

## Chapter VI

# France's development assistance

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### 6.1. Conditions of the France's development aid

From the perspective of sixty years of functioning of the development aid system, it is worth reflecting on its global perspective (its mechanism and evolution) and conducting case studies (on providing the aid). The fundamental contribution to research on development aid is the assessment of its impact on recipients (Papanek, 1972; Radelet et al., 2004; Duflo et al., 2009). In addition to the issue of aid effectiveness, research on the motivation of donors and the quality of development aid they provide is also an interesting topic in the development economics discourse (Boone, 1996; Easterly, 2009). In this context it is interesting to look at development aid donors and the mechanisms governing distribution of funds representing an average of 9% of GNP in low-income countries (WDI, 2021). In this chapter the case of France, i.e. one of the biggest donors of development aid since its constitution as part of the decolonization process, is being analyzed.

France can be classified as the country with the so-called traditional model of providing aid (see Andrzejczak, 2014). It is characterized by many years of experience and relatively high volume of development aid. As a general rule, it has strong political, economic and cultural ties with the recipient countries. For many years French aid was tied (as regulated

by economic agreements), and then conditional, i.e. it required the beneficiaries to conduct reforms towards democratization and a free market (nowadays, at least formally, these solutions are being abandoned). The tied aid constitutes about 2% of all bilateral aid (OECD, 2021). France is considered to be one of the donors that treat recipients paternalistically, imposing its own institutional patterns upon them. Historical problems of the French system include the phenomenon of acculturation and diffusion of culture, through which the French dominated societies of the colonies, for example by imposing the French language. In turn, the domination in the field of infrastructure investments for many years promoted and strengthened the position of French entrepreneurs, e.g. providers of telecommunications services, infrastructure construction, and power industry.

Among the basic determinants of France's development policy are historical, political, economic and social factors specific to it, which will be developed in further sections of the chapter. Nevertheless, at the outset it is also worth mentioning the meta factors, important from the point of view of the entire development aid system, which affect all aid donors, including France. The first one is the criticism of development assistance resulting from both scientific research and, to some extent, public opinion assessment, especially in recipient countries. The second one is the subjective change in the development aid system, which forced the evolution of individual participants and the system itself.

Many studies question positive motivation of the donors as the real reason for providing aid. In a famous publication, Easterly (2009) contrasted the dominant 'transformational' approach (the West comprehensively saves low-income countries) to the occasional changes in the 'marginal' approach (the West takes one small step at a time to help individual communities), criticizing both. Doucouliagos and Paldam (2013) argue that economic growth influences donor's decisions rather than providing aid influences economic growth<sup>1</sup>. Dysfunctions on the

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<sup>1</sup> The role and effectiveness of development aid were questioned as a result of the economic consequences of the oil crisis of the 1970s, against the backdrop of the failure of the structural adjustment policy of the African continent in the 1980s, civil wars and

donors' side are even considered to be the root cause of ineffectiveness of the development cooperation system (Siplice, 2014)<sup>2</sup>.

The researchers' critical approach can be considered as an assistance factor in a very real sense in the case of France which made the 2019 Nobel Prize laureate E. Duflo (representing marginalized researchers) chairwoman of the Development Innovation Fund mentioned in chapter 3.4. (FID, Fonds d'innovation pour le développement). Influence of the public opinion affects France inasmuch as – as will be further argued – France, beginning with the presidency of F. Mitterrand, started to change, in the political sphere, the rhetoric of actions in the field of development aid and made an attempt to renew its own image. To a large extent, the successive presidents of the Republic: J. Chirac, N. Sarkozy and F. Hollande declared a new approach of France aimed at cutting it off from the colonial past. President E. Macron, visiting Côte d'Ivoire in 2019, described it as “the Republic's mistake” and announced the end of the CFA franc zone (which has not yet happened). These declarations did not prevent France from importing tax-free uranium from Niger until 2014.

The second important meta-factor of contemporary French development assistance are the changes in the development cooperation system that took place after the year 2000 (see Kragelund, 2008; Eyben, 2012). The crisis of the 1990s in developing countries, especially in sub-Saharan Africa, made it necessary to renew the idea of aid, starting with the Millennium Declaration. The importance of aid from middle-income countries such as China, India, and Brazil has increased (Kim et al., 2011)<sup>3</sup>.

