Offering Circular dated 15 September 2020

THIS DOCUMENT IS A FREE TRANSLATION OF THE FRENCH LANGUAGE "*PROSPECTUS DE BASE*" DATED 15 SEPTEMBER 2020 PREPARED BY THE *DEPARTEMENT DES BOUCHES-DU-RHONE*. IN THE EVENT OF ANY AMBIGUITY OR CONFLICT BETWEEN CORRESPONDING STATEMENTS OR OTHER ITEMS CONTAINED IN THESE DOCUMENTS, THE RELEVANT STATEMENTS OR ITEMS OF THE FRENCH LANGUAGE "*PROSPECTUS DE BASE*" SHALL PREVAIL.

Département des Bouches-du-Rhône

Euro Medium Term Note Programme

Euro 500,000,000

The *Département des Bouches-du-Rhône* (the **Issuer** or the **Département des Bouches-du-Rhône**) may, at any time, under the Euro Medium Term Note Programme (the **Programme**) which is subject to the present offering circular (the **Offering Circular**) and in compliance with applicable legislations, regulations and directives, issue debt notes (the **Notes**). The aggregate nominal amount of Notes outstanding shall not, at any time, exceed Euro 500,000,000.

Application may, under certain circumstances be made for Notes to be admitted to trading on Euronext Paris (**Euronext Paris**). Euronext Paris is a regulated market as defined in Directive 2014/65/EU dated 15 May 2014 as amended (a **Regulated Market**). Notes may also be admitted to trading on another Regulated Market of a member State of the European Economic Area (which includes, for the purposes of this definition, the United Kingdom) (**EEA**) or on a non-regulated market or not admitted to trading on any market. The pricing supplement prepared for an issue of Notes (the **Pricing Supplement)**, based on the form set out in the Offering Circular, shall specify whether or not such Notes shall be admitted to trading on a regulated market and shall list, if applicable, the relevant Regulated Market(s). The Notes shall only be offered to qualified investors in one or more Relevant States. This Offering Circular does not constitute a base prospectus within the meaning of Regulation (EU) 2017/1129 whose provisions do not apply to the Issuer and therefore it has not been approved by the *Autorité des Marchés Financiers* (**AMF**). The Issuer undertakes to update the Offering Circular annually.

The Notes may be issued in dematerialised form (**Dematerialised Notes**) or materialised form (**Materialised Notes**), as more fully described in the Offering Circular. Dematerialised Notes will be entered in an account in accordance with articles L. 211-3 *et seq.* of the French *Code monétaire et financier*. No physical document of title shall be issued in respect of Dematerialised Notes.

Dematerialised Notes may be issued, at the option of the Issuer, either (a) in bearer form, inscribed on their date of issue in the books of Euroclear France (acting as central depositary), which shall credit the accounts of the Account Holders (as defined in "Terms and Conditions of the Notes - Form, denomination and title") including Euroclear Bank SA/NV (**Euroclear**) and the depositary bank for Clearstream Banking SA (**Clearstream**) or (b) in registered form and, in such case, at the option of the relevant Noteholder (as defined in "Terms and Conditions of the Notes - Form, denomination and title"), either in pure registered form (*au nominatif pur*), in which case they shall be entered in an account maintained by the Issuer or any registration agent (as specified in the applicable Pricing Supplement) on behalf of the Issuer, or in administered registered form (*au nominatif administré*), in which case they shall be entered in the accounts of the Account Holder nominated by the relevant Noteholder.

Materialised Notes shall be issued in bearer form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (**Temporary Global Certificate**) shall be issued initially in respect of the Materialised Notes. Such Temporary Global Certificate shall subsequently be exchanged for Materialised Notes represented by physical notes (**Physical Notes**) together with, if applicable, interest coupons, on a date falling at the earliest approximately 40 calendar days after the issue date of the Notes (unless postponed, as described in the section "Temporary Global Certificates in respect of Materialised Notes") upon certification that the Notes are not being held by U.S. Persons in accordance with U.S. Treasury regulations, as more fully described in the Offering Circular. The Temporary Global Certificates shall be deposited (a) in the case of a Tranche (as defined in the section "General Description of the Programme") intended to be cleared through Euroclear and/or Clearstream, on the issue date with a common depositary on behalf of Euroclear and Clearstream, or (b) in the case of a Tranche intended to be cleared through a clearing system other than, or in addition to, Euroclear and/or Clearstream or delivered outside any clearing system, in the manner agreed between the Issuer and the relevant Dealer (as defined below).

The Issuer has been attributed an AA- rating, stable outlook by Fitch Ratings. (**Fitch**). The Programme has been attributed a AA- rating by Fitch. Notes issued under the Programme may or may not be attributed a rating. The rating attributed to the Notes, if any, shall be specified in the applicable Pricing Supplement. The rating of the Notes may not necessarily be the same as that of the Programme. A rating is not a recommendation to buy, sell or hold Notes and may be suspended, amended or withdrawn at any time by the relevant rating agency. On the date of the Offering Circular, Fitch is a rating agency established in the United Kingdom and registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and Council of 16 September 2009 relating to credit rating agencies as amended (the **ANC Regulation**) and is included on the list of rating agencies published on the European Financial Markets Authority website (www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the ANC Regulation.

Potential investors should be aware of the risks described in the section "Risk factors" before making any decision to invest in Notes issued under this Programme.

The Offering Circular, any supplement thereto, the documents incorporated by reference in this Offering Circular and, so long as any Notes are admitted to trading on a Regulated Market, the applicable Pricing Supplement shall be published on the dedicated page of the Issuer's website (https://www.cg13.fr/le-13/linstitution/le-budget/lemprunt-obligataire/).

Arranger

HSBC

Dealers

CRÉDIT AGRICOLE CIB

CREDIT MUTUEL ARKEA

DEUTSCHE BANK

HSBC

NATIXIS

SOCIETE GENERALE CORPORATE & INVESTMENT BANKING

Each Tranche (as defined in "General Description of the Programme") of Notes shall be issued in accordance with the provisions set forth in the "Terms and Conditions of the Notes" of this Offering Circular, as completed by the provisions of the applicable Pricing Supplement agreed between the Issuer and the relevant Dealers (as defined in "General Description of the Programme") at the time of issue of such Tranche.

The Issuer accepts responsibility for the information contained or incorporated by reference in this Offering Circular. As far as the Issuer is aware, having taken all reasonable measures to ensure that such is the case, the information contained or incorporated in this Offering Circular is factually accurate and no information likely to affect its import has been omitted. The Issuer confirms that all statements of intention or opinion contained in this Offering Circular with regard to it are honestly made or held and have been reached after considering all relevant circumstances and have been based on reasonable assumptions. The Issuer confirms that there are no other facts or matters in relation to the Issuer or the Notes the omission of which would make any statement or information in this Offering Circular misleading in any respect whatsoever.

