

What About France?

Responsibilities for development cooperation

France's institutional arrangements for development cooperation are complex, involving a multiplicity of players, objectives, instruments, and procedures. The three principal institutions engaged in development cooperation are the Directorate General for Global Affairs, Development and Partnerships (DGM) at the Ministry of Foreign and European Affairs (MAEE), the Treasury and Economic Policy General Directorate (DGTPE) at the Ministry of the Economy, Finance, and Employment (MINEFE), the Secretariat of State for Cooperation and Francophony and the French Development Agency (AFD).

A recent reform has made the French development agency (AFD) the main actor of French cooperation for the implementation of MDGs, while Ministries focus on the strategic dimensions of aid and.

Field operations are managed by Co-operation and Cultural Action Departments (SCAC) and local AFD offices and are under the direction of the ambassador. Among new players in development cooperation, the Ministry of Immigration, Integration and National Identity has recently received the mandate to work on co-development, despite strong criticism from French NGOs.

The International Committee for International Co-operation and Development (CICID), chaired by the prime minister, has a mandate to coordinate development assistance policy among all players. Its secretariat is jointly held with the recent Directorate-General for Globalization which elaborates strategic definitions of aid policies and is responsible for the budget implementation of French cooperation. The secretariat ensures the political piloting of aid operators such as AFD.

The 2006 Institutional Act on Financial Legislation (LOLF) strengthened Parliament's ability to oversee development cooperation; nevertheless, there continues to lack a Development Committee within the French Parliament, which in other European countries, has proved to be a driving force for parliamentary debates on development and beyond budgetary issues.

A recent parliamentary report suggests ODA rapporteurs of French National Assembly and Senate should be included in the strategic definition of France's multilateral aid. The planned Strategic Council on Official Development Assistance should increase the engagement of civil society organizations in strategic dialogue in development policy.

However, despite periodic reforms, France has yet to establish a framework document for cooperation policy, geographic and sectoral obligations, and strategy; rather, policy is largely shaped by ministerial statements and by a policy document attached to the Budget Act. This leads different institutions, often with overlapping mandates, to pursue different objectives, inhibiting progress on aid effectiveness and policy coherence.

France maintains close political, economic, and cultural ties with many partner countries and is a leader among donor nations in the use of multiple development instruments, including regional approaches, capacity building, support for fragile states, innovative development financing, and protection of global public goods.

The DAC advises that France establish a framework document defining medium-term objectives and strategy for development cooperation policy.

In addition, the DAC recommends that France rationalize its institutional arrangements for development cooperation. A strategic management centre, single budgetary mandate, and principal operator should be established, and a clear mandate assigned to each player. Institutional structures in the field should be better integrated and decision-making should shift to the local level.

Contribution to the Millennium Development Goals (MDG's)

The key aims of French development policy are to foster growth, reduce poverty and give easier access to global public goods, thus helping to achieve the Millennium Development Goals by 2015.

France's contribution to the MDGs can be illustrated by its participation to major initiatives to implement innovative mechanisms to finance development such as:

The leading group on innovative mechanism to finance development, a platform with 59 member countries with differing levels of development, alongside international organisations and NGOs. The Leading Group on Innovative Financing for Development seeks to promote the implementation and definition of innovative financing mechanisms around the world.

UNITAID, an innovative facility to support existing efforts to achieve the MDGs - in particular Goals 4 - Child Health, 5 - Maternal Health, 6 - Combating HIV and other diseases. UNITAID's model is based on long-term funding commitments and the purchase of high volumes of medicines and diagnostics. This helps stimulate increased production, which creates economies of scale that drive prices down. UNITAID is notably funded by an air tax adopted in 2006 and now adopted by 11 countries.

The International Finance Facility for Immunisation, an initiative launched in 2006 gathering countries who have together pledged to contribute US\$ 5.3 billion to IFFIm over 20 years.

France's record on aid

Aid quantity

After strong absolute and relative growth in French ODA between 2000 and 2006, French aid declined markedly between 2006 and 2007 and increased only slightly in 2008.

French ODA represented 0.47% of GNI in 2006, 0.38% in 2007, and 0.39% in 2008.

In 2008, France ranked 13th among DAC nations in terms of net ODA as a percentage of GNI. France's level of giving (0.39%) was below the average country effort of DAC-EU countries (0.42%).

In terms of volume, France gave 10.60 billion USD in ODA in 2006, 9.88 billion in 2007, and 10.96 billion in 2008.

In 2008, France ranked fourth among DAC nations in terms of net volume of ODA. This represents a fall in the rankings since 2007, when France was the third largest donor among DAC nations.