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attack, often involving political aid donors, that were tormenting many countries with particular force in the 1990s, as a result of growing debt, the number of citizens living below the poverty line, as well as a general low level of economic development, lack of public institutions and corruption related to aid (Deszczyński, 2011a).

<sup>2</sup> Development aid as a concept has its justification in the success of the post-war Marshall Plan in Europe. However, the Marshall Plan – although considered a success – was used not only to implement the plan for the reconstruction of post-war Europe, but also to build an anti-Soviet party on the continent. The use of the same concept in African countries was in fact a natural sequence of things after decolonization and was also one of the elements of the bipolar relations of world powers (Williams, 2014).

<sup>3</sup> Importantly, the value of these countries' assistance is not included in the databases of international organizations and is available only as an estimate provided by research

Government organizations have ceased to be classified as the only important donors, as more and more funds for aid are provided under the initiatives of private organizations, such as the Bill & Melinda Gates Foundation (especially in the health sector). Countries such as France, which had dominated the development cooperation system for years, faced new challenges. The structure of development relations known in the 20<sup>th</sup> century and shaped within the Development Assistance Committee (DAC) under the Organization for Economic Cooperation and Development (OECD), the World Bank, and the International Monetary Fund was replaced by a system much more complex and governed by different laws (Gore, 2013). Development policy is no longer limited to the traditional goals promoted by DAC members, such as democratization and introduction of free market economy institutions. It has been extended to include, *inter alia*, the context of social solidarity and protection of shared resources (Deszczyński, 2015). On the other hand, given the benefits of providing aid (e.g. access to contracts, concessions), donors began to compete with each other for political favor in often authoritarian and corrupt developing countries.

## **6.2. The Institutional structure of the French development aid**

The criticism of French development aid is largely based on the assumption that help is in fact an instrument to implement French interests and, as a consequence, does not support economic development. Such an interpretation of assistance in the 20<sup>th</sup> century was supported by the concept of neocolonialism, i.e. treating the actions of post-colonial metropolises, especially in sub-Saharan Africa, as further exploitation of resources by countries such as France using political and economic advantage (Świerczyńska, 2019). Because of that, since the end of the 20<sup>th</sup> century, initiatives have been made to change the nature of the development cooperation system to be more recipient-oriented. In the international context, it is primarily about the Millenium Declaration of 2000, Paris

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institutes (see JICA, 2021). Therefore, it is difficult to compare activities of traditional and new aid donors.

Declaration of 2005, Acra Declaration of 2008, Forum in Busan in 2014 and Nairobi in 2016, as well as the Sustainable Development Goals (the 2030 Agenda) of 2015, and the obligations for international aid donors that result from them. France is a signatory of these international declarations.

Within the framework of France's internal policy, strategic goals and directions are set out in The Orientation and Programming Law on Development and International Solidarity Policy (LOP-DSI, act no 2014–773), approved on 7 July 2014, as well as subsequent recommendations of the Interministerial Committee for International Cooperation and Development (Comité interministériel de la coopération internationale et du développement, CICID) chaired by the Prime Minister, gathering ministers competent for international solidarity. CICID can be considered the most important body coordinating development policy and responsible for setting its priorities and evaluation methods. It cooperates, among others, with the National Council for Development and International Solidarity, the French Development Agency, and the recently established Fund for Innovation in Development, referred to in chapter 3.4.

In the light of the Orientation and Programming Law of 2014, France recognizes the role and complementarity of all actors involved in development policy and international solidarity, in particular local authorities, civil society organizations and enterprises. The National Council for International Development and Solidarity, which includes, *inter alia*, the minister responsible for development, has the task of enabling regular consultations between various entities responsible for development and international solidarity on the goals, directions, coherence and resources of French development policy. It is worth noting that the act implies the role of companies whose participation in development policy is understood as establishing and conducting activities in partner countries in priority sectors of intervention, such as health, agriculture, regional development, environment and energy, water and sewage. Subsequently, the activities aimed at contributing to the development of these countries are mentioned. Important executive bodies of the aid system include the French Development Agency (Agence française de développement, AFD) which is empowered to manage financial resources available in the