In connection with the issue or sale of any Notes, no person has been authorised to provide any information or make any representation other than as set forth or incorporated by reference in this Offering Circular. Otherwise, no such information or representation may be treated as having been authorised by the Issuer, the Arranger or any of the Dealers. Neither the delivery of this Offering Circular nor any sale made on the basis of this document shall imply that there has been no adverse change in the situation, in particular the financial situation, of the Issuer since the date of this document or since the date of the most recent supplement to this prospectus, or that any other information provided in connection with this Programme is accurate on any date subsequent to the date on which it was provided or, if different, the date indicated on the document containing such information.

The distribution of this Offering Circular and the offering or sale of any Notes may be restricted by law in certain countries.

Potential investors are invited to refer to the section "Subscription and Sale" of this Offering Circular, which contains a description of certain restrictions applicable to the offering, sale and transfer of Notes and distribution of this Offering Circular.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – eligible counterparties and professional clients only - The Pricing Supplement in respect of each series of Notes will include a section entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes, taking into account the 5 categories referred to in point 18 of the Guidelines published by the European Securities and Markets Authority on 5th February 2018, and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a distributor**) should take the target market assessment into consideration; however, a distributor subject to Directive 2014/65/EU (as amended,** MiFID II**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining the appropriate distribution channels.**

A determination will be made in relation to each issue as to whether, for the purposes of the product governance rules under Delegated Directive (EU) 2017/593 (the MiFID Product Governance Rules**), any Dealer subscribing for any Notes should be considered as the manufacturer of such Notes, failing which neither the Arranger, nor the Dealers, nor any of their respective affiliates shall be a manufacturer for the purposes of the MiFID Product Governance Rules.**

This Offering Circular constitutes neither an invitation nor an offer by or on behalf of the Issuer, the Dealers or the Arranger to subscribe for or purchase Notes.

Prospective purchasers and sellers of Notes should be aware that it is possible that they may have to pay duties, taxes or fees under applicable laws or customary practices in force in the jurisdictions where the Notes are transferred or in other jurisdictions. In certain jurisdictions, no official position of the tax authorities nor any judicial decision exists pertaining to the tax treatment applicable to securities such as the Notes. Prospective investors are invited not to rely on the tax information contained in this Offering Circular but to consult with their own tax advisors having regard to their individual circumstances as regards the purchasing, holding, remuneration, sale and redemption of the Notes. Only their adviser is in a position to properly take into consideration the particular circumstances of any prospective investor.

Neither the Dealers nor the Issuer makes any representation to any prospective investor in the Notes as to the lawfulness of their investment under applicable laws. Any prospective investor in the Notes must be capable of assuming the economic risks that its investment in the Notes implies for an unlimited period of time.

Neither the Arranger nor any of the Dealers has verified the information contained or incorporated by reference in this Offering Circular. Neither the Arranger nor any of the Dealers makes any express or implied representation, or accepts any liability, as to the accuracy or completeness of any information contained or incorporated by reference in this Offering Circular. The Offering Circular is not intended to provide the basis of any credit or other evaluation and must not be treated as a recommendation by the Issuer, the Arranger or any of the Dealers to any recipients of this Offering Circular to buy Notes. Each prospective investor in Notes must make his own assessment of the relevance of the information contained in this Offering Circular and his decision to purchase Notes must be based on such research as he considers necessary. Neither the Arranger nor any of the Dealers undertake to review the financial situation or the overall situation of the Issuer during the life of this Offering Circular, nor undertake to pass on to any investor or prospective investor any information of which they become aware.

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RISK FACTORS

The Issuer believes that the risk factors described below are material to any decision whether or not to invest in the Notes and/or may affect its ability to fulfil its obligations to investors under the Notes. Those risks are unpredictable and the Issuer cannot comment on their potential occurrence.

The Issuer believes that the risk factors described below represent the main risks associated with Notes issued under the Programme, but they are not however exhaustive. The order in which the risk factors are presented below is not an indication of how likely they are to occur. The risks described below are not the only risks to which an investor in the Notes is exposed. Other risks and uncertainties, unknown to the Issuer at today's date or which it does not consider as at the date of this Offering Circular to be material, may have a material impact on an investment in the Notes. Prospective investors should also read the detailed information appearing elsewhere in this Offering Circular and form their own opinion before taking any investment decision. In particular, investors must make their own assessment of the risks associated with the Notes before investing in the Notes and must seek advice from their own tax, financial and legal advisers on the risks associated with an investment in a given Series of Notes and the suitability of an investment in the Notes in light of their own specific circumstances.

The Issuer believes that the Notes should only be purchased by investors who are (or act on the advice of) financial institutions or other professional investors who are able to assess the specific risks associated with an investment in the Notes.

The risk factors described below may be supplemented in the relevant Pricing Supplement for a specific issue of Notes.

Capitalised terms not defined in this section will have the meaning given to them in the section "Terms and Conditions of the Notes". Any reference below to an Article refers to the corresponding article number in the "Terms and Conditions of the Notes" section.

1. RISKS RELATING TO THE ISSUER

1.1 Legal risks relating to enforcement proceedings

As a legal entity governed by public law, the Issuer is not subject to private law enforcement procedures, and its assets are exempt from seizure, which reduces the potential remedies for an investor in the case of repayment of the Notes when compared a corporate entity subject to private law. Nonetheless, expenditure in relation to bonds – including in particular debt capital repayment and debt interest expenses – may give rise to payment registration and ordering procedures (*mandatement*) as described in paragraph 1.4 below).

1.2 Property risks related to the operation of the Issuer and its activities

The asset related risks of the Issuer are relating to all damage, claims, destructions or physical losses that may occur to its movable or immovable property as a whole, in particular following a natural catastrophe, a fire or an act of vandalism.

Additionally, the operation of the Issuer and its activities are likely to present risks notably connected with areas such as damage to property especially involving motor vehicles of its fleet or actions of its servants or elected representatives.

All the risks are covered by insurance policies subscribed through public procurement.

These insurance policies protect the Issuer against the following risks:

- property damage and related risks;
- civil liability and related risks;
- motor vehicle fleet;
- all exhibition-related risks (temporary and permanent exhibitions, including the transportation of works of art); and
- repatriation assistance.

In terms of building, extensions and building refurbishment, the Department has legal building guarantees, and where required it takes out "building work" and "building site" insurance.

