

# France ODA Budget Profile

Budget4Change

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11/1/2009

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## 1. Budget Process

The main law governing budget processes is the 2001 Organic Budget Law (Loi organique relative aux lois de finances, LOLF), which was fully implemented in 2006. The reform aimed to modernise the State by presenting a budget by missions and about 158 programmes. It also aimed to increase parliamentary powers. Budget information available to Parliament and the public is being enhanced. Annual reports are now prepared so that Parliament can appreciate whether outcomes and programme objectives are being attained. The 2001 LOLF (Art. 50) requires **4-year projections of revenues and expenditures**.

There are internal non-legally-binding deadlines for the key steps in budget preparation. The number of days allowed for completing the first readings of the draft budget in Parliament is specified by law: the National Assembly has 40 days (Constitution, Art. 47) and the Senate 20 days (LOLF, Art. 40). Parliament may only alter the composition of proposed State budget spending, by changing the amount allocated to programmes within missions (LOLF, Art. 47). Parliament authorises a maximum amount for expenditure for each programme of the general State budget. Authority to spend is provided for both commitments and cash payments (LOLF, Art. 34). A single budget committee deals with the budget, but members from other sectoral committees attend meetings of the budget committee when expenditures in their specific areas are being dealt with. In the case of disagreement of the committees of the two houses, the Prime Minister may establish a joint committee to resolve the impasse (Constitution, Art. 45).

The roles of the President, the Prime Minister and the Minister of Finance are dependent on the political situation. In normal times, the President of the Republic makes final decisions when budget clashes occur in the Council of Ministers (which happens rarely). In contrast, in times of cohabitation – when the President of the Republic and the Prime Minister are from different political groupings – final budget decisions are taken by the Prime Minister in meetings with Council ministers not attended by the President of the Republic.

The Finance Minister (Ministre de l'économie, de l'industrie et de l'emploi (MEIE) has a colleague of equal rank: the Minister for the Budget, the Public Accounts, Civil Service and the Reform of the State (Ministre du budget, des comptes publics, de la fonction publique et de la réforme de l'État), whose task is to supervise the preparation of the finance law, with the assistance of the finance minister.

All programmes involving official development assistance (ODA) covered by the budget law are grouped together in a comprehensive policy document (*document de politique transversale*), namely the Document de politique transversal projet de loi de finances.

### *Budget Timeline*

- December: update of multi-year medium-term budget framework

## 2 | Key documents and links

- Second quarter: pre-budget debate - before the draft budget law is submitted to Parliament, the National Assembly and the Senate debate the government's pre-budget report
- 1<sup>st</sup> Tuesday of October – submission of draft budget to parliament
- 70-day limit for Parliament to make a final decision on the budget. If this deadline is not respected, the government adopts the budget by special *ordonnance*.
- **1 January start of fiscal year**

## 2. Key documents and links

### General

Finance Ministry's Budget Site

[http://www.budget.gouv.fr/themes/finances\\_etat/budget/index.htm](http://www.budget.gouv.fr/themes/finances_etat/budget/index.htm)

### 2009 Main Budget Documents

**Providing details of public finance for period 2009-2012: LOI n° 2009-135 du 9 février 2009 de programmation des finances publiques pour les années 2009 à 2012 (1)**

[http://www.legifrance.gouv.fr/affichTexte.do;jsessionid=07AAF014565581CE0E395ED984CB2E1D.tp djo02v\\_2?cidTexte=LEGITEXT000020239224&dateTexte=20090707](http://www.legifrance.gouv.fr/affichTexte.do;jsessionid=07AAF014565581CE0E395ED984CB2E1D.tp djo02v_2?cidTexte=LEGITEXT000020239224&dateTexte=20090707)

### C. Are there any pre-budget reports?

Yes. Annually.

### D. Development Aid in the budget

- Development aid appears as a line item in France's general budget above (Article 6) for years 2009-2011. There are two entries, the first column refers to the total commitments that government agencies are allowed to undertake for development aid, the second column refers to the actual cash payments they are allowed to make over the course of the budget year.
- All programmes involving official development assistance (ODA) covered by the budget law are grouped together in a comprehensive policy document (*document de politique transversale*), namely the Document de politique transversal projet de loi de finances. [http://www.performance-publique.gouv.fr/fileadmin/medias/documents/ressources/PLF2010/DPT/DPT2010\\_politique\\_de\\_developpement.pdf](http://www.performance-publique.gouv.fr/fileadmin/medias/documents/ressources/PLF2010/DPT/DPT2010_politique_de_developpement.pdf)

In addition to strategy, this document gives budgetary breakdown of the *The Agence Française de Développement* [French Development Agency]. The AFD reports jointly to ministères des Affaires étrangères et européennes (MAEE) and de l'Économie, de l'industrie et de l'emploi (MEIE).in addition to the *Ministère de l'Outre-Mer* (Ministry of Overseas Territories). Finances by activity / sector are included for the completed (2008) and current (2009) years, and summary aid figures (including expected debt relief) projected annually from 2008 for three years, currently up to 2011.

### 3. Specific forward ODA budgeting

Parliamentary reports project aid for two years e.g. the 2008 report projects for 2007 and 2008. (see assembly report links above).

