

KEY QUESTIONS

the big six



How much ODA does France provide?

France is the 5th-largest donor; ODA expected to increase to 0.55% by 2022

France was the fifth-largest donor country in 2018. It spent US\$12.2 billion (current prices), or 0.43% of its GNI, on ODA. These numbers are based on the new methodology for measuring ODA loans which the OECD DAC will apply to ODA reporting for 2018 onward. Preliminary ODA figures for 2018 using this new methodology were first released in April 2019. This methodology, called 'grant-equivalent' methodology, provides a more accurate way to count donor efforts in concessional ODA loans because only the 'grant' portion of loans, expressed as a monetary value, is counted as ODA. According to the previous methodology, known as the 'cash basis' methodology, net ODA was 3% below ODA figures using the new methodology.

To allow for comparison overtime, the OECD still publishes net ODA disbursements according to the cash basis methodology. Between 2017 and 2018, France's net ODA rose by 4%. ODA is set to continue increasing in 2019, with a budget set at €11.0 billion (US\$12.4 billion), or 0.44% of its GNI. This is in line with President Emmanuel Macron's pledge and represents a further 5% increase from 2018.

Despite pressure on public spending, Macron, elected in May 2017, has committed to increasing ODA funding to 0.55% of GNI by the end of his term in 2022. His government detailed the trajectory of these increases in February 2018: funding is set at 0.44% of the country's GNI un-

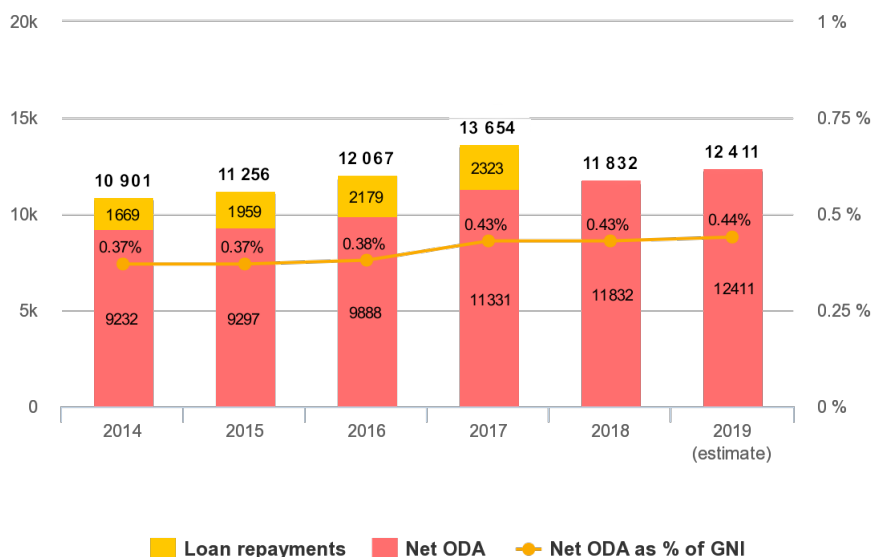
til 2019, increasing to 0.47% in 2020 and 0.53% in 2021 before reaching 0.55% in 2022.

Based on the 2019 budget law, the additional funding will come from a 15% increase (from €2.7 billion to €3.1 billion) in France's core ODA resources: the two main ODA-related budget lines (Program 209, managed by the Ministry of Foreign Affairs, and Program 110, managed by the Ministry of Economy and Finances), which account for a third of French ODA. In recent years, the government has relied more heavily on extra-budgetary funding sources, such as the financial transaction tax (FTT, see below), to fund its development programs.

France is a pioneer in using innovative financing mechanisms to fund development. In 2019, the French government allocated 32% of the revenues from its national FTT – a tax introduced in 2012 to generate more resources for solidarity purposes, including climate programs – amounting to an estimated €528 million (US\$595 million). In past years, the share of the FTT proceeds allocated to development was higher, reaching 50% in 2018 owing to strong parliamentary support. In its 2019 budget, the government has decreased this share of pre-allocated funding but compensated with an increase in core budgetary ODA resources, allowing for greater flexibility to the budget. The French government is pushing for a FTT to be implemented at the European level to fund ODA and the fight against climate change. Domestically, it also uses proceeds from an airline ticket tax, of which €210 million (US\$237 million) is allocated every year to development and climate change.