These insurance policies are in addition to the legal protection of officials and elected representatives, provided by the status of civil servant (law 84-53 dated 24 January 1984), law 83-634 dated 13 July 1983 on the rights and duties of civil servants and the General Local Authorities Code (**CGCT**).

1.3 Financial risks

The Issuer's indebtedness weighs heavily on its operating expenses and a high level of indebtedness is likely to reduce its savings rate and its ability to borrow on satisfactory pricing supplement and exposes the Issuer to financial risks (notably the risk of excessive indebtedness and payment default).

Nonetheless, the status of a legal entity governed by public law and the legal framework for territorial authority borrowing reduces the insolvency risks of the Issuer.

Law no. 82-213 of 2 March 1982 relating to the rights and freedoms of *communes, départements* and *regions* has abolished any form of State supervision over the acts of local authorities. Pursuant to such development, the local authorities have acquired full and complete discretionary decision-making powers with regard to funding and the rules governing borrowings have been liberalized and simplified. Henceforth, local authorities may freely raise borrowings and their contractual relationships with money-lenders are governed by private law and the principle of freedom of contract.

However, such freedom of contract is restricted by the following principles:

- borrowings must be exclusively used to finance capital spending;
- if the loan is denominated in foreign currency, the exchange risk must be entirely covered by a currency swap against Euro at the time of the subscription of the loan for the total amount and the total duration of the loan;
- if the interest rate is floating, indices and authorised spreads for the indexation provisions, following a currency swap, if applicable, are set by decree of the *Conseil d'Etat* and the indexation formulas shall meet criteria of simplicity or predictability of financial costs incurred by the authority with respect to the loan;
- repayment of the principal must be entirely covered by the local authority's own resources set up by the levy on operating revenue (i.e. the gross savings), plus the definitive investment proceeds – other than loans; and

- Law 2018-32 of 22 January 2018 on public finance programming for the years 2018 to 2022 provides for an upwards curve in deleveraging capacity (ratio between outstanding debt at end of financial year and gross savings for the past financial year, or the average of the last three financial years) for local authorities whose deleveraging capacity exceeds the national reference threshold in 2016 (which is 10 years for the departments in the same category as the Issuer). This measure is determined by the contracts created by this same law and passed between the State representative and the local authority. More generally, any surpluses generated have to then be used as a priority to pay down debt and the local authorities (including the Issuer) must expressly contribute to reducing the French public debt. The Issuer's deleveraging capacity amounts to 3.9 years as at 31/12/2019, while the reference threshold is 10 years, as mentioned above.

Lastly, article L.1611-3-1 of the CGCT, created by law 2013-672 of 26 July 2013 on the separation and regulation of banking activities, establishes certain limits as to currency, interest rate and associated hedging instruments applied to any loans taken out by the Department from a credit institution. However, this article is not intended to apply to bonds as specified in the parliamentary proceedings of this law (Report No. 1091 of the Finance Committee of the National Assembly, tabled on 29 May 2013, in response to Amendment No. 160 of 19 March 2013).

1.4 Risks related to non-repayment of the Issuer's debts

Repayment of debts constitutes a mandatory expense (whether for the redemption of principal or interest payments) in accordance with Article L.3321-1 of the CGCT. As a consequence, expenditure must be entered in the general budget.

Should that not be the case and at the request of the Regional Chamber of Accounts, the legislator has provided for a procedure (under Article L.1612-15 of the CGCT) allowing the *Préfet* to proceed with the payment order and to enter the expenditure in the budget of the local authority. Additionally, if a mandatory expense item is omitted from the budget by *mandatement* (act by which payment by the accountant is ordered) the legislator has also provided for a procedure (article L.1612-16 of the CGCT) allowing the *Préfet* to do it automatically.

Nevertheless, automatic payment registration and ordering procedures (*mandatement)* of the mandatory expense result from a final court order and they are governed by Article 1 of the Law no. 80-539 of 16 July 1980 and Articles L. 911-1 *et seq*. of the French Code of Administrative Justice.

1.5 Risks relating to derivative products

The use of financial instruments (derivatives such as swaps, caps, tunnels etc.) is only permitted where it covers exchange rate or interest rate risk, as indicated in inter-ministerial circular no. NOR/IOCB1015077C dated 25 June 2010 relating to financial products offered to local authorities and their public entities and is only authorised for the covering of rate or exchange risks. This text specifies the inherent risks relating to the debt management by local authorities and summarises the current law regarding the use of financial products and financial risks hedging instruments. It repeals the prior circular dated 15 September 1992.

Speculative transactions are strictly prohibited.

The Issuer takes extreme care in terms of the nature of the risks of products it subscribes for and refuses to enter into any offering financial conditions which are abnormally disconnected from the market. Any financial products that may potentially be entered into by the Department would only aim to reduce or limit the impact of financial charges and to totally or partially neutralise exchange risk in case of operations in foreign currencies.

Furthermore, decree 2014-984 of 28 August 2014 passed pursuant to law 2013-672 dated 26 July 2013, sets out in particular the conditions under which local authorities may agree financial contracts and may borrow from credit institutions.

1.6 Risks relating to the evolution of resources

As concerns its receipts, the Issuer, being a local authority, is exposed to any potential evolution of its legal and regulatory framework that could amend their structure and yield. Nevertheless, Article 72-2 of the French Constitution specifies that "tax receipts and the other own resources of the local authorities represent for each type of local authority a decisive share of its revenue".

The level of the Issuer's resources depends on the revenue transferred by the State in the context of transfers of powers or successive tax reforms. In particular, law no. 2015-991 of 7 August 2015 on the new territorial organisation of the Republic redefines the competences of the departments, removing the general competence clause that they used to benefit from and transferring a part of the financial resources of the departments (**CVAE**) to the regions, in exchange for equivalent financial compensation.

In addition, transfer duties for valuable consideration (**DMTO**) are a significant part of the Issuer's resources. However, they are a volatile resource and their volatility has to be constantly monitored by the Issuer. Changes in DMTO also affect the Issuer's contribution to the various DMTO equalisation funds assessed by reference to DMTO. These have been overhauled under the provisions of the 2020 Finance Act (global approach to all existing funds).

Furthermore the law no. 2018-32 of 22 January 2018 on the programming of public finances for 2018 to 2022 requires local authorities to contribute towards reducing public debt and controlling public spending. For this purpose, a national target for the maximum increase in actual operating expenditure was set at 1.2 % per year, with 2017 as the base level, together with a 3 year contract in principle, offered to local authorities whose actual operating expenditure exceeded 60 M€ in 2016.