form of economic modernization funds, specific contracts and other legal forms; public and private funds in the framework of operations financed by the European Union, international institutions or organizations, public authorities, credit institutions and development banks, as well as public or private institutions. Its competences also include delegating the power to manage funds in the framework of development aid on the basis of concluded agreements. Within the AFD group, the financing of private sector entities is handled by the subsidiary – PROPARCO. According to AFD data, in 2019 it operated through a network of 85 agencies around the world, financing and monitoring approx. 4,000 projects and development programs.

Among the important assumptions of the Act of 2014 was the introduction of the principles of evaluating development policy. The government was required to submit a report summarizing the activities of France to the standing committees of the National Assembly and the Senate, the National Council for Development and International Solidarity and the National Commission for Decentralized Cooperation every two years. The reports are to include, in particular, a summary of the evaluation of activities, the methods of using development policy and international solidarity instruments, a comparison of the forms of financing aid (donations and loans), as well as the AFD activities and its results. The report also includes multilateral activities within European and international organizations. The report is a subject of public debate in the National Assembly and the Senate. On the one hand, such provisions of the Act should be assessed favorably due to the determination of the frequency of evaluation, on the other hand, its general nature may lead to a very cursory approach to the actual achievement of the intended goals.

It is worth noting that, regardless of the formal evaluation of the institutional side of the system, which seems to meet the expectations of potential recipients, one of the characteristics of French aid is its volatility in respect of prioritization. The four main development policy challenges identified in the previous strategy, i.e.: promoting peace, stability, human rights and gender equality (1), equality, social justice and human resource development (2), sustainable economic development and employment (3), preserving global public goods (4) (cf. MAE, 2015), were replaced in

February 2018 by CICID with new 5 main priorities. Strategic priorities now include: international stability (1); education (2); climate (3); equality between women and men (4); health (5) (Diplomatie, 2021). Such changes are not entirely convincing, given the type of goals set and the need for many years of commitment, assuming that they would be achieved. On the other hand, their convergence suggests that changes are perhaps made for political and image related rather than practical reasons.

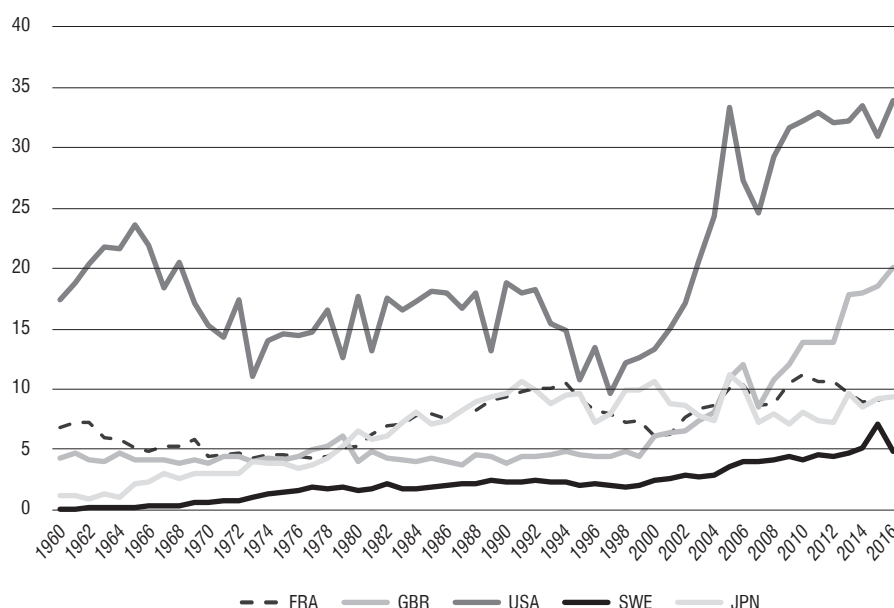


Figure 1. ODA value as percentage of GNP of major donors in 1960–2016

Source: own study based on WDI data, 2021, accessed on 02/04/2021.

