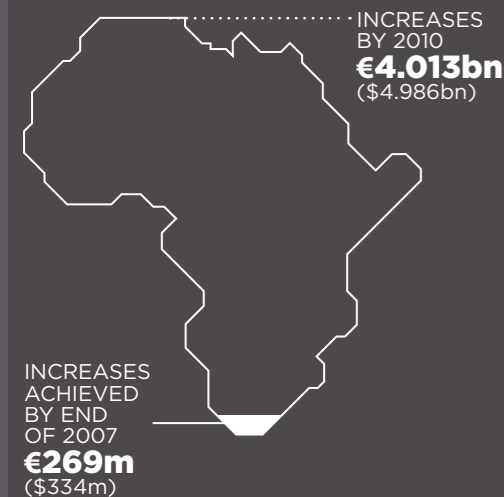


FRANCE



6.7% OF THE COMMITMENT HAS BEEN DELIVERED

FRANCE'S PROMISED INCREASE



WHAT WAS THE DEVELOPMENT ASSISTANCE COMMITMENT IN 2005?

France has announced a timetable to reach 0.5% of GNI in 2007, of which two thirds will be for Africa – representing at least a doubling of ODA since 2000 – and 0.7% ODA/GNI in 2012. France committed to the EU agreed target of 0.51% ODA/GNI by 2010, with half the increase going to sub-Saharan Africa.¹

France subsequently clarified its sub-Saharan Africa target, announcing that 66% of bilateral and 50% of multilateral ODA would be allocated to sub-Saharan Africa. In early 2008, President Sarkozy moved the target date for reaching ODA levels of 0.7% of GNI from 2012 to 2015.

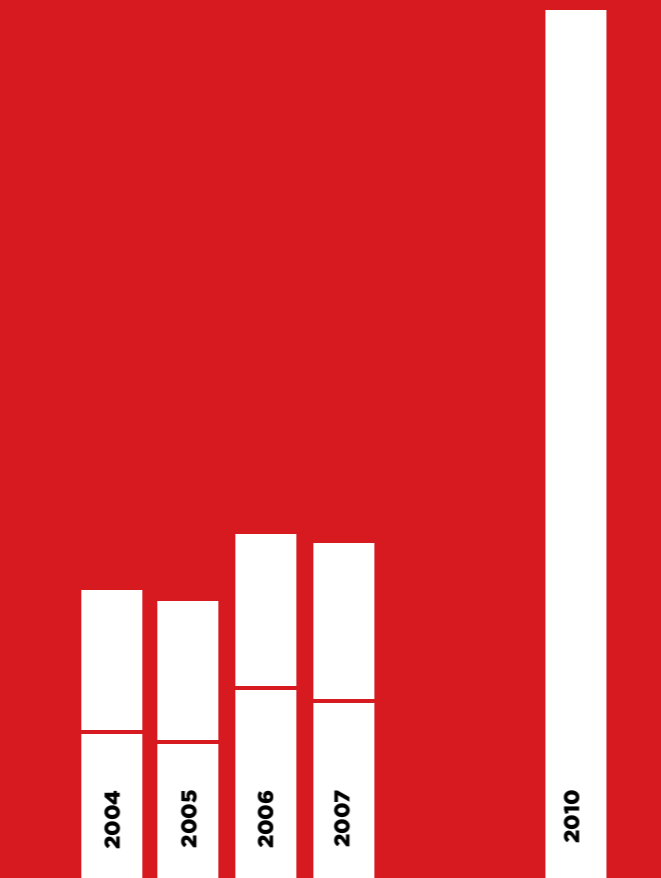
STATEMENT FROM FRANCE ON COMMITMENT

¹I want France to contribute more actively to the fight against poverty in Africa. France will do so by continuing to support efforts to achieve the Millennium Development Goals. It will maintain its financial commitments in this field.²

PRESIDENT NICOLAS SARKOZY
SPEECH TO THE PARLIAMENT OF SOUTH AFRICA,
28 FEBRUARY 2008

OVERALL ASSESSMENT

France is currently off track on its commitment to increase ODA, despite moving its global goal of 0.7% ODA/GNI back from 2012 to 2015. France committed to spend the majority of increased ODA in sub-Saharan Africa, but even as global ODA increased slightly in 2007, its assistance to the region decreased. France is a clear leader in its support for the Global Fund and the use of innovative finance, but along with other members of the EU has failed to deliver pro-development trade reform. Even though it hosted the conference that gave birth to the Paris Declaration on aid effectiveness, it is not a leader in this area.



