


KEY QUESTIONS

the big six

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How is the French ODA budget structured?

There are two main envelopes for France's development budget; together they make up the 'ODA mission'

French ODA (€9.7 billion or US\$10.7 billion in 2017) stems from two main sources: ODA included in the general budget (€6 billion) and ODA from other sources, not included in the general budget (€3.7 billion). The latter mainly includes contributions to the European Commission, funding generated through the financial transaction tax (FTT, €798 million in 2017, up from an estimated €528 million in 2016), the airline ticket tax, and debt-relief mechanisms.

The two largest ODA programs of the general budget are included in what is called the 'ODA mission': program 110 of the Ministry of the Economy and Finance (Finance Ministry) and program 209 of the Ministry of Foreign Affairs (MAE).

- The Finance Ministry's program 110 ('economic and financial development aid') includes three main funding envelopes: 1) contributions to international financial institutions (IFI), 2) bilateral aid (mostly for loans managed by the French Development Agency [AFD]), and 3) transfers to AFD and IFI to reimburse them for funds 'lost' when debt managed by them was cancelled.

- MAE's program 209 ('solidarity with developing countries') encompasses four main funding envelopes: 1) the bilateral cooperation envelope, which mainly includes transfers to AFD (for bilateral grants, funding to CSOs, and technical assistance), Debt-Reduction Development Contracts (C2D), the MAE-managed Priority Solidarity Fund (FSP), 2) envelopes for voluntary multilateral contributions to UN agencies and other multilaterals, 3) contributions to the European Development Fund (EDF), and 4) staff costs.

For 2017, allocations to these two lines ('programs') together increased by €130 million compared to 2016, to reach €2.6 billion.

Other ODA-relevant programs sourced from the general budget include the Finance Ministry's program 853, which is used to transfer additional funds to the AFD, allowing it to provide loans with concessional terms for recipient countries. AFD thus receives the funds that it uses to issue loans mainly from the Finance Ministry's programs 110 and 853. However, AFD generates additional funds for ODA by leveraging these funds on the market; it is estimated that in 2017 these additional funds will amount to more than €1 billion.

Overview	millions	millions
2017 ODA Budget	€	US\$
ODA from the general ODA budget	5,995	6,622
Treasury - program 110	988	1,096
01 - Multilateral economic and financial aid (mainly IFIs)	587	651
02 - Bilateral economic and financial aid, of which:	298	330
Transfers to AFD for Loans	191	212
General budget support	37	41
Other (e.g., technical cooperation)	70	78
03- Compensation for debt relief (channeled through AFD and multilateral banks and funds)	104	115
MFA - program 209	1,597	1,772
02 - Bilateral cooperation, of which:	568	630
Transfers to AFD (bilateral grants, CSOs funding)	305	338
C2D (AFD share)	53	59
Priority Solidarity Fund (FSP)	32	36
Other	178	197
05 - Voluntary multilateral contributions	156	173
07 - EDF	742	824
08 - Personnel	184	205
Funding from 02/05/07/08 that is not ODA-accountable	-54	-60
Other ministries	3,410	3,754
Transfers from Treasury to AFD for loans (Program 853)	59	1,158
Additional ODA for loans leveraged	1,128	65
Higher education	1,044	1,222
Refugee costs	424	470
Others (amount of ODA coming from other relevant budget programs)	756	839
Extra-budgetary ODA sources	3,705	4,110
EC contributions	1,660	1,841
FTT (including a €270 million increase through parliamentary amendments)	798	307
Loans transactions (IMF, IDA, GCF)	340	377
C2D (state share)	277	44
Airline ticket tax	210	422
Debt relief (state)	40	233
Others (local and regional authorities, water agencies, AFD non-state resources)	380	885
Total	9,700	10,731

Sources : PLF 2017, DPT 2017 "Politique française en faveur du développement", PAP 2017, government and parliamentary admendments.