Abbreviations: FRA – France, GBR – Great Britain, USA – United States, SWE – Sweden, JPN – Japan

The proof of France's activity in formulating new political aims is the draft law on the development of solidarity and combating inequalities in the world, which was presented by the Minister for Europe and Foreign Affairs J.Y. Le Driana at the National Assembly on February 17, 2021. It is supposed to replace the law of 2014. France once again pledges to increase its share of development aid commitment to GNP to 0.55% in 2022, up from 0.44% today. In accordance with the text of the law adopted by the National Assembly, France will aim to achieve 0.7% of GNP



allocated to ODA in 2025. Taking into account that the target of 0.7 was set in the 1960s and that France repeatedly declared to increase the level of its so-called donor generosity, in the light of the data presented in Fig. 1 this obligation should be taken with caution. Countries such as Sweden, which is one of the donors with the highest share of aid in GNP, or the United Kingdom, which undertook a significant increase in the share of aid after the financial crisis, constitute a benchmark for French actions (cf. Fig. 1). In the declarative sphere, the substantive goal of the new act is to use new methods and focus on the most needy recipients. This is an important plan, especially in view of the allocation of French development aid funds to date, discussed in the next section. A relatively new element in the French declarations is the focus on the preservation of global public goods (climate) alongside traditional priorities, i.e. investment in education and health (cf. *Diplomatie*, 2021).

### **6.3. The geographic structure of France's development aid**

The development cooperation system, understood as the entirety of political, social and economic relations connected to flows in the form of development aid and the resulting balance of mutual connections and interests, is subject to dynamic changes. Given that, in line with the assumptions of the humanistic interpretation, that rational individuals undertake such actions that, on the basis of their knowledge, experience and values, lead to the achievement of the intended goals (Kmita, 1999), the analysis of actual aid flows may constitute the basis for determining the actual motivation of the donor, e.g. France (Andrzejczak & Kliber, 2015). Nowadays, international flows of development aid from developed to developing countries amount to approx. EUR 130 billion (in 2019; see EC, 2020)<sup>4</sup>. More than half of this volume is provided by EU countries, and France ranks as the fifth largest donor, providing approximately EUR 10 billion annually to recipient countries from the OECD DAC list (WDI, 2021; *Diplomatie*, 2021). Figure 2 shows the net value of

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<sup>4</sup> Each time, a data source is provided that allows to verify the methodology adopted when generating data in the form of reports.



French development aid in billions of USD (const. 2015) compared to other major donors.

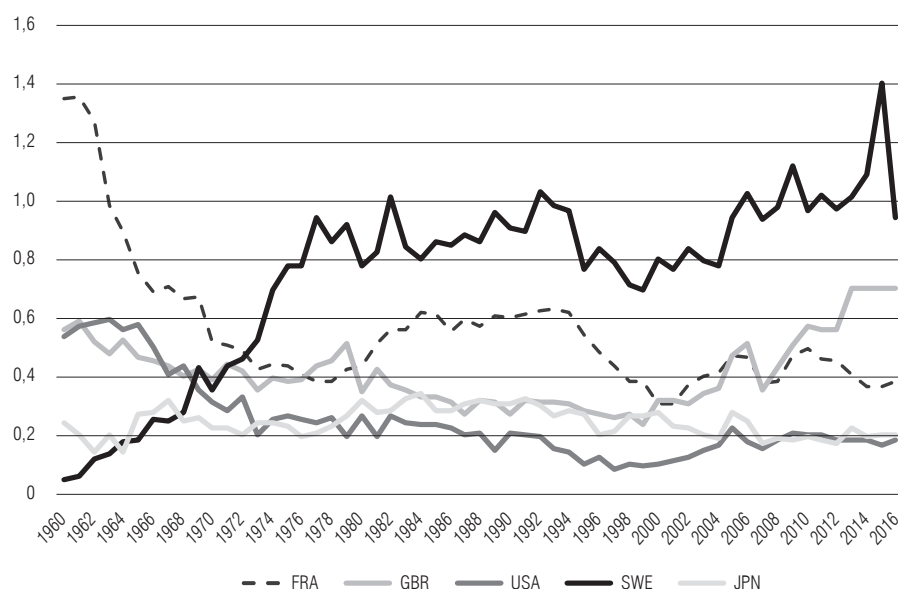


Figure 2. ODA value of major donors in 1960–2016

Source: own study based on WDI data, 2021, accessed on 02/04/2021.