HOW DOES DATA INTERPRET FRANCE'S COMMITMENT AND CALCULATE THE TARGET?

France did not meet its commitment to reach 0.5% of GNI in 2007 or its commitment to the associated increases directed to Africa. DATA now holds France accountable to its clarified commitment of 0.7% of GNI in 2015 with an interim target of 0.51% by 2010. DATA uses OECD projections of GNI to estimate what the value of 0.51% of GNI will be in 2010. To calculate the target for sub-Saharan Africa, DATA assumes that 35% of ODA will be multilateral and that 65% will be bilateral. Within those shares, 50% of multilateral and 66% of bilateral ODA respectively are to be targeted toward sub-Saharan Africa. Such estimates reveal a target for French ODA to sub-Saharan Africa of €6.06 billion (\$7.529 billion) in 2010.

France has not set interim annual targets to achieve this goal. In lieu of such targets, DATA tracks progress against a projected straight-line trajectory between the most recent year for which data are available and the 2010 target. To measure progress toward this commitment, The DATA Report tracks ODA to sub-Saharan Africa net of bilateral debt relief.² Debt relief is immensely important to development, but bilateral debt relief as recorded by the DAC misrepresents the true value to the recipient, as well as the true cost to the donor. Though donors did not explicitly make commitments in real terms, the data in this report are recorded in 2004 prices to ensure that the full value of the commitment made in 2005 is delivered by 2010.

As noted earlier, France's commitment to 0.51% by 2010 and 0.7% by 2015 reflects a recent change in position by the French government, which had originally committed to reaching 0.7% by 2012.³ If France were to follow DATA's trajectory to meet its targets, postponing the target for reaching 0.7% by three years will mean that sub-Saharan Africa will receive €1.6 billion (\$1.98 billion) less cumulatively in the period 2004–10 than France originally promised.

IS FRANCE ON TRACK TO MEET ITS OWN COMMITMENTS ON DEVELOPMENT ASSISTANCE TO SUB-SAHARAN AFRICA?

2010 TARGET €6.06bn (\$7.529bn)

2007 ODA €2.316bn (\$2.877bn)

CHANGE 2006–07 -€53m (-\$66m)

CHANGE 2004–07 €269m (\$334m)

% OF INCREASE ACHIEVED 6.7%

In 2007, French ODA to sub-Saharan Africa declined by €53 million (\$66 million) from 2006 levels. France's multilateral allocation to sub-Saharan Africa dropped by €13 million and its bilateral assistance to the region, net of bilateral debt relief, declined by €40 million. In order to be on a straight-line trajectory to its target, France should have increased its ODA to the region by €1.128 billion (\$1.402 billion) in 2007. In total, France's ODA to sub-Saharan Africa went up by €269 million (\$334 million) over the period 2004–07.

These trends in French development assistance to sub-Saharan Africa are occurring in the context of overall fluctuations in French global ODA. At a time when ODA levels need to increase significantly to reach 0.7% by 2015, global ODA net of bilateral debt relief increased by €475 million (\$590 million) between 2006 and 2007, even though assistance to sub-Saharan Africa fell over the same period.

FIGURE 1

WHAT HAVE ODA FLOWS BEEN SINCE 2004?

