

KEY QUESTIONS

the big six

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How is the French ODA budget structured?

Two main envelopes for France's development budget make up the 'ODA mission'

French ODA (€10.4 billion or US\$11.6 billion in 2018) stems from two main sources: ODA included in the general budget (€6.3 billion, or US\$6.9 billion) and ODA from other sources not included in the general budget (€4.2 billion or US\$4.6 billion), see table. The latter mainly includes contributions to the European Commission and multilateral organizations, funding generated through the financial transaction tax (FTT, €798 million in 2018), 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 assistance (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 2018, allocations to these two lines ('programs') together increased by €95 million compared to 2017, or 4%, to reach €3.8 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 partner countries. AFD thus receives the funds that it uses to issue loans mainly from the Finance Ministry's programs 110 and 853.

Overview	millions	millions
2018 ODA Budget	€	US\$
ODA from the general ODA budget	6,267	6,932
110 – Economic and financial aid, of which:	961	1,063
01 - Multilateral economic and financial aid (mainly IFIs)	594	657
02 - Bilateral economic and financial aid, of which	263	291
Transfers to AFD for loans	216	239
Technical assistance	30	33
General budget support	10	11
Administrative expenses	7	8
03- Compensation for debt relief (channeled through AFD and multilateral banks and funds)	104	115
209 - Solidarity with dev. countries, of which:	1,738	1,923
02 - Bilateral cooperation, of which:	573	634
Transfers to AFD (bilateral grants, NGO funding)	290	320
Debt Reduction-Development Contracts (AFD share)	48	54
Priority Solidarity Fund (FSP)	34	38
Other	201	222
05 - Voluntary multilateral contributions	151	167
07 - EDF	850	940
08 - Personnel	164	182
Other ODA-relevant budget lines, of which:	3,567	3,946
Higher education	1,076	1,190
Transfers from Treasury to AFD for loans (Program 853)	1,033	1,143
Additional ODA for loans leveraged	77	85
Refugee costs	608	673
Others (amount of ODA coming from other relevant budget programs)	773	855
Extra-budgetary ODA sources	3,705	4,110
EC contributions	1,531	1,694
C2D (state share)	296	327
Loans transactions (IMF, IDA, GCF)	661	731
Debt relief (state)	220	243
Others (Local and regional authorities, water agencies, AFD non-state resources)	462	511
Airline ticket tax	210	232
FTT	798	883
Total ODA	10,444	11,553

Sources : PLF 2018, DPT 2018 'Politique française en faveur du développement', PAP 2018, government and parliamentary amendments.