Abbreviations: FRA – France, GBR – Great Britain, USA – United States, SWE – Sweden, JPN – Japan

Taking into account the absolute value of aid provided to developing countries, the perspective of France's activities should be presented in two sub-periods, the turning point of which is the year 2000. In 2000, territories dependent on France, i.e. New Caledonia and French Polynesia, were removed from the DAC list of developing countries, i.e. formal recipients of development aid. This significantly contributed to the decrease in the total volume of the aid in 2001. French involvement has hardly ever returned to that level. This gives a picture of the scale of the share of aid for the two dependent territories in relation to all recipients and clear preferences in terms of geographic, and in fact political, involvement of France in development aid.

According to the World Bank data, the poorest countries (Least Developed Countries) receive aid worth about 0.04% of France's GNP (Fig. 3).

Although declarations regarding the latest act include both an increase in the share of aid in relation to GNP and an increase in aid to the poorest countries, these declarations are repeated, and the volume of French aid is not subject to significant changes. The value of aid to the poorest countries accounts for only a tenth of total aid, and this share has generally been declining in the last decade, rather than increasing as for other donors (see Fig. 3).

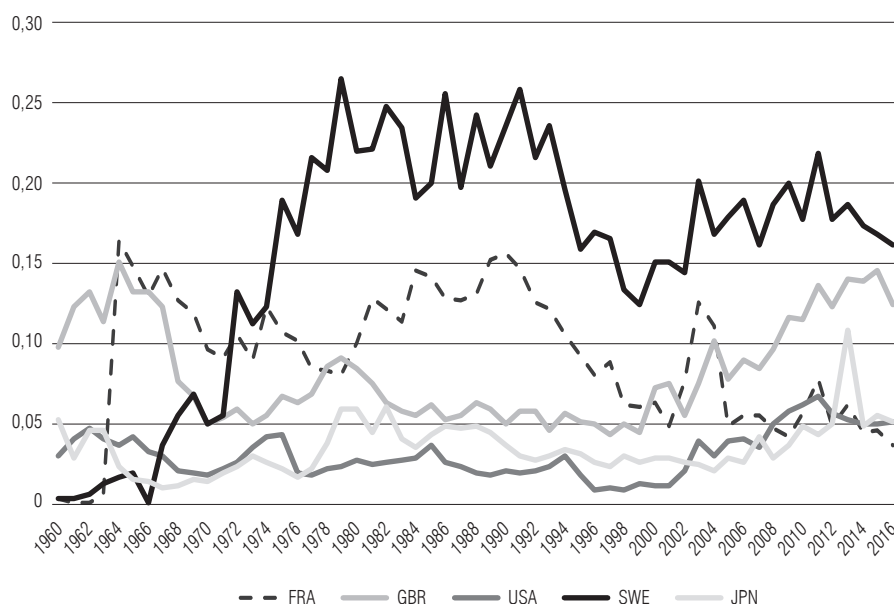


Figure 3. Low Income Countries ODA as % of Major Donors' GNP in 1960–2016

Source: own studies based on WDI data, 2021, accessed on 02/04/2021.

Abbreviations: FRA – France, GBR – Great Britain, USA – United States, SWE – Sweden, JPN – Japan

Geographically, the largest beneficiaries of French aid are African countries, receiving 43% of French aid (data for 2019), followed by Asian countries.<sup>5</sup> Prioritizing francophone territories is a constant feature of French development aid. The list of strategic and priority recipients (or – according to the nomenclature used in France – partners) of French aid is

<sup>5</sup> In Latin America Mexico, Colombia, Dominican Republic and Haiti are the leaders, and in Asia – Vietnam, Indonesia and India.

revised every few years. The current 2018 list differs from the previous one by including Gambia, and contains the following countries in addition to it: Benin, Burkina Faso, Burundi, Djibouti, Ethiopia, Comoros, Ghana, Guinea, Madagascar, Mali, Mauritania, Niger, Central African Republic, Democratic Republic of Congo, Chad, Togo, Senegal (MAE, 2015; Diplomatie, 2021). Significantly, only three of these countries are not former French colonies. Interesting in the context of these data is also the fact that, on average, in the years 2000–2019, the largest recipient among the countries of North Africa was Morocco, and among the countries of sub-Saharan Africa – Cameroon and Côte d'Ivoire, countries from outside the list (on average around USD 230 million CPA per year). This raises doubts in the context of the instrumentalisation of France's development policy, since it does not implement its own declared priorities.