IN \$ MILLIONS, 2004 PRICES (IN EUROS, 2004 PRICES)	2004	2005	2006	2007
TOTAL GLOBAL ODA	8473 (6820)	9893 (7963)	10176 (8191)	8560 (6890)
BILATERAL DEBT RELIEF (Global)	1825 (1469)	3445 (2773)	3501 (2818)	1296 (1043)
TOTAL GLOBAL ODA (net of bilateral debt relief)	6647 (5351)	6448 (5190)	6675 (5372)	7264 (5847)
TOTAL SSA ODA	4176 (3361)	5027 (4047)	5443 (4381)	3362 (2706)
BILATERAL DEBT RELIEF (SSA)	1622 (1305)	2604 (2096)	2500 (2012)	485 (391)
MULTILATERAL ODA TO SSA	1197 (963)	1173 (944)	1340 (1079)	1323 (1065)
BILATERAL ODA TO SSA (net of bilateral debt relief)	1357 (1093)	1251 (1007)	1603 (1290)	1553 (1250)
TOTAL SSA ODA (net of bilateral debt relief)	2554 (2056)	2424 (1951)	2943 (2369)	2877 (2316)

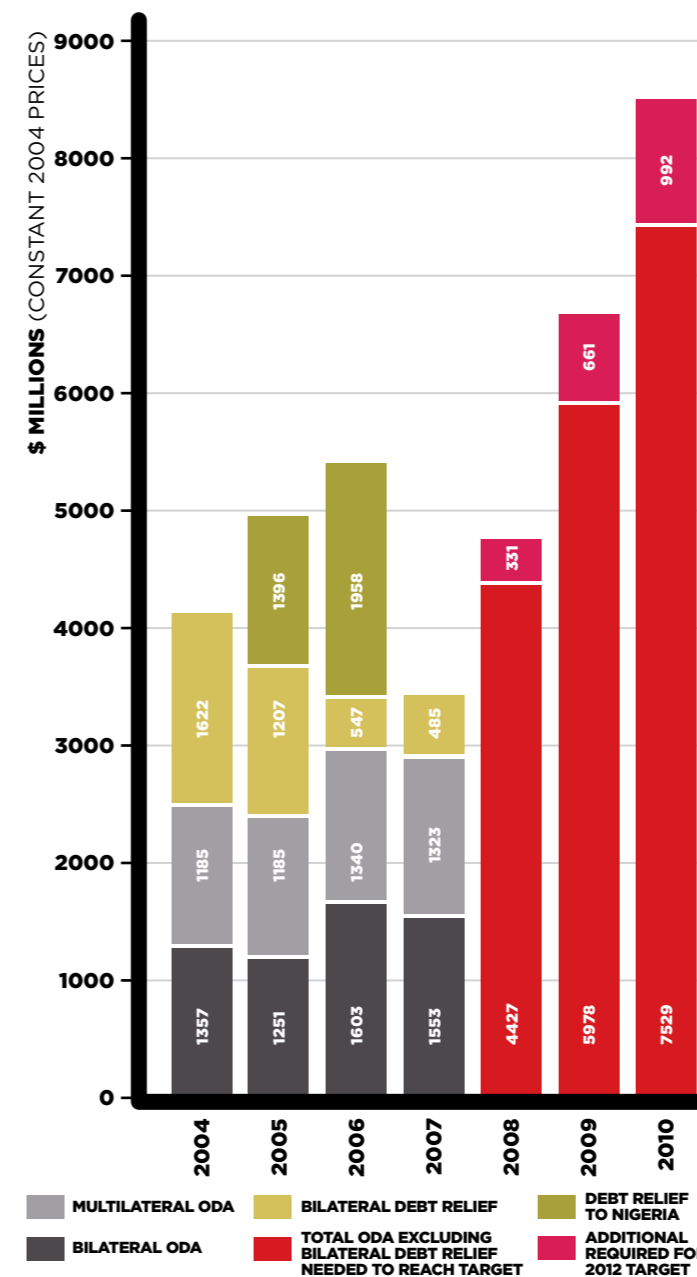
WHAT PROGRESS DOES FRANCE NEED TO MAKE ON AID TARGETS TO AFRICA?

All figures in this section are provided in Euros in 2007 prices and US dollars in 2004 prices, for the purposes of comparing these figures with both the current French budget and with the DAC figures given elsewhere in The DATA Report that are in 2004 prices.