Under the 2002 Monterrey Consensus, France pledged to increase ODA to 0.5% of GNI in 2007 and 0.7% of GNI in 2012. France failed to meet its 2007 target.

Consequently, the French government announced to postpone commitments, pledging to reach 0.51% of GNI in 2010 and 0.7% of GNI in 2015, in line with the undertaking of other EU members. While France has pledged to respect these revised commitments, according to the OECD/DAC 2008 Peer Review of France "the level reached in 2007 showed that even the interim objective of 0.51% of GNI in 2010 will be difficult to achieve."

French ODA grew by 2.9% in real terms between 2007 and 2008, driven by increased contributions to the EC and expanded bilateral lending. French ODA expanded at a lesser rate than its peer DAC-EU countries; taken together, the ODA of the 15 members of the DAC that are also EU members rose by 8.6% during the same period.

Debt relief grants comprised 15.0% of French ODA in 2007 and 8.2% of French ODA in 2008. This 2008 share is less than that of Italy (20%) and Germany (19%), but above that of Spain (5.1%) and Portugal (0%). Excluding debt relief, French ODA rose 11.1% between 2007 and 2008.

With regards to aid quantity, the DAC's main recommendation is that France should develop a "roadmap" detailing its plans for increasing ODA to fulfil its international commitments and the operational measures of support required to do so.

Aid quality

France's share of bilateral aid decreased from 75% in 2006 to 63% in 2007. In 2006-07, 19.2% of this bilateral ODA went to least-developed countries (LDCs), a declining share respect to previous years; 26.1% to other low-income countries, 31.1% to lower middle-income countries, and 11.1% to upper middle-income countries. By region, Sub-Saharan Africa received the greatest percentage of French bilateral ODA (49.3%), followed by the Middle East and North Africa (23.6%). By

country, top recipients of gross bilateral ODA in 2006-07 were Nigeria, Iraq, and Cameroon. In view of the division of labour envisioned by the EU Code of Conduct, France should improve its geographic concentration by limiting its number of partner countries and targeting especially LDCs and fragile states.

France has still some homework to do in terms of sector concentration, where a certain degree of dispersion continues to characterise its aid system. Thus, more attention should be paid to division of labour, particularly coordination among donors.

In order to scale-up the quality of aid, the DAC recommends that France concentrate on a smaller number of partner countries, particularly focusing aid on LDCs and fragile states.

Country programmable aid (CPA) is the proportion of aid that developing countries can allocate according to their needs. In 2007 it represented only 32% of French gross ODA; the remaining 68% of gross ODA was allocated toward humanitarian aid, debt relief, imputed student costs, administrative costs, food aid, in-donor country refugee costs and funding to NGOs. France's share of CPA was higher in 2005 than that of Germany (30%) and Italy (21%) but below that of Spain (35%) and Portugal (65%) and below the combined figure across all OECD countries (46%).

A recent Parliamentary report states that programmable aid should account for 66% of ODA in 2008.

France has committed to improve transparency and predictability of its aid. To achieve this objective, in 2009 it has adopted a 3-year budget. The introduction of its first multi-year budget for 2009-2011 should provide the opportunity to ensure predictability of aid as well as sufficient ODA volumes to meet its forthcoming targets.

In 2007, 92.6% of French aid was untied. On this measure, France's performance is comparable to Germany (93.4%) and better than Spain (89.1%), Italy (59.8%), and Portugal (58%). However, all of these countries should strive to fully untie their aid, as Luxembourg, the Netherlands, and the UK have already done.

France has increased the volume and share of concessional loans within its ODA funds while reducing the average level of concessionality; in 2006, concessional loans accounted for two-thirds of French programmable ODA.

The DAC Peer Review asked that France review the reporting of certain expenditures as ODA, particularly categories of tuition fees and loans that may not meet eligibility criteria for inclusion as ODA. Adhering to these reporting rules will increase the transparency of French aid and allow for cross-country comparisons.

In 2006 and 2008, The OECD/DAC conducted a Survey on Monitoring the Paris Declaration to gauge the progress of donor nations toward improving aid effectiveness. The 2006 survey included a total of 34 respondent partner countries covering 37% of scheduled global aid in 2005; for consistency, the results presented here for 2007 represent data for the same group of respondent countries. The number of respondent partner countries varies by donor; French cooperation was reported for 22 countries. France is compared, below, to

Germany, Italy, Spain, the UK and the Netherlands. The report finds that between 2005 and 2007, France made positive gains on most indicators of aid effectiveness. However, France has yet to attain its targets for 2010 on any measure of aid effectiveness.