In order to assess the geographic structure of France's aid, it is worth referring to the results of previous studies. They stated that although the issues raised in the sphere of the postulates of French foreign policy concern mainly development and combating poverty, the structure of recipients of French development aid largely depends on the common colonial past, the abundance of energy sources (oil, gas, uranium), the level of migration and bilateral trade (Andrzejczak & Kliber, 2015). The analysis of statistical data for the period 2001–2012 allowed to conclude that the former French colonies receive significantly more development aid than the countries which are not the former colonies. The amount of French aid also depends on current events. In the case of former colonies, there are also clear connection with the amount of foreign direct investment. In the case of countries not associated with French colonialism in the past, significantly lower values of the granted co-financing were found (Andrzejczak & Kliber, 2015).

#### **6.4. Forms of development aid in France**

The need for changes in French development aid concerns not only its geographic structure, but also its forms. It is related, *inter alia*, with the growing importance of new participants in the development aid system (countries that do not have a colonial past, but engage in aid – the

so-called generous donors from Scandinavia and Benelux and new BRIC donors) and with initiatives to improve the effectiveness of actions taken, e.g. under the Paris Declaration and Sustainable Development Goals (see Kragelund, 2008). The need to increase expenditure on multilateral aid was already reported in the 1990s. In the case of France, the share of multilateral aid estimated on the basis of OECD data for 2019 is 38% of total ODA (Fig. 4).<sup>6</sup> It increased significantly, especially after 2013, when the importance of actions related to debt relieving of developing countries decreased. The value of funds for multilateral aid is increased by France from around USD 2 billion in 2000 to around USD 4–5 billion in 2018–2019 (in constant prices for 2018). Most of France's multilateral aid is channeled through the EU, in which France plays an important political role. Countries such as China, India and Brazil are a real competition for the previously unthreatened interests of developed countries that are, at the same time, donors of aid in Africa. France's competition with China in the countries of sub-Saharan Africa concerns not only access to public investment, but also financing education and research programs, e.g. in agriculture (see Andrzejczak, 2017; Świerczyńska, 2019). The increase in foreign direct investment, especially from China, accompanied by the implementation of aid initiatives, changed the relationship with former metropolises and the Western countries in general (Babaci-Wilhite, Geo-JaJa & Shizhou, 2013). The nature of Chinese aid, provided mainly in the form of projects and long-term investment loans (donation share, aid tying), is unknown to the OECD (Brautigam, 2011).

France, which under *Françafrique* policy maintained an unwavering position as an investor and advisor, especially in its former colonies, since the beginning of the 21st century has lost some of its influence to countries of the South – politically uncompromised and using partnership

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<sup>6</sup> In the context of the postulate of increasing involvement in multilateral aid, it is assumed that donors representing groups of states do not pursue particular national interests (McEwan and Mawdsley, 2012). This does not change the fact that the balance of power within organizations providing aid is dominated by the countries of Western culture, and in this sense, multilateral aid does not break away from its institutional roots, and in a social and cultural sense is associated with the countries of traditional donors from the point of view of recipients.

diplomacy, and above all, not pushing for the democratization. These factors force changes in the forms of providing development aid.