Euros Millions	2007 report projected figure for 2006	Actual figures for 2006 (as reported in the Parliamentary Report)	Variance, actual over projected
Bilateral	6122	6310	+3%
TC	1893	2235	+18%
Project aid	351	345	-2%
Programme Aid	258	244	-5%
Debt	2803	2703	-3%
Other	818	783	-4%
Multilateral	2197	2650	+20%
EC	1561	1501	-4%
Other multilat	636	1149	+80%
TOTAL	8320	8446	+1.5%

The DPT for Development, as well as the **LOI n° 2009-135 provides ODA projections 2009-2011. Of these figures, only debt relief is considered an uncertainty as is dependent on recipient countries having meant relief criteria. For table extracts, see end.**

Euros Millions, Current Prices and Including Debt Relief												
	Past flows									Future projections		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Global ODA incl. DR	8,711	9,168	5,821	6,420	6,820	8,067	8,445	7,220	7,596	8,458	8,664-9,364	8,662
ODA as a % of GNI	0.30%	0.31%	0.37%	0.40%	0.41%	0.47%	0.47%	0.38%	0.39%	0.44%	0.41%-0.48%	0.42%

Source: Past flows calculated from DAC released figures and future projections taken from Document de politique transversal projet de loi de finances pour 2010 (Pg 86)

### 4. Departmental budgets

#### 4.1 Principal development agency

The *Agence Française de Développement* [French Development Agency] (AFD) is the pivotal operator for bilateral assistance, in sectors related directly to the Millennium Development Goals (agriculture and rural development, health, basic education, vocational training, environment, private sector, urban infrastructure and development) and for implementing global budgetary assistance. AFD reports jointly to MINEFE, MAEE and the *Ministère de l'Outre-Mer* [Ministry of Overseas Territories]. According to DAC statistics, the funds managed by AFD, MINEFE and MAEE accounted for 83% of

#### 4 | Departmental budgets

France's bilateral ODA in 2005 (on a commitment basis). Programme implementation also involves France's representatives in the partner countries (diplomatic offices, co-operation and cultural action services (SCAC), research centres such as the *Institut de recherche pour le développement* [Development Research Institute] (IRD), the *Centre de coopération internationale en recherche agronomique pour le développement* [Centre for International Research in Agricultural Development] (CIRAD) etc.).

See Appendix A for breakdown of AFD departmental budget.

## 4.2 Other departments / ministries

The breakdown of bilateral ODA across French agencies / ministries, as reported to the CRS, is given below:

	2006 (Million EUR)		2007 (Million EUR)		2008 (Million EUR)	
<b>AFD</b>						
Loans	596.0537		632.1294		1095.113	
Grants	600.5538		579.2261		787.6171	
<b>Total</b>		<b>1196.607</b>		<b>1211.356</b>		<b>1882.73</b>
<b>MAE</b>						
Loans	0		0		0	
Grants	1255.238		885.0155		850.4403	
<b>Total</b>		<b>1255.238</b>		<b>885.0155</b>		<b>850.4403</b>
<b>MINEFI (Incl NATEXIS)</b>						
Loans	150.3307		58.51306		131.366	
Grants	2943.567		1325.92		854.3773	
<b>Total</b>		<b>3093.898</b>		<b>1384.433</b>		<b>985.7433</b>
<b>MEN</b>						
Loans	0		0		0	
Grants	1418.09		879.3837		637.4882	
<b>Total</b>		<b>1418.09</b>		<b>879.3837</b>		<b>637.4882</b>
<b>Other</b>						
Loans	0		0		0	
Grants	0		1209.594		1147.754	
<b>Total</b>		<b>0</b>		<b>1209.594</b>		<b>1147.754</b>
		<b>6963.833</b>		<b>5569.782</b>		<b>5504.156</b>

**Ministry of Foreign and European Affairs (CRS Agency Code = MAE)**

In 2008 the Ministry of Foreign and European Affairs contributed 15% of France's bilateral ODA (source: OECD-DAC CRS database).

**Ministry of Finance (CRS Agency Code = MINEFI)**

In 2008 the Ministry of Finance contributed 18% of France's bilateral ODA (source: OECD-DAC CRS database).

In each of the years 2006-2008, between 90%-100% of the grants attributable to the Ministry of Finance were due to debt relief.

**Ministry of Education (CRS Agency Code = MEN)**

In 2008 the Ministry of Education contributed 12% of France's bilateral ODA (source: OECD-DAC CRS database).

In each of the years 2006-2008, between 90%-100% of the grants attributable to the Ministry of Education were due to imputed student costs.

## Appendix A – AFD Budget Analysis and comparison to CRS

Comparison of AFD Annual report & CRS	2007		2008	
	AFD Annual Report EUR million	CRS EUR million	AFD Annual Report EUR million	CRS EUR Million
<b>GRANTS (excl. Admin)</b>				
Project subsidies	197	218	229	443
Refinancing through donations, PPTE initiative*	147	152	137	137
Global budgetary aid**	37	57	46	40
<b>TOTAL, GRANTS</b>	<b>381</b>	<b>427</b>	<b>412</b>	<b>620</b>
<b>LOANS</b>				
Sovereign loans, very concessional (PTC)	19		60	
Sovereign loans (PS1, PS2, PS3)	333		488	
Global budgetary aid**	-		427	
Tsunami loans (PTS)	8		17	
Loans, ordinary conditions (PCO)	38		53	
Non-sovereign loans (PN1, PN2, PN3)	231		324	
<b>TOTAL, LOANS</b>	<b>629</b>	<b>632</b>	<b>1,369</b>	<b>1,095</b>
<b>ADMIN</b>				
Staff costs	114		122	
Other admin costs	55		71	
<b>TOTAL, ADMIN</b>	<b>170</b>	<b>152</b>	<b>192</b>	<b>168</b>
	<b>1,180</b>	<b>1,211</b>	<b>1,973</b>	<b>1,883</b>

\* In the 2007 CRS these disbursements are flagged with purpose code 60010 - 'Action Relating to Debt'. However they appear in the 2008 CRS as a subset of General Budget Support

\*\* This is assumed to be general budget support, apart from that flagged as PPTE