In addition, the above-mentioned law no. 2018-32 provides that, starting from 2018, the difference between the level of actual operating expenditure of the local authority and the annual expenditure target set by the contract (1.2%, this rate may be adjusted downwards or upwards in accordance with the terms and limits set in article 29 of law 2018-32, and is based on an index which varies annually). The difference is assessed by the Prefect on the basis of the latest available management accounts. Where a difference is found, it may lead to a refund equal to 75% or even 100% of such difference (and limited to 2% of actual operating revenue), in accordance with the terms of article 29 of law 2018-32. These provisions apply to the Issuer.

Finally, the above-mentioned law no. 2018-32 provides for a refund where the cap for actual operating expenditure increases is exceeded by a local authority, as determined by contract by reference to the national growth rate fixed by Article 13 of that Act at 1.2% per annum. This rate may be adjusted downwards or upwards in accordance with the terms and within the limits laid down in Article 29 of such law, and is moreover based on an index that varies each year. The refund is deducted from the twelfths provided for in Article L. 3332-1-1 of the CGCT, and is capped at 2% of actual operating revenue.

Like the majority of the départements, the Departmental Council of the Bouches-du-Rhône has refused to commit to this approach, which was deemed unsuited to the nature of its expenditure (constrained social spending), its management choices (not taking into account savings already made) and the desire to increase its commitment to certain policy areas (persons with disabilities, youth, environment).

In 2019, an amount of 2.114 M€ was levied from the last three months' tax revenue in respect of the 2018 financial year.

The new generation contract should be published in the spring of 2020. The health crisis has disrupted the legislative timetable and the subject should be addressed in the draft 2021 finance act. In this regard, emergency Law No. 2020-290 of 23 March 2020 dealing with the Covid-19 epidemic has suspended the application of this measure in respect of the 2020 financial year.

As of today, no details have been provided as to its form, objectives or contents.

The law n°2019-1479 dated 28 December 2019 (Finance Act 2020) voted for the transfer to the *communes* of property tax on built land received by *départements*, in consideration of the abolition of residence tax on main residences. This measure, which will take effect in 2021 will be compensated for by the award of a portion of national VAT. This is a dynamic tax but subject to the vagaries of the economic environment. This reform goes hand-in-hand with a State guarantee in the event that the compensatory VAT payment falls below the income received in 2020.
Finally, the question of production taxes is under consideration. It may culminate in the abolition of CVAE (business value-added value contribution), and it being replaced by a portion of national VAT.

1.7 Risks associated with the Issuer's rating

The Issuer's rating attributed by Fitch Ratings is merely the expression of an opinion on the level of credit risk associated with the Issuer and does not necessarily reflect all associated risks. This rating does not constitute a recommendation to buy, sell or hold the Notes and may, at any time, be suspended modified or withdrawn by the rating agency.

1.8 Risks relating to the Issuer's off-balance sheet transactions

Loan guarantees or sureties to public or private entities are governed by articles L.3231-4 to L.3231-5 and R.3231-1 to D.3231-2 of the CGCT. At 31 December 2019, the outstanding debt guaranteed by the Issuer stood at 1.4 Bn€, of which social housing represents 90% (on the same date, the Issuer's own outstanding debt totalled 1.039 Bn€) (see paragraph 6.2 (III)(D) (*Loan guarantees granted by the Department*) in the "Description of the Issuer" section of this Offering Circular).

The Issuer is obliged to comply with three prudential rules determined by law 88-13 of 5 January 1988 known as the "Galland Law". These cumulative rules establish the principle of capping commitments, capping beneficiaries (or dividing risk) and sharing risk. These rules apply only to guarantees granted to private law persons. The "Galland ratio" relating to the commitments ceiling is published in the annexes of the Issuer's initial budget and administrative accounts. In the initial 2020 budget, this ratio amounts to 3.4% (the ceiling is set at 50%); in the 2019 administrative accounts, it was 2.33%.

The Issuer has voluntarily elected to set aside a provision for the risks involved. Each year, it adopts a provision, the amount of which is adjusted by reference to the conclusions of the financial analysis of the accounts of each guaranteed entity. In the 2020 Primary Budget, the amount of the provision was 12 M€.

1.9 Risks relating to financial statements

The Issuer, as a local authority, is not subject to the same accounting standards as a private law issuer. Its financial statements (budgets, administrative accounts) are not subject to the same checks as a private corporate legal entity but are subject to specific accounting rules set, in particular, by decree no 2012-1246 of 7 November 2012 and the CGCT, all as more fully described in paragraph 4.1 (*Budgetary and accounting rules*) in the "Description of the Issuer" section of this Offering Circular. Investors' financial assessment of the Issuer should take into account this specific accounting context.

The Issuer's accounts are subject to State verification, which takes three forms: (i) legality check, (ii) financial checks carried out by the Departmental Prefect and the public auditor and (iii) periodic management review carried out by the Regional Accounting Chamber. These various checks are more fully described in paragraph 4.3 (*The Checks*) of the "Description of the Issuer" section of this Offering Circular.

Once every year, the Issuer carries out an accounts consolidation exercise, presented and voted at a public session: in addition to the statutory consolidation which includes the management accounts of the local authority's 4 ancillary budgets, an analysis of the accounts of the most important partner entities is performed, after which they are consolidated, offering a wider view of the local authority's financial position.

1.10 High potential impact exogenous event risks

The Covid-19 crisis is an illustration of the external risks to the Issuer that could have a significant impact on its activity. However, these external risks may also be linked to other types of events including, among others, large-scale social movements, strikes and bad weather.

At the date of this Offering Circular, the extent of the consequences of the Covid-19 health crisis remains uncertain, but three types of impacts can already be identified for this type of risk:

- the risk to the health of the Issuer's employees and their families in the event of a health crisis. It should be noted that the Issuer very quickly communicated and implemented the barrier measures to be put in place during the Covid-19 crisis;

- operational risk posed by lockdown to the proper functioning of services. The Issuer has reorganised its operations, among other things, to ensure, in any situation and in the best possible conditions, the continuity of public services in the départements and in particular with regard to the authority's financial management. To this end, the Issuer has organized:

    - remote working for almost all head office staff and for all Finance Division staff (conventions, VPN access, supply of appropriate computer equipment),

    - dematerialization of budgetary and financial procedures as well as accounting procedures for the financial execution of expenditure to guarantee in all circumstances that expenditure is committed, invoices are paid, grants are disbursed, and that staff are paid,

    - the development of an integrated and secure financial management and information system; and

- financial risk impacting on the Issuer's revenues and expenditure (see section entitled "Risks relating to the evolution of resources").