In order to be on a linear trajectory to reach its target of €7.227 billion (\$7.529 billion in 2004 prices) of ODA to sub-Saharan Africa in 2010, France would need to increase its ODA by €1.315 billion (\$1.551 billion in 2004 prices) in 2008 to reach a total of €4.036 billion (\$4.427 billion in 2004 prices), net of bilateral debt relief.⁴ This increase would represent an increase of 54% over 2007.⁵

FIGURE 2

FRANCE'S ODA TO SUB-SAHARAN AFRICA AND TRAJECTORY TO 2010 TARGET



ESTIMATED INCREASE 2007-08
€256m (\$301m IN 2004 PRICES)

INCREASE NEEDED 2007-08
€1.315bn (\$1.551bn IN 2004 PRICES)

Based on preliminary budget estimates, France's total ODA is projected to be approximately €6.752 billion (\$7.960 billion in 2004 prices) in 2008. Although specific budget allocations to sub-Saharan Africa are not available, based on the share of global ODA allocated to sub-Saharan Africa in previous years, DATA estimates that 39.9%, or €2.696 billion (\$3.178 billion in 2004 prices) will be allocated to sub-Saharan Africa in 2008. This is an increase of €256 million (\$301 million 2004 prices) from 2007 levels, but is less than the required increase of €1.315 billion (\$1.551 billion) to be on track. Looking ahead, the multi-annual budget planning law sets out budgetary ceilings for 2009, 2010 and 2011 and will show whether France will be on track to meet the 2010 target of €7.227 billion (\$7.529 billion in 2004 prices). The 2009 budget will be sent to Parliament in the summer, just as France takes on the chair of the EU Presidency from 1 July 2008.

The figures in the chart on the left are in constant 2004 prices. The equivalent targets for 2008, 2009 and 2010 in 2007 prices are \$5.525 billion, \$7.709 billion and \$9.894 billion respectively. The portion of the chart labelled 'Additional required for 2012 target' is the ODA to sub-Saharan Africa that will be lost on a linear trajectory as a result of France's revision of the target date from 2012 to 2015.

IS FRANCE DOING ITS PART TO MEET THE G8'S SECTORAL COMMITMENTS?

France is a leading supporter of the Global Fund for AIDS, Tuberculosis and Malaria and the use of innovative finance. It has significantly increased the use of general budget support within its bilateral ODA portfolio. From 2006 to 2007, the proportion of funding dedicated to general budget support to finance developing countries' own service provision increased from 3.3% to 12.43%. However, along with other members of the EU, France's position on trade has been well off track of the G8 commitments.

Figure 3 details the performance and efforts of France in relation to each of the 2005 sectoral commitments that DATA monitors on debt, trade, health, education, water and sanitation, governance and security and innovative finance. This section also discusses key recent changes and relevant developments in France's ODA as it pertains to these sectors. OECD DAC numbers used in this section are from 2006 data on commitments, the most recent figures available.

TRACKING THE COMMITMENTS

FIGURE 3

ON TRACK DEBT

- As of 30 September 2007, France made unqualified pledges of \$45.7 million for 2007–08 to compensate IDA for the Multilateral Debt Relief Initiative (MDRI). In addition, it made unqualified pledges of \$471.5 million for 2009–2016 and qualified pledges of \$1.95 billion for 2017–2044.
- France had pledged \$1.976 billion to IDA15. Beyond the technical compensation for the MDRI, this general contribution to IDA shows the political will to ensure that IDA, which is the biggest contributor to the MDRI, is properly compensated.
- France has cancelled 100% of bilateral debts owed by HIPC countries, with one important exception: it has not cancelled its post-cut-off-date commercial claims and therefore has not committed as much as other G8 countries.