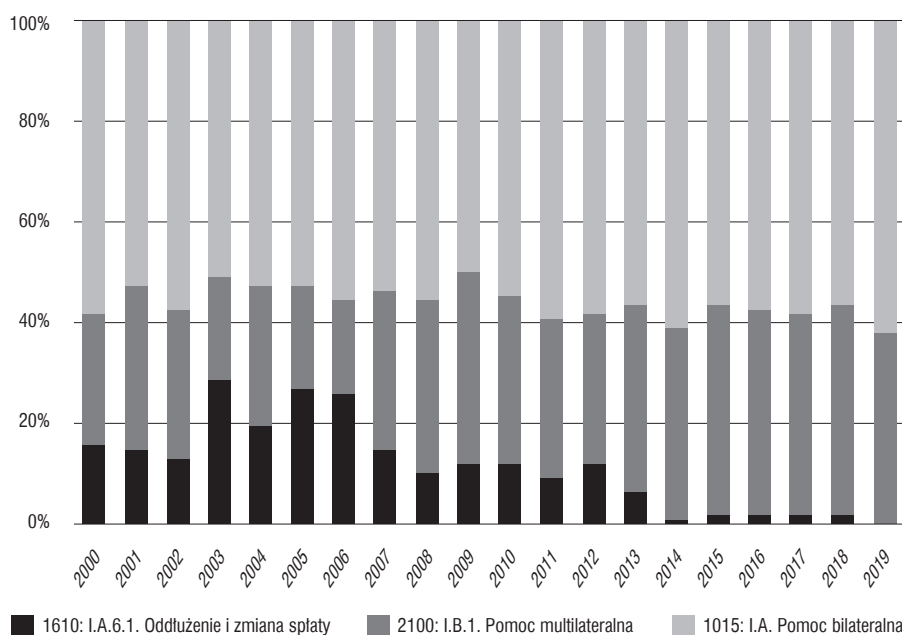


Figure 4. Share of bilateral aid, multilateral aid and debt measures in French development aid in 2000–2019 in million USD (const. 2018)

Source: own study based on OECD.stat, 2021.

As mentioned earlier, France uses the term “aid partner” to deviate from the concept of aid recipient. This is related to, inter alia, initiatives of new forms of assistance within the methods of using the funds determined jointly with the “recipient”. What is worth mentioning as part of the DAC is the attempt to change the scope of instruments and forms of aid by introducing in 2007 the concept of programmable aid (Country Programmable Aid, CPA) and undertaking reporting on ODA activities in the context of the implementation of the international goals mentioned before.<sup>7</sup> In the case of France, the aid qualified as CPA is worth nearly

<sup>7</sup> National Programmable Aid (CPA) is the part of the assistance which providers can program for specific countries or regions and on which partner countries can have a significant impact. Developed in 2007, the CPA is more closely related to the aid

USD 6 billion (const. 2017), i.e. roughly half of France's ODA (OECD, 2021), of which USD 2.9 billion of CPA aid goes to African countries, and USD 1.6 billion USD to Asian countries.

As part of France's bilateral development aid, the form of project aid (on average USD 2.6 billion) is dominant. Traditionally, technical (and expert) assistance, as well as funding for scholarships and students, are also included in the constant and important flows within the framework of French instruments. Both of these forms are characteristic of French activities in partner countries and had an average value of nearly USD 1 billion per year in 2010–2019. Technical aid is often related to the implementation of projects and investments, while scholarships and student exchanges are related to the traditional goals of activities promoting the French language by the Francophonie. The funding provided by France to the social services (education and health) sector has always exceeded aid to the manufacturing and economic services sectors and cross-sectoral assistance. The share of budget aid, as shown by the data from the last decade, is uneven and the increase of funds is incidental (Fig. 5). In turn, aid agreed with the recipient, under which the donor relinquishes sole control over his funds, sharing responsibility with other stakeholders (other donors, NGOs, multilateral institutions, public-private partnerships) accounts for a small share in the volume of French aid (approx. USD 150 million annually). It can be concluded that France is trying to maintain control over ODA funds.

The most recent forms of French aid include the Fund for Innovation in Development, FID, established by the Presidential Development Council in 2020. This new mechanism is used to award grants for various stages of innovation development, including grants in the form of the so-called quick withdrawals, also in low amounts. Its objective is to reduce the risk associated with innovation and to support the so-called “break-through” innovations (increasing citizens' access to everyday services in a situation of exclusion by, inter alia, lowering their prices). The catalog of potential recipients is wide (research institutions, governments, NGOs,

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that goes to partner countries than the concept of Official Development Assistance (ODA) (OECD, 2021).

companies, etc.) and includes cooperation between science and business. The fund encourages the submission of proposals on the priority themes of French aid. The FID is institutionally linked to the AFD, but has an independent budget of EUR 15 million, which is in fact a marginal part of French aid.