However, the Issuer has demonstrated on several occasions its resilience and responsiveness in times of crisis, notably the Covid-19 pandemic.

The Département's action is supported by cooperation between the State and local authorities during exceptional crises, including through measures taken by ordinance and amending finance laws (including Ordinance no. 2020-330 of 25 March 2020 on local authority and local public institution fiscal, financial and budgetary continuity measures to deal with the consequences of the Covid-19 epidemic).

2. RISKS RELATING TO THE NOTES

2.1 General Market Risks

The debt instruments market may be volatile and be adversely affected by certain events

The securities market is affected by economic and market conditions and, to varying degrees, by interest rates, exchange rates and inflation in other European and industrialised countries. No assurance can be given that events in France, Europe or elsewhere will not cause market volatility or that such market volatility will not adversely affect the value of the Notes or that economic and market conditions will not have other adverse effects.

An active market in the Notes may not develop or be sustained

No assurance can be given that an active market in the Notes will develop or that, if such market does develop, that it will be sustained or offer sufficient liquidity. If an active market in the Notes does not develop or is not sustained, the market value or price and liquidity of the Notes may be adversely affected. Therefore, investors may not be in a position to easily sell their Notes or to sell them at a price offering a return comparable to similar products for which an active market has developed.

The Issuer has the right to purchase Notes, on the terms set forth in Article 5.7, and the Issuer may issue new Notes, on the terms set forth in Article 13. Such actions may favourably or adversely affect the value of the Notes. If additional or competing products are brought on to the markets, this may adversely affect the value of the Notes.

Exchange rate and exchange control risks

The Issuer pays the principal and interest on the Notes in euros (the Specified Currency). This presents certain currency conversion risks if the investor's financial activities are principally conducted in a different currency or monetary unit (the Investor's Currency) than the Specified Currency. Such risks include the risk that exchange rates may fluctuate significantly (including fluctuations due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that the authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An increase in the value of the Investor's Currency compared to the Specified Currency would reduce (i) the equivalent yield of the Notes in the Investor's Currency, (ii) the equivalent value in the Investor's Currency of the principal payable on the Notes and (iii) the equivalent market value in the Investor's Currency of the Notes.

The Government and the monetary authorities may impose (as has happened in the past) exchange control measures that may adversely affect exchange rates. Accordingly, investors may receive payment of an amount of principal or interest less than expected, or even receive neither interest nor principal.

Risks related to rating

The Issuer and the Programme have been rated AA- by Fitch. Independent credit rating agencies may assign a rating to Notes issued under this Programme. Such rating does not reflect the potential impact of the risk factors described in this section and all other risk factors that may affect the value of the Notes issued under this Programme. A rating does not constitute a recommendation to buy, sell or hold Notes and may be revised or withdrawn at any time by the rating agency.

2.2 General risks related to the Notes

The Notes may be redeemed prior to maturity

If, at the time of redemption of principal or payment of interest, the Issuer is obliged to pay additional amounts in accordance with Article 7.2, it may reimburse the Notes in full at the Early Redemption Amount together with, unless provided otherwise in the applicable Pricing Supplement, all interest accrued until the relevant redemption date.

Similarly, if it becomes unlawful for the Issuer to fulfil or comply with its obligations under the Notes, the Issuer may, in accordance with Article 5.9, redeem the Notes, in full but not in part only, at the Early Redemption Amount together with all interest accrued until the relevant redemption date.

Any early redemption option available to the Issuer, specified in the Pricing Supplement of an issue of Notes may result in the Noteholders receiving a return considerably below their expectations

The Pricing Supplement of an issue of Notes may include an early redemption option for the Issuer. In such case, the yield at the time of redemption may be lower than expected and the value of the amount redeemed may be less than the purchase price of the Notes paid by the Noteholder. Consequently, part of the capital invested by Noteholders in the Notes may be lost, resulting in the Noteholder receiving less than the full amount of capital invested. Furthermore, in the event of early redemption, investors who decide to reinvest the funds they receive may only be able to reinvest in securities that offer lower returns than the redeemed Notes.

Risks related to the optional redemption by the Issuer

The market value of the Notes may be affected by the optional redemption of the Notes at the option of the Issuer. During the periods where the Issuer can exercise such redemptions, in general, this market value does not substantially increase above the price at which the Notes may be redeemed. This can also be the case before any redemption period.

It can be expected that the Issuer would redeem the Notes when its borrowing costs are lower than the interest rate of the Notes. In such case, an investor will not, generally, reinvest the proceeds of the redemption at an actual interest rate as high as the interest rate of the redeemed Notes and may only be able to invest in Notes that offer a significantly lower yield. Prospective investors must also take into account the risk linked to the reinvestment in the light of other available investments at the time of the investment.

Moreover, the exercise of redemption at the option of the Issuer for some Notes may affect the liquidity of Notes of the same Series for which such option has not been exercised. Depending on the number of Notes of the same Series in respect of which the optional redemption provided for in the applicable Pricing Supplement has been exercised, the market of Notes for which such a redemption has not been exercised may become illiquid.

Risks relating redemption at the option of the Noteholders

The exercise of redemption at the option of the Noteholders for some Notes may affect the liquidity of Notes of the same Series for which such option has not been exercised. Depending on the number of Notes of the same Series in respect of which the optional redemption provided for in the applicable Pricing Supplement has been exercised, the market of Notes for which such a redemption has not been exercised may become illiquid. In addition, investors requesting redemption of their Notes could not be able to reinvest the funds received from such early redemption so as to receive a yield equivalent to that of the redeemed Notes.

Amendment of the Terms and Conditions of the Notes

Noteholders will be grouped for the defence of their common interests in a Masse (as defined in Article 10 of the Terms and Conditions of the Notes "Representation of Noteholders") and may hold general meetings of Noteholders or take written decisions. The Terms and Conditions of the Notes provide that in certain cases Noteholders, not present or represented at a general meeting, or who did not take part in the written decision, may be bound by resolutions voted by Noteholders who were present or represented, even if they disagree with the vote or the written decision.

Subject to the provisions of Article 10 of the Terms and Conditions of the Notes "Representation of Noteholders", Noteholders may by Collective Decision, as defined in the Terms and Conditions of the Notes, deliberate on any proposal relating to the modification of the Terms and Conditions of the Notes, notably on any proposal, whether for arbitration or settlement, relating to rights that are in dispute or the subject of judicial decision.

Change of law

The Terms and Conditions of the Notes are governed by French law as of the date of this Offering Circular. No assurance can be given as to the consequences of any judicial decision or any change of French law or regulation subsequent to the date of this Offering Circular.

