, including innovative ways of financing. France focuses in particular on health, environment and climate change, mobilises private investments and promotes greater transparency in international financial transactions. The review recommends, however, that France do more to support civil society organisations and gender equality, and to build stronger capacity for developing countries to manage their own futures. France could also do more to monitor the results of its development efforts.

In line with international standards, France's aid is largely untied and most of the projects it funds in developing countries are carried out by local partners. It has improved the coordination between the three bodies largely responsible for development: the ministry of Foreign affairs, the ministry of Economy and Finance and the French Development Agency (AFD). However, as many other actors and numerous budget lines are involved in the aid programme, the Committee recommends that France reduce its transaction costs by rationalising the institutional system. The Committee also recommends that France make a special effort to maintain its technical expertise in the field.

The Committee notes that, since 2008, France has shifted towards providing less grants, and more loans in its ODA portfolio. Loans predominantly support the productive sectors and action to counter climate change in middle income countries. The continuous decrease in the level of grants limits support to social sectors and governance in poor and fragile countries. The Committee recommends that France maintain its ability to help reduce poverty in poor and fragile countries, and also notes that it should ensure an appropriate balance between grants and loans.

The review notes that only 0,9% of French ODA is devoted to humanitarian aid. This is much lower than most other donors and the Committee warns that such a limited budget will prevent France from implementing its new humanitarian aid strategy and compromises France's commitment to global burden sharing.