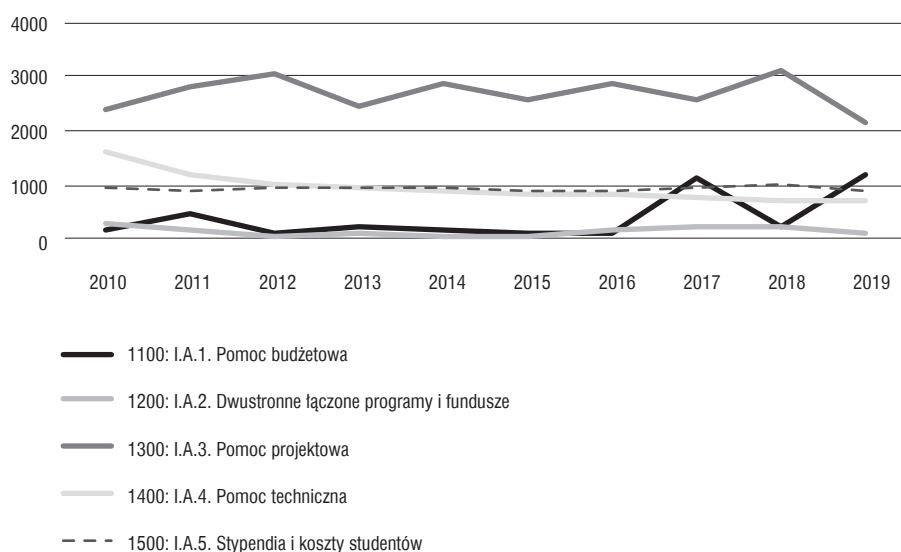


Figure 5. Basic forms of French development aid in 2000–2019 in million USD (const. 2018)

Source: own study based on OECD data, 2021.

France, as a member of the EU, belongs to the group of countries which according to many researchers are guided in their development policy primarily by the desire to expand their own relative advantage in international relations (Andrzejczak & Kliber, 2015). This perception of French actions is set in the difficult context of France's long-term relations, especially with African countries, but also in the context of actual aid activities (see Figures 1–3). Colonial sovereignty, formally ending with the decolonization of Africa, gave way to the economic and political dependence of the former colonies on the structure of cultural and trade agreements. France launched the *Françafrique* strategy, traditionally carried out by the presidential environment under the so-called *cellule africaine*, the objective of which was to provide a resources supply for



the domestic market and a sales market for French companies, as well as to maintain political influence. Unsettled French actions, both related to the decolonization period (e.g. the war in Algeria) and later ones (e.g. the circumstances of the Rwandan genocide), cast a shadow on virtually every form of cooperation also today. In addition to achieving economic goals, development aid allowed France to maintain the role of an important player in the international arena in the face of the bipolarization of influence between the Eastern and Western powers (Deszczyński, 2011). Today, the context of development aid is the war against terrorism, attempts to maintain a balance of power and stabilize international peace, the growing importance of China in the international arena, as well as global crises: after 2008 financial, after 2020 caused by a pandemic, and above all – climate-related.

In this chapter, by analyzing the conditions and institutional environment of French aid on the one hand, and the decomposition of its geographic structure and forms on the other, an attempt was made to answer the question to what extent France transfers it to induce economic development of recipients, and to what extent it implements its short- and long-term foreign policy goals. Following the changes and obligations of French aid, published on government websites for over a decade, it can be noticed that the methods of generating messages are changing, declarations are renewed, and comparing them with OECD data does not lead to conclusions that the normative sphere influences the actual one. Summing up, it should be stated that one of the key players first in colonialism, and then in the development aid system, seems to consistently subordinate the current narrative and practice of development aid to the pursued foreign policy goals. The adjustments made in the system – which should be perceived and assessed rather positively – do not, however, constitute a premise for concluding that France has unequivocally abandoned its neo-colonial policy.