Taxation

Prospective purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or in other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions on the tax treatment of securities such as the Notes are available.

Prospective investors are advised not to rely upon the tax summary contained in this Offering Circular but to ask for their own tax adviser’s advice based on their individual situation with respect to the acquisition, holding, proceeds, transfer and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of a prospective investor.

Loss of investment in the Notes

The Issuer reserves the right to purchase Notes, at any price, on the stock exchange or otherwise, in accordance with applicable regulations. Although this does not impact on the normal schedule for redemption of the Notes remaining outstanding, it would however reduce the yield of the Notes redeemed early. Similarly, in the event of change of the taxation rules applicable to the Notes, the Issuer may be obliged to redeem the Notes in full at the Anticipated Redemption Amount as defined in the applicable Pricing Supplement. Any early redemption of the Notes may result in the Noteholders receiving a yield significantly below their expectations.

Also, there is a risk that the Notes will not be redeemed on their maturity date if the Issuer is no longer solvent. The non-redemption or partial redemption of the Notes would de facto result in a total or partial loss of investment in the Notes.

Finally, any sale of a Note on the market may occur at a price below the purchase price and cause a capital loss. Under this operation, the Investor does not benefit from any protection or guarantee of the invested capital. The initial invested capital is exposed to the market risks and may thus not be returned in case of adverse stock exchange evolution. Investors may lose all or part of their investment value, depending on the case.

Verification of legality

The *Préfet* of Région Provence-Alpes-Côte d'Azur, *Préfet* of the Bouches-du-Rhône has two months as from the date of the reception to the *préfecture* of any resolution of the Département des Bouches-du-Rhône (*Département des Bouches-du-Rhône*), and of some contracts entered into by it to verify the legality of such deliberation and/or the decision to sign such contracts and, if he considers them to be illegal, to refer them to the relevant administrative tribunal and, if appropriate, seek an order for them to be suspended. The relevant administrative tribunal may then, if it considers such deliberations and/or the decision to sign such contracts to be illegal, order their suspension or annul them in whole or in part.

Third party action

A third party, having legal standing, may bring an action for abuse of authority before the administrative courts against any resolution of the Département des Bouches-du-Rhône and/or any decision to sign contracts issued by it within a period of two months as from the date of its publication or notification and, if appropriate, seek an order for it to be suspended. If such deliberation and/or the decision to sign are not published in an appropriate manner, such right of action shall be brought by any third party for an unlimited period. Once seized, the competent administrative judge may then, if it considers that a rule of law has been breached, cancel such resolution or decision, if it considers the matter sufficiently urgent, suspend it.

2.3 Risks related to a specific issue of Notes

Floating Rate Notes

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest payments on Floating Rate Notes cannot be predicted. Due to fluctuations in interest payments, investors cannot determine the actual yield on the Floating Rate Notes at the time of purchase, and therefore their investment returns cannot be compared to investments with longer fixed interest periods. If the terms and conditions of the Notes specify frequent interest payment dates, investors are exposed to reinvestment risk if market interest rates fall. In such case, investors will only be able to reinvest their interest income at a potentially lower prevailing interest rate.

An investment in Floating Rate Notes comprises (i) a reference rate and, if applicable, (ii) a margin to be added or subtracted, as applicable, to such reference rate. In general, the relevant margin will not change over the term of the Note, but there will be a periodic adjustment (as specified in the applicable Pricing Supplement) of the reference rate (for example, every three (3) or six (6) months) which will change depending on the general market conditions.

Accordingly, the market value of Floating Rate Notes may be volatile if changes, in particular short-term changes, on the interest rate market applicable to the relevant rate cannot be applied to the interest rate of such Notes until the next periodic adjustment of the relevant rate.

Fixed Rate Notes

It cannot be ruled out that the value of Fixed Rate Notes may be adversely affected by future fluctuations on the interest rate markets.

Fixed to Floating/Floating to Fixed Rate Notes

Fixed to Floating Rate Notes have an interest rate which, automatically or following a decision by the Issuer on a date set out in the Pricing Supplement, may change from a fixed rate to a floating rate or from a floating rate to a fixed rate. The conversion (be it automatic or optional) may affect the secondary market in the Notes to the extent that it may lead to a fall in overall borrowing costs. If a fixed rate is converted into a floating rate, the margin between the fixed rate and the floating rate may be less favourable than margins on comparable Floating Rate Notes with the same benchmark rate. In addition, the new floating rate may be lower at any time than the interest rates on its other Notes. If a floating rate is converted into a fixed rate, the fixed rate may be lower than the applicable rates on its other Notes.

Zero Coupon Notes and other Notes issued below par or with an issue premium

The market value of Zero Coupon Notes and other securities issued below par or with an issue premium tends to be more sensitive to fluctuation due to variations in interest rates than typical interest-bearing securities. Generally, the longer the maturity of the Notes, the more the price volatility of such Notes resembles that of typical interest-bearing securities of similar maturity.

The regulation and reform of "benchmarks" may adversely affect the value of the Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be Benchmarks, (including EURIBOR and LIBOR) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such Benchmarks to perform differently than in the past, to disappear entirely, to be subject to revised calculation methods, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Floating Rate Notes linked to or referencing such a Benchmark. Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") was published in the Official Journal of the EU on 29 June 2016 and applies since 1st January 2018. The Benchmarks Regulation applies to the provision of Benchmarks, the contribution of input data to a Benchmark and the use of a Benchmark within the European Union. It could have a material impact on any Floating Rate Notes linked to or referencing a Benchmark, in particular in any of the following circumstances:

- an index which is a Benchmark could not be used by a supervised entity in certain ways if its administrator does not obtain authorisation or registration or, if based in a non-EU jurisdiction, the administrator is not recognised as equivalent or recognised or endorsed and the transitional provisions do not apply; and

- the methodology or other terms of the Benchmark could be changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing or increasing the rate or level or otherwise affecting the volatility of the published rate or level of the Benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of Benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the following effects on certain Benchmarks (including

EURIBOR and LIBOR): (i) discourage market participants from continuing to administer or contribute to the Benchmark; (ii) trigger changes in the rules or methodologies used in the Benchmark or (iii) lead to the disappearance of the Benchmark. Any of the above changes or any other subsequent changes, following international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Floating Rate Notes linked to or referencing a Benchmark.