FRANCE'S GROSS/NET ODA DISBURSEMENTS*

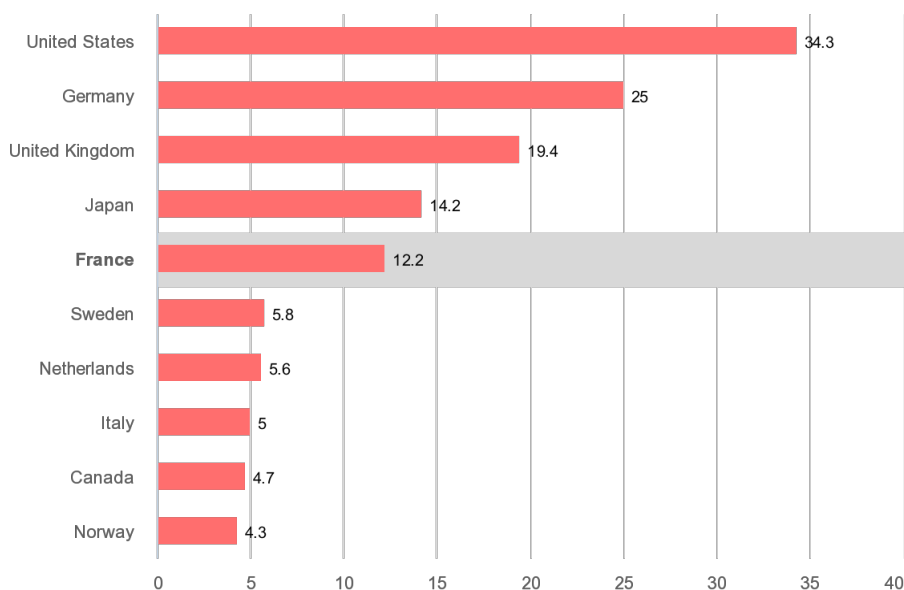
US\$ millions; in 2017 prices



OECD table DAC1. 2018 number according to preliminary data (April 2019).
ODA estimates for 2019 based on government data.

TOP 10 DAC DONOR COUNTRIES, 2018

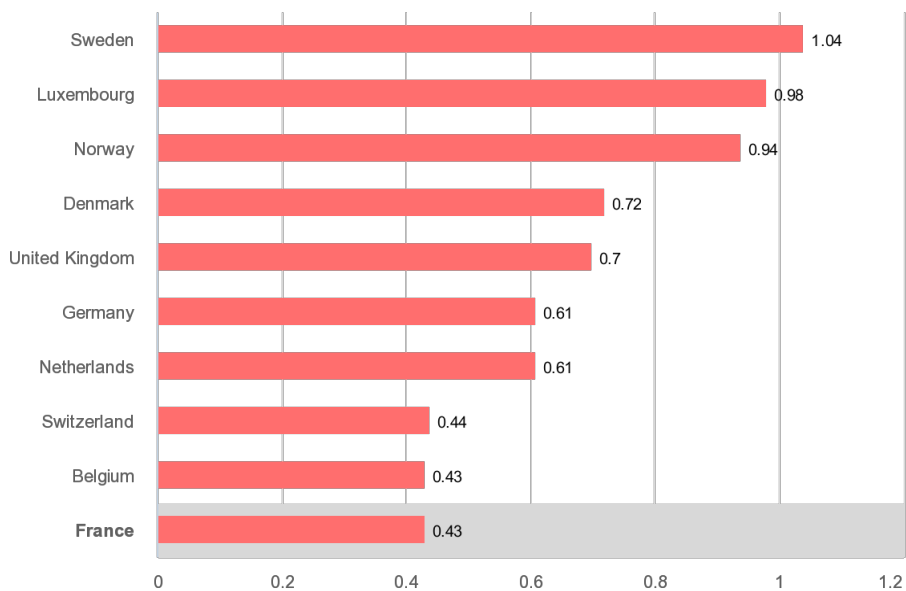
Total ODA disbursements; US\$ billions; in current prices



OECD DAC preliminary data (April 2019).

TOP 10 DAC DONOR COUNTRIES, 2018

Total ODA as % of GNI



OECD DAC preliminary data (April 2019).

Further information: 2017 prices

To compare ODA levels in any given year with ODA levels provided in other years, figures need to be adjusted to account for inflation and exchange rate fluctuations. The OECD provides data that accounts for these fluctuations. In this profile, and unless indicated otherwise, figures are stated using 2017 prices.