

FRANCE

It is noteworthy that the bulk of French aid is delivered not by the Ministry of Cooperation and Development, but by the Ministry of Trade under the super Ministry composed of Industry, Trade, Treasury, and Budget. The Ministry of Cooperation's role, while not unimportant, is limited to programs for France's former colonies and is essentially concentrated on development grants.

Foreign trade is handled by the Direction des Relations Economiques Exterieurs (DREE), the ministry responsible for trade policy and trade development, export financing and guarantee policy, and investment overseas. DREE administers a budget which includes grants and so-called treasury loans (or loans including credit-mixte).

In 1991, budgetary allocations for grants were set at FF 6 billion (U.S. \$1 billion) and treasury loans at FF 8 billion (U.S. \$150 million). The grant and loan envelopes are managed by Treasury, and budget allocations are set annually. Loan reimbursements are returned to the envelopes, and up to 10% of the unused funds can be rolled over at the end of a current fiscal year. As for tied aid and loans, 80% are devoted to projects as these, in the view of French officials, provide a tangible and visible asset as a foundation for such support.

While there is no sector prioritization for funding allocation, the distribution of the budget reflects a distinct prioritization by geographic region. Asia is the largest single regional recipient with an allocation of some 40%, followed by the Middle East (20%), Latin America (15%) and various other regions with a cumulative total of 25%. The only clear, if not absolute criteria is that mixed credit should not go to countries which do not need it, for example Venezuela and Gabon. The French credit-mixte blend averages 50%, and while France is in a position to approve projects on the basis of matching, this is a relatively infrequent occurrence.