The percentage of French aid flows accurately recorded in partner country budgets, a measure of transparency and accountability, increased from 43% in 2005 to 58% in 2007. France's 2007 performance was higher than those of Germany (57%), Italy (35%) and Spain (25%), yet below that of the UK (65%) and the Netherlands (63%). France's performance also remains well below its target of 85% by 2010.

The percentage of French technical assistance coordinated with country programmes increased from 20% in 2005 to 48% in 2007. France's 2007 results were below those of the UK (66%), the Netherlands (60%), Germany (72%) and Italy (72%) but above those of Spain (45%). France neared the 2010 target of 50%.

The percentage of French aid disbursed and recorded on schedule, a measure of the predictability of aid, rose from 30% in 2005 to 43% in 2007. On this measure, France performed below the UK (60%), the Netherlands (57%) and Germany (54%) but above Spain (33%) and Italy (27%). France remained well below its target of 65% by 2010.

The percentage of France's total aid that was programme-based, a measure of the harmonisation of donor procedures, increased from 29% in 2005 to 32% in 2007. France's 2007 performance was below that of the UK (71%), the Netherlands (71%) and Germany (34%), but above those of Italy (26%) and Spain (13%). France remains far below its target of 66% by 2010. However, according to a recent 2009 parliamentary report, 66% of French gross ODA was programme-based in 2008.

The percentage of French missions to partner countries conducted jointly with other donors increased from 10% in 2005 to 31% in 2007. In 2007, France's performance on this measure was below that of the UK (61%), the Netherlands (55%) and Germany (35%) but above those of Spain (23%) and Italy (16%). France remained below its target of 40% by 2010.

The percentage of country analyses that France conducted jointly with other donors increased from 41% in 2005 to 55% in 2007. In 2007, France's performance on this measure was below that of the UK (69%), Germany (78%) and the Netherlands (50%), but above those of Italy (42%) and Spain (42%). France remained far below its target of 66% by 2010.

Policy coherence

Policy coherence is clearly not a political priority in France. The 2008 Peer Review of France notes: "The Minister of State for Co-operation has the mandate to promote policy coherence for development within cabinet. Yet France does not have a general framework that provides a basis for structured interministerial work on matters relating to policy coherence issues. France's understanding of policy coherence, which covers both the coordinated approach to development

assistance and the enhancement of global public goods, is nevertheless limited because it plays down the impact of domestic policies on developing countries."

The current Minister of State for Co-operation, Alain Joyandet, defends the promotion of national and private sector interests in development cooperation. In an August 2008 speech, M. Joyandet urged "a policy of solidarity and defence of our interests" in development cooperation. He further stated: "The aim isn't to put ODA at the service of French industry. It is to look at situations on a case-by-case basis and ensure, wherever it seems possible, we gain the greatest benefit from the presence of our businesses." The 2009 AidWatch report quotes M. Joyandet as stating: "We want to help African people, but we want to be paid back."

Under its 2008 EU Presidency, France secured adoption in the European Council of a Pact on Immigration and Asylum allowing Member States to tie aid funds to actions by the recipient country on migration and repatriations. Moreover, the conclusions adopted by CICID in June 2009 put a conditionality to aid as "countries having concluded a concerted partnership agreement on migration flows may benefit from preferential treatment on ODA matters." Attaching such conditions to development assistance, challenges partner country ownership, aid effectiveness and it is not good practice of policy coherence. Policy coherence is supposed to ensure that 'other' policies are consistent with the objectives of development cooperation – not to compromise them. In this case, coherence requires harnessing Migration policies for development – not using scarce ODA resources to temper migration.

In order to improve policy coherence, the DAC recommends that France improve policy coherence by establishing a permanent, high-level structure with a mandate to promote policy coherence for development. The body should be tasked with analyzing sectoral policies and monitoring and evaluating their impact on cooperation objectives.

France's record on trade

Policy coherence for Development does not refer just to aid policies: coherence of trade policies with development is key to help create livelihoods in poor countries.

As an EU Member State, France implements the Common Agricultural Policy (CAP), providing subsidies and price controls on agricultural commodities. Some subsidies for EU producers lead to overproduction, pushing down world prices, and obliging the EU to 'dump' production abroad in order to keep prices high at home. As a result, poor farmers in developing countries are unable to compete and at the same time find their access to the European market denied.