ON/OFF TRACK CANNOT BE ASSESSED, BUT PROGRESS IS MONITORED IN THE FOLLOWING SECTORS

HEALTH

- Total French health sector spending in sub-Saharan Africa in 2006 was \$431.1 million, a 48.5% increase over 2005.
- France is the second largest donor by volume to the Global Fund. It pledged \$423.9 million to the Global Fund in 2007, but still has \$137 million in outstanding pledges for the year. France has pledged \$453.8 million in 2008 as part of a three-year commitment of \$1.274 billion over the period 2008–10.
- France has contributed \$164.9 million to GAVI and allocates approximately 54.7% of its health sector spending to health systems development, well above the G7 average of 18.7%.

GOVERNANCE AND SECURITY

- France has both signed and ratified the UN Convention Against Corruption (UNCAC).
- France has contributed \$500,000 to the Extractive Industries Transparency Initiative (EITI), which is slightly less than its proportionate share of \$700,000.

- France supports the participation of Africans in peacekeeping operations through the RECAMP programme (Reinforcement of African Peacekeeping Capacities). In the context of the European Union, France contributes up to 24.3% of funding for the European Union Peace Facility, which makes it possible to finance African peacekeeping operations with funds from the European Development Fund.
- France pledged €10 million in June 2007 to the UN-African Union Mission to Darfur.
- France's pledge of \$2.9 million to the UN Peacebuilding Commission has yet to be paid; an annual proportionate share would be significantly higher, at \$11.6 million.
- France made a \$1.3 million contribution to the UN Central Emergency Reserve Fund (CERF) in 2006 and 2007, and has made a \$1.5 million pledge for 2008.

INNOVATIVE FINANCING

- In September 2006, France launched UNITAID with Chile, Brazil, Norway and the United Kingdom. The scheme raises money through a voluntary tax on airline tickets, although not all member countries use air ticket taxation to fulfil their commitment to it. UNITAID now has 35 member countries, but France remains the largest contributor and will give €160 million (\$236.2 million) in 2008.
- France has committed €372.8 million over 15 years to IFFIm, the financing mechanism that supports the efforts of the GAVI Alliance.

SLIGHTLY OFF TRACK WATER AND SANITATION

- France remains slightly off track on its commitment to water and sanitation as defined by The DATA Report. In 2006, it spent \$276.1 million on the sector in sub-Saharan Africa, accounting for 4.65% of its total ODA to the region (a significant increase over the 2.25% dedicated in 2005).
- According to the methodology used in The DATA Report, France should have directed \$332.3 million towards water and sanitation, which would have been 5.5% of its ODA. However, of all the G8 countries, France prioritised sub-Saharan Africa the most in its global allocation of ODA to the water sector, in 2006 dedicating 52% of its water and sanitation development assistance to the region.

OFF TRACK EDUCATION

- France provided \$84 million for primary education to Africa in 2006. In order to provide its proportionate share of the total needed to fund universal primary education in 2008, France would need to increase its assistance by \$112 million to a total of \$196 million.
- France has increased the priority given to primary education in its development budget, but it still spends a large share of its overall education budget on higher education and imputed student costs.
- France made a potentially bold commitment in March, when it announced a partnership with the UK to get 16 million children into school in Africa by 2010. France will support eight million of these children. France and the UK also intend to place a renewed emphasis on the quality of education and on the monitoring and measurement of learning outcomes. Both countries will support recruitment and training for the additional teachers needed to reach universal primary education by 2015.

TRADE

- France is represented in the Doha Development Agenda and Economic Partnership Agreement negotiations by the European Union. The EU is a key player in the Doha negotiations and continues to be engaged in trying to reach a deal. Sensitivities in the agricultural sector, combined with market opening interests in the manufactured goods and services sectors, continue to impede progress.