Investors should be aware that, if a Benchmark were discontinued or otherwise unavailable, the rate of interest on Notes which are linked to or which reference such Benchmark will be determined for the relevant period by the fall-back provisions applicable to such Notes (if a Benchmark Event occurs, a specific fall-back provision will apply - please refer to the risk factor entitled "*The occurrence of a Benchmark Event could have a material adverse effect on the value of and return on any such Notes linked to or referencing such Benchmarks"* below). Depending on the manner in which a Benchmark is to be determined under the Terms and Conditions, this may (i) if ISDA Determination or FBF Determination applies, be reliant upon the provision by reference banks of offered quotations for the Benchmark which, depending on market circumstances, may not be available at the relevant time or (ii) if Screen Rate Determination applies, result in the effective application of a fixed rate based on the rate which applied in the previous period when the Benchmark was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Notes linked to or referencing a Benchmark.

Regulation (EU) 2019/2089 of the European Parliament and of the Council dated 27 November 2019 has amended the existing provisions of the Benchmark Regulation providing for an extension until the end of 2021 of the transitional regime applicable to benchmarks of critical importance and benchmarks of third countries.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Floating Rate Notes linked to or referencing a Benchmark.

Future discontinuance of LIBOR and other Benchmarks may adversely affect the value of Floating Rate Notes

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that the FCA does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021 (the "**FCA Announcement**"). Therefore, the continuation of LIBOR in its current form (or at all) after 2021 cannot be guaranteed. In a further speech on 12 July 2018, Andrew Bailey, Chief Executive Officer of the FCA, emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021. The potential elimination of the LIBOR benchmark or any other Benchmark, or changes in the manner of administration of any Benchmark, may require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes linked to such Benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR) depending on the specific provisions of the relevant terms and conditions applicable to the Notes. Any such consequences could have a material adverse effect on the liquidity and value of and return on any such Notes.

Other interbank rates such as EURIBOR (the European Interbank Offered Rate) (together with LIBOR, the "**IBORs**") suffer from similar weaknesses to LIBOR and as a result may be discontinued or be subject to changes in their administration.

Changes to the administration of an IBOR or the emergence of alternatives to an IBOR, may cause such IBOR to perform differently than in the past, or there could be other consequences which cannot be predicted. The discontinuation of an IBOR or changes to its administration could require changes to the way in which the Rate of Interest is calculated in respect of any Notes referencing or linked to such IBOR. The development of alternatives to an IBOR may result in Notes linked to or referencing such IBOR performing differently than would otherwise have been the case if the alternatives to such IBOR had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any Notes linked to or referencing such IBOR.

Whilst alternatives to certain IBORs for use in the bond market (including SONIA, i.e. Sterling Over Night Index Average (for Sterling LIBOR) and rates that may be derived from SONIA) are being developed, in the absence of any legislative measures, outstanding notes linked to or referencing an IBOR will only transition away from such IBOR in accordance with their particular terms and conditions.

The occurrence of a Benchmark Event could have a material adverse effect on the value of and return on any such Notes linked to or referencing such Benchmarks

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a Benchmark Event occurs, including if an inter-bank offered rate (such as LIBOR or EURIBOR) or other relevant reference rate, and/or any page on which such Benchmark may be published, becomes unavailable, or if the Issuer, the Calculation Agent, any Paying Agent or any other party responsible for the calculation of the Rate of Interest (as specified in the applicable Pricing Supplement) are no longer permitted lawfully to calculate interest on any Notes by reference to such Benchmark under the Benchmarks Regulation or otherwise. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Terms and Conditions of the Notes), with or without the application of an adjustment spread (which, if applied, could be positive or negative, and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant Benchmark), and may include amendments to the Terms and Conditions of the Notes to ensure the proper operation of the successor or replacement Benchmark, all as determined by the Independent Adviser and without the consent of the Noteholders.

In certain circumstances, including where no Successor Rate or Alternative Rate (as applicable) is determined, other fallbacks rules may be used, which consist in the rate of interest for such Interest Period to be based on the rate which applied for the immediately preceding Interest Period, as set out in the risk factor above entitled "*The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such “benchmarks*"".

In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes. Investors should note that, the Independent Adviser will have discretion to adjust the relevant Successor Rate or Alternative Rate (as applicable) in the circumstances described above. Any such adjustment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholders, any such adjustment will be favourable to each Noteholder.

Investors should consider all of these matters when making their investment decision with respect to the relevant Floating Rate Notes.

GENERAL DESCRIPTION OF THE PROGRAMME

The following general description must be read with all the information setup in this Offering Circular. The Notes shall be issued pursuant to the terms agreed between the Issuer and the relevant Dealer(s) and, unless specified otherwise in the relevant Pricing Supplement, the Notes shall be governed by the Terms and Conditions specified in pages 28 to 58 of the Offering Circular.

Terms and expressions defined in the section "Terms and Conditions of the Notes" hereafter shall have the same meaning in this general description of the programme.

Issuer:	Département des Bouches-du-Rhône
Description of the Programme:	Euro Medium Term Note Programme (the **Programme**).
	The Notes will constitute obligations pursuant to French Law.
Arranger:	HSBC France
Dealers:	Crédit Agricole Corporate and Investment Bank
	Crédit Mutuel Arkéa
	Deutsche Bank Aktiengesellschaft
	HSBC France
	Natixis
	Société Générale
	The Issuer may, at any time, revoke any Dealer under the Programme, or appoint supplement Dealers either for one or several Tranches, or for the Programme as a whole. Any reference made in this Offering Circular to the **Permanent Dealers** refers to persons named above as Dealers and to any other person who would have been appointed as a Dealer for the Programme as a whole (and who would have not been revoked) and any reference made to **Dealers** refers to any Permanent Dealer and any other person named as Dealer for one or several Tranches.
Fiscal Agent and Principal Paying Agent:	BNP Paribas Securities Services
Calculation Agent:	Unless otherwise stipulated in the applicable Pricing Supplement, BNP Paribas Securities Services.
Maximum Amount of the Programme:	The aggregate nominal amount of the Notes outstanding shall not, at any time, exceed euros 500,000,000.
Issuance method:	The Notes shall be issued under syndicated or non-syndicated issues.
	The Notes shall be issued by series (each a **Series**), at same or different issue dates, and shall be governed (except for the first interest payment) by identical terms, the Notes of each Series being fungible amongst themselves. Each Series may be issued by tranches (each a **Tranche**), having same or different issue dates. The specific terms of each Tranche (which shall be supplemented, if necessary, on the basis of additional terms and shall be identical to the terms of the other Tranches of the same Series (with the exception of the issue date, issue price, first