Over the years, gradual reforms of the CAP, particularly those adopted by EU Member States in June 2003, have slowly decreased support levels and shifted some support toward less-distorting mechanisms by tying direct payments to good agricultural stewardship. Nonetheless, the CAP continues to cover a wide range of products of critical importance to developing countries, such as cotton, dairy products, rice, fruits and vegetables, etc.

France is the greatest beneficiary of the CAP and its single biggest supporter, repeatedly blocking attempts to overhaul the policy. France would like the overall structure of the CAP to remain unchanged beyond 2013 (i.e. review time), including the current EU budget and funding sources. France made some concessions on decreasing direct payments, likely prompted by a desire to preserve these payments past the full review of the CAP in 2013 and to avoid massive outlays to new Member States with large agricultural sectors. However, France remains a strong advocate for "community preference", or agricultural tariffs protecting EU producers. This has also become a sticking point in the Doha round of negotiations at the WTO.

During its 2008 EU Presidency, France presided over an agreement on the CAP Health Check. The compromise called for gradually shifting funds from direct farm payments to rural development and increasing milk quotas. However, in May 2009 France responded to falling milk prices by asking the EU for an early review of the expansion of milk quotas before the scheduled 2010 appraisal.

In June 2009, France joined with Spain and Portugal in an attempt to pre-empt the European Commission from cutting banana import tariffs; France produces bananas in its territories in the Caribbean. French Minister for Agriculture and Fisheries Michel Barnier announced: "We cannot accept any kind of cuts in the tariffs that protect our products and those of poor countries, because behind these tariffs there are jobs."

According to the CGD's Commitment to Development Index 2008, France's trade weaknesses are:

High tariffs on agricultural products (39.7% of the value of imports; rank: 9)

High agricultural subsidies (equivalent to 13.5% tariff; rank: 15)

Public Opinion

According to France's 2008 DAC Peer Review, "The French are strongly in favour of development assistance, as demonstrated by the many mass-membership associations and twinning arrangements with organisations in the South. Yet a portion of the public remains sceptical about the effectiveness of ODA, and insists on more information."

In 2004, France initiated a development education effort and, in 2007, the European Consensus launched a strategic framework for development education and awareness raising. Despite these efforts, the 2008 DAC Peer Review notes: "... France is one of the DAC countries where awareness and understanding of the MDG is weakest."

A 2009 Eurobarometer survey asked EU citizens "Have you ever heard or read about the Millennium Development Goals?" The vast majority of respondents (87%) were uninformed about the Millennium Development Goals, this figure remained relatively stable since the 2007 survey (88%).

Despite a lack of information about the MDGs, a July-August 2008 poll by WorldPublicOpinion.org reveals strong support

among the French for fighting poverty abroad. When asked: "Do you think the developed countries do or do not have a moral responsibility to work to reduce hunger and severe poverty in poor countries?," 79% of French surveyed responded in the affirmative. In the same poll, respondents were informed about MDG1 on poverty reduction and asked if they would be willing to pay their share (estimated at 29 Euros per year): 86% responded favourably.

Commitment to Development Index

The Centre for Global Development (CGD) ranks 22 of the world's richest countries based on their dedication to policies that benefit poor nations. CGD's "Commitment to Development Index" (CDI) looks at seven policy areas important to developing countries: aid, trade, investment, migration, environment, security and technology.

CGD's 2009 Commitment to Development Index ranks France 12th among twenty-two OECD countries. This score represents a rise in the rankings since 2006, when France was ranked 18th among 21 nations.

France's overall score is kept down by low marks with respect to aid, migration and security. France allows only a small number of immigrants to enter from poor countries and is "one of the world's largest exporters of arms to undemocratic governments."

On the positive side, France receives high marks for its support to research and development.

The next OECD/DAC peer review will most likely take place in 2013.

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Principal sources: OECD (2008): France (2008) DAC Peer Review; OECD (2008): 2008 Survey on Monitoring the Paris Declaration; 2008 Survey of Aid Allocation Policies and Indicative Forward Spending Plans; Centre for Global Development (2008): Commitment to Development Index Country Report: France; AidWatch 2009; Eurobarometer (2007): Europeans and Development Aid Report; OECD (2008): Development aid at its highest level in 2008; WorldPublicOpinion.org (2008): World Opinion on Addressing Hunger and Poverty; Financial Times (2008): "Barnier's Barriers"; EUBusiness (2009): "Spain, France and Portugal uneasy over any EU banana deal"; "L'aide publique au développement française : analyse des contributions multilatérales, réflexions et propositions pour une plus grande efficacité", MP Henriette Martinez Report, July 2009.