

## Annex C: Field visit to Cameroon and Madagascar

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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

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#### 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.

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**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.<sup>1</sup> 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.<sup>2</sup> 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.<sup>3</sup> 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.

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**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,<sup>4</sup> 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.

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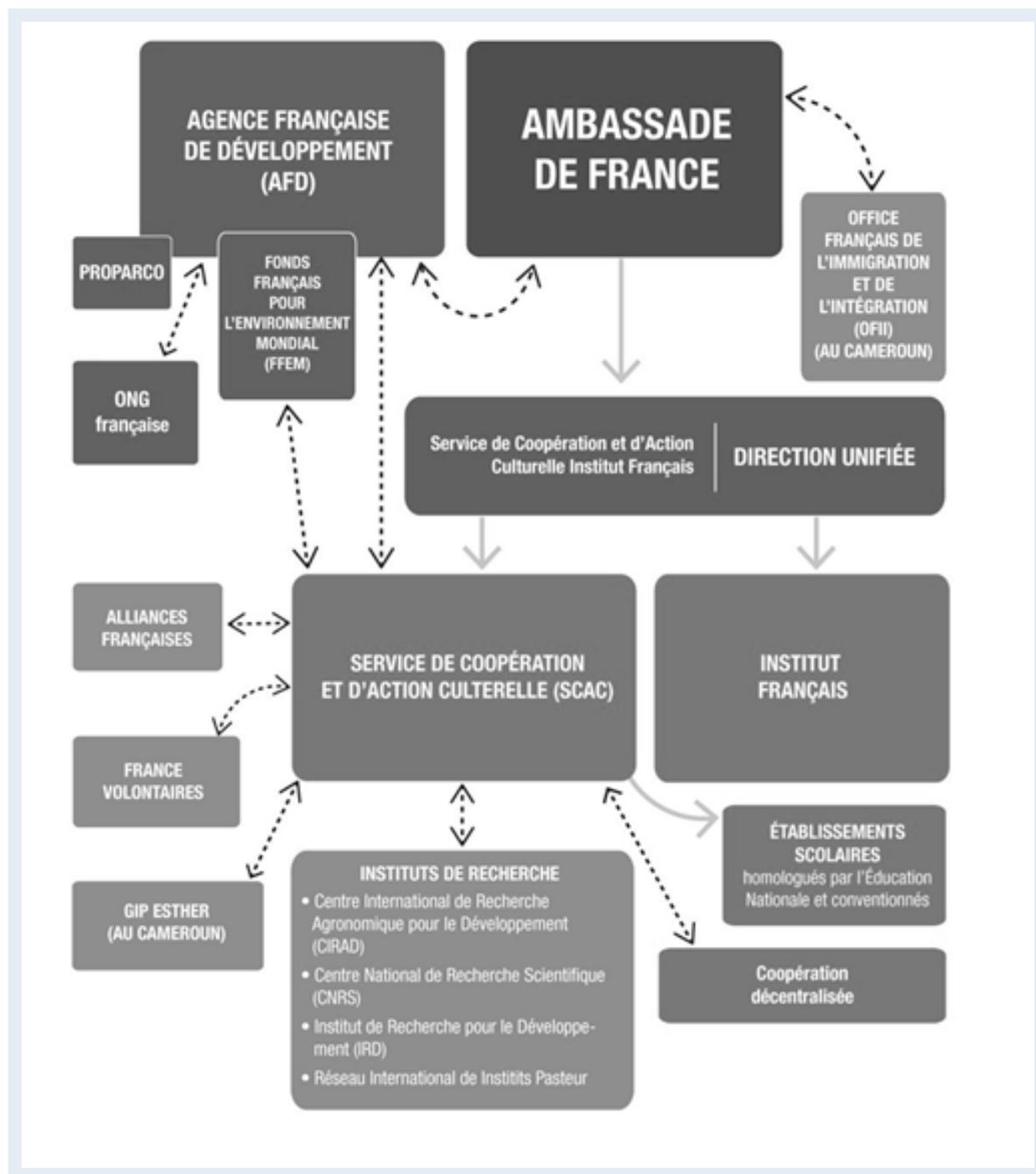
Co-operation strategies (DCPs and AFD country action frameworks) do not incorporate the concept of gender equality. France finances a few projects focusing on women, for example in the spheres of healthcare, justice and combating the violence of which they are victims, but most of the officials encountered 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 interests<sup>5</sup> (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

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### 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.

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### 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.

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### 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.

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### 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).

