

**Plan Fries, 2019-2023 COM:**

# NO to the financial asphyxiation of AFP!



**SUD-AFP exclusively publishes the 2019-2023 COM (Aims and Means Contract)**

**The French state has massively under-compensated** the cost of the missions d'intérêt général (MIG, or public interest missions) that it has confided to AFP, and the COM signed at the end of 2019 by the ministers Gérald Darmanin (Public finances) and Franck Riester (Culture) with our CEO Fabrice Fries **plans to further accentuate this trend!**

We've made this conclusion after having read the **2019-2023 Aims and Means Contract** (COM-4), which we received from Mr. Fries – not without difficulties, as we had to turn to the CADA (Commission for Access to Administrative Documents) which ruled that the COM is indeed an administrative document that may be disclosed to the public.<sup>1</sup>

This document is essential to understanding the political choices made concerning the future of AFP. We are publishing it here for all to read (<http://u.afp.com/39P2>), with some comments that follow.

## Massive under-compensation for our public service mission

**The French state has confided a public service mission to AFP.** The COM indicates that "AFP must first of all efficiently execute its missions d'intérêt général and retain its status as a leading global agency."<sup>2</sup>. Great!

But **the state hasn't been paying the full cost of the services provided by the Agency:** from 2015 through 2018 the "cumulative under-compensation for the *missions d'intérêt général*" totaled **€19.8 million!**<sup>3</sup> That is on average an annual "discount" of nearly €5 million!

This **lack of revenue for AFP** is solely based upon budgetary choices made by the government, that is political choices which have nothing to do the "crisis of the newspaper sector" or with the "news market".

**Nearly €20 million less!** This is a considerable amount that could have been used to improve working conditions and wages when the exact opposite happened: wages have been frozen since 2012 and working conditions worsened under the workplace agreement of March 10, 2017 (the Grand Accord, which SUD refused to sign and was unsurprisingly lauded in the COM).

## More under-compensation on the way

**1/ "During the period of the current COM, the total compensation of the MIG by the state **must remain lower** than the cumulative cost of the MIG incurred by the Agency."<sup>4</sup> (our highlighting)**

**2/** In conformity with the free market philosophy of European regulations, this type of subsidy is tolerated on a temporary basis but it should be accompanied by measures to reduce public expenses. The COM states that "*member states, when they decide to compensate all or part of a Service of General Economic Interest (SGEI) that they confide to an operator it 'should include incentives to favor the efficient provision of a SGEI of high quality.'*"<sup>5</sup>

**3/** In this vein, **exceptional aid of €17 million** is given to AFP to finance its "transformation plan" (Plan Fries). This plan **freezes the compensation for the MIG at the 2018 level** by controlling "costs", principally wages. This results in a net reduction of 95 jobs<sup>6</sup>, to which should

1 Commission d'accès aux documents administratifs (Cada), Avis n° 20200752 of June 25, 2020

2 COM-4, page 5

3 Table in annex 1 of COM-4, page 30

4 COM-4, page 8

5 COM-4, page 3

6 COM-4, page 23

be added savings made by switching expatriate posts with French benefits to local posts.<sup>7</sup> There is also yet another reorganization of the technical services, the emasculation of the French desks ("rationalization of the editorial organization" by creating a single desk) and the renovation of the HQ building that will allow forgoing the renting of additional space (estimated cost of €8 million to generate €2.5 million in annual savings).

As in the previous COMs since 2003 the objectives to "contain costs" will undoubtedly be attained while commercial objectives (increasing revenues, notably via video and fact-checking) will fail, with the Covid-19 pandemic already largely condemning those plans.

**4/** The exceptional aid of €17 million, which was to be included in the previous COM, is in fact **included in the current COM**. As SUD has previously explained this will accentuate the under-compensation of the MIG in 2019-2023 and creates additional pressure on AFP's finances, when the money could have been paid out as part of the previous COM.<sup>8</sup>

## Added austerity for AFP and its staff

The table below was prepared by SUD on the basis of figures provided in the COM<sup>9</sup> and explanations provided by management during the CSE meeting of January 31, 2020.

MIG in millions of euros	2018	2019	2020	2021	2022	2023	Total
COM trend without savings under transformation plan*	113.3	118.0	120.6	123.2	125.9	128.6	729.6
COM 2019-2023**	113.3	124.3	119.3	113.3	113.3	113.3	
COM 2019-2023***	113.3	113.3	113.3	113.3	113.3	113.3	
Total savings excluding €17 M aid for Fries Plan		-4.7	-7.3	-9.9	-12.6	-15.3	-49.8
* MIG compensated at 95% of cost							
** MIG frozen at 2018 level, with €17 mn Fries Plan aid							
*** MIG frozen at 2018 level, w/o €17 mn Fries Plan aid							

*Excluding the exceptional aid to finance the Fries plan, AFP will receive €49.8 million less in compensation during the 2019-2023 period, an average loss of nearly €10 million per year.*

## Other choices are possible!

**The text of COM-4 (2019-2023)** confirms the analysis of SUD on the changes imposed since 2014/2015: AFP has been put under the double leash of the French government and the European Commission, who are concerned primarily about financial and quantitative criteria.<sup>10</sup>

**-€19.8 million under COM-3, -€49.8 million under COM-4:** these savings are being made at the expense of staff and the quality of the services we provide as part of our public interest mission! These figures show that **political choices** have had a much greater impact than revenue losses from Covid-19.

**SUD calls on staff and other unions to oppose these choices!** Say NO to the austerity policies and the degradation of social conditions countenanced by the government, NO to the Fries Plan that is a direct consequence of those policies!

**The French state should finance 100%** of the "excess costs" of the public interest mission it has confided to AFP! When not shackled by financial arguments, **other choices are possible!**<sup>11</sup>

Paris, November 6, 2020

**SUD-AFP (Solidarity-Unity-Democracy)**



<sup>7</sup> COM-4, page 19

<sup>8</sup> See "The Fries Plan, COM 2019-2023: Coronavirus reveals fragility of AFP" – <http://u.afp.com/39Ha>

<sup>9</sup> See the table on page 25 of COM-4

<sup>10</sup> See "Signature du COM-3 (2014-2018): L'indépendance de l'AFP ? C'est fini !" – <http://u.afp.com/394X>

<sup>11</sup> Among the possible alternatives that have caught our attention: "Projet pour une presse libre",

<https://www.monde-diplomatique.fr/2014/12/RIMBERT/51030>