- The EU is the largest subsidiser of its agricultural sector: in 2006, the OECD estimated that the EU spent approximately \$63 billion on agricultural subsidies.⁶ France is a net beneficiary of the Common Agricultural Policy of approximately €1.9 billion (\$2.4 billion) per year and has historically not been in favour of reform to the CAP.⁷
- Towards the end of 2007, the EU initialled interim Economic Partnership Agreements (EPAs) with 18 African countries, as the original programme that provided special market access expired at the end of 2007.⁸ These deals provide duty-free access to the EU market and improved rules of origin in some export sectors, in exchange for African countries opening their markets to EU products over time. The EU would like to make EPA deals with Africa more comprehensive but many African countries, as well as the African Union and African civil society, have voiced concerns over this broader approach. Negotiations on what will be contained in 'full EPAs' are supposed to conclude by the end of 2008.
- Least developed countries (LDCs) can also gain duty-free/quota-free access to the EU market through the Everything but Arms (EBA) programme, which provides nearly 100% access. However, this programme does not cover all African countries and has been criticised for maintaining complicated rules of origin that make it difficult for poor countries to utilise.
- In 2005, at the WTO Ministerial meeting in Hong Kong, the EU pledged to increase aid for trade to all developing countries by €2 billion (\$2.5 billion) per year by 2010. According to OECD figures, France's aid for trade contributions to Africa nearly doubled from 2005 to 2006, from \$299 million to \$568 million.⁹

EFFECTIVENESS AND QUALITY OF FRANCE'S DEVELOPMENT ASSISTANCE

France is tied with Japan for fourth out of the G7 countries in aid effectiveness when ranked on a series of ten indicators across the four measures explained below. French scores are average across most areas, and it has a particular need to improve upon the predictability of aid.

The Declaration agreed at the Paris High Level Forum on Aid Effectiveness in 2005 set out a growing consensus on what is necessary for ODA to be most effective. At Gleneagles, the G8 referenced the Declaration in agreeing to 'implement and be monitored on all commitments we made in the Paris Declaration on aid effectiveness'. DATA has chosen four indicators of aid effectiveness to measure country performance: predictability (as measured by the extent to which planned ODA is delivered), transparency and reporting (as measured by the extent to which ODA is reflected in recipient budgets), the use of national systems (as measured by the extent to which ODA uses recipient systems) and the extent to which aid is untied and open to local competitive bidding. These four indicators were selected by DATA because of their importance and because of the availability of data.

On DATA's selected indicators of aid effectiveness, France scores well on the proportion of total aid shown in the recipients' national budget, but ranks next to last place among the G7 for the proportion of its aid to the government sector that is recorded in the national budget. France neither scores well on untying aid nor on competitive tendering of goods and services at a country level. It ties for last place with Italy and the US in the DAC assessment of predictability, and also scores poorly in making and fulfilling multi-year commitments. Furthermore, it comes next to last in the use of local public financial management systems, and its procurement delays are longer than all but two other G7 members.

LOOKING AHEAD

President Sarkozy was elected in May 2007 on a platform of change. On a trip to South Africa in February 2008, he announced that France would double its 'financial commitments' to sub-Saharan Africa to a total of €10 billion over the following five years. In March 2008, President Sarkozy also announced that France would put eight million children into school in Africa by 2010. While both of these announcements are welcome, clarity is needed. On the doubling of financial commitments, it remains unclear how much of this money will be ODA, as opposed to loans and private sector guarantees. The latter are important, but do not count towards France's commitment. Similarly, the commitment on putting children into school needs to be backed by clear, costed and time-bound action plans.

France will take over the EU Presidency from 1 July 2008, which means that it will be leading the European Union at a number of critical moments, including the Japanese G8 Summit, the Accra Higher Level Forum on Aid Effectiveness, the UN MDGs Emergency Summit in New York and the Financing for Development Conference in Doha. France will hold a conference on 3 July 2008, at the beginning of its EU Presidency, entitled 'Who Will Feed the World?', to look at approaches to the current food crisis. This should focus on long-term agricultural productivity in regions such as Africa and not form an excuse merely to continue with the Common Agricultural Policy as it is. France's Presidency will also cover the period when potential reforms to the CAP will be considered, presenting a chance to eliminate the subsidies, tariffs and practices that undermine African development prospects. The kind of leadership that Europeans need from France is the declaration of clear and accountable annual timetables for the delivery of these promises. There are many chances for France's government to deliver on the new targets it has set itself, and for President Sarkozy to take the lead in Europe in the coming year.