	interest payment and nominal amount of the Tranche)) shall be set up in the applicable pricing supplement (the **Pricing Supplement**) supplementing this Offering Circular.
Maturities:	Subject to compliance with all applicable legislations, regulations and directives, the Notes shall have a minimum maturity of one month and a maximum maturity of 30 years from the initial issue date as specified in the applicable Pricing Supplement.
Currency:	Subject to compliance with all applicable legislations, regulations and directives, the Notes shall be issued in euros.
Denomination(s):	The Notes shall have the denomination(s) specified in the applicable Pricing Supplement (the **Specified Denomination(s)**). The Dematerialised Notes shall be issued in one Specified Denomination only. Notes admitted to trading on a regulated market shall have a unique denomination greater than or equal to euros 100,000 or to any other greater amount which could be authorised or required by the relevant competent authority or by any legislation or regulation applicable to the Specified Currency. Dematerialised Notes shall be issued in a single denomination.
Status of the Notes and negative pledge:	The Notes and, if any, related Receipts and Coupons constitute direct, unconditional, non-subordinated and (subject to the following paragraph) non-guaranteed obligations of the Issuer which rank *pari passu* amongst themselves and (subject to mandatory exceptions under French Law) *pari passu* with any other present or future, non-subordinated and non-guaranteed obligation of the Issuer. As long as the Notes or, if any, Receipts or Coupons linked to the Notes will remain outstanding (as defined in the Terms), the Issuer will not grant or permit to subsist any mortgage, pledge, lien or any other security interest upon any of its assets or revenues, present or future, in order to secure any present or future indebtedness, represented by bonds, securities or other negotiable instruments admitted to trading with a maturity greater than a year and which are (or are able to be) admitted to trading on any market, unless the obligations of the Issuer under the Notes and, if any, Receipts and Coupons, do not benefit from an equivalent and *pari passu* security interest.
Events of Default:	The terms and conditions of the Notes set up events of default, as described further in paragraph "Terms and Conditions of the Notes – Events of default".
Redemption Amount:	Unless events of default or redemption and cancellation, the Notes shall be redeemed at the Maturity Date specified in the applicable Pricing Supplement and at the Final Redemption Amount.
Optional Redemption:	The Pricing Supplement prepared for each issue of Notes will indicate if whether or not they may be redeemed at the option of the Issuer (as a whole or in part) and/or at the option of the Noteholders before their expected maturity date, and if they may be, the terms applicable to such redemption.

Redemption in Instalments: The Pricing Supplement relating to Notes redeemable in two or several instalments shall specify the dates on which such Notes may be redeemed and the amounts to be redeemed.

Early Redemption: Subject to provisions of paragraph "Optional Redemption" above, the Notes shall only be redeemed early at the option of the Issuer for tax reasons.

Withholding tax: All payments of principal, interest or other amounts linked to the Notes, Receipts or Coupons by or on behalf of the Issuer shall be made without any withholding or deduction for any taxes or duties of whatever nature imposed, levied or collected by or on behalf of France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

If French law should require that payments of principal, interest or other proceeds in respect of any Note, Receipt or Coupon be subject to withholding or deduction with respect to any taxes or duties whatsoever, present or future, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the holders of Notes, Receipts and Coupons receive the full amount that would have been payable in the absence of such withholding or deduction; subject to certain exceptions described further in section "Terms and Conditions of the Notes - Taxation" of this Offering Circular.

Interests Periods and Rates: For each Series, the duration of interest periods of the Notes, the applicable interest rate and its calculation method may vary or stay the same, as the case may be. The Notes may have a maximum interest rate (a **Maximum Interest Rate**), a minimum interest rate (a **Minimum Interest Rate**) or both at the same time, it being specified that (i) in no case shall the amount of interest payable for each Note be less than zero and (ii) unless a higher Minimum Interest Rate is provided in the relevant Pricing Supplement, the Minimum Interest Rate shall be equal to 0. The Notes may bear interest at different rates during the same interest period through the use of accrual interest periods (defined in the Terms and Conditions as Accrual Interest Periods). All this information will figure in the applicable Pricing Supplement.

Fixed Rate Notes: Fixed interests will be payable in arrear at the date(s) for each period indicated in the applicable Pricing Supplement.

Floating Rate Notes: Floating Rate Notes will bear interest at the determined rate for each Series as follows:

(a) on the same basis as the floating rate indicated in the relevant Pricing Supplement applicable to a notional interest rate exchange transaction in the relevant Specified Currency, pursuant to the *Fédération Bancaire Française* (the **FBF**) Master Agreement dated June 2013 relating to transactions on forward financial instruments supplemented by the Technical Schedules published by the FBF, or

(b) by reference to EURIBOR (or TIBEUR in French), to EONIA (or TEMPE in French), or to any successor or alternative, in each case adjusted in accordance with the Terms and Conditions of the Notes, or to TEC10, or

(c) in the event of cessation of the benchmark, by reference to the successor rate or alternative rate determined by the independent adviser appointed by the Issuer, in accordance with the Terms and Conditions of the Notes,

in each case, as adjusted according to margins eventually applicable and paid at the dates indicated in the applicable Pricing Supplement.

Fixed/Floating Rate Notes: Each Fixed/Floating Rate Note bears interest at a rate (i) that the Issuer may decide to convert on the date indicated in the applicable Pricing Supplement from a Fixed Rate to a Floating Rate (of the types of Floating Rate specified above) (or vice-versa) or (ii) that shall be automatically converted from a Fixed Rate to a Floating Rate (or vice-versa) on the date specified in the applicable Pricing Supplement.

Zero Coupon Notes: Zero Coupon Notes may be issued at par or below par and will not pay interests.

Form of the Notes: The Notes may be issued either in dematerialised form (**Dematerialised Notes**) or in materialised form (**Materialised Notes**).

Dematerialised Notes may be, at the option of the Issuer, issued in bearer form (*au porteur*) or in registered form (*au nominatif*) and, in such case, at the option of the relevant Noteholder, either in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*). No document materialising the title of the Notes will be issued.

Materialised Notes will only be in bearer form. A Temporary Global Certificate in respect of each Tranche of Materialised Notes will be initially issued. Materialised Notes may only be issued outside France.

Governing Law: French law. Any dispute relating to the Notes, Receipts, Coupons or Talons shall be submitted to the competent court under jurisdiction of the Paris Court of Appeal (subject to mandatory provisions related to territorial jurisdiction of French courts). No attachment proceedings under private law can be taken and no seize proceedings can be implemented against the assets or properties of the Issuer as a legal person governed by public law.

Clearing systems: Euroclear France as a central depositary in relation to the Dematerialised Notes and, in relation to the Materialised Notes, Clearstream and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.

Notes admitted to trading on Euronext Paris will be cleared by Euroclear France.

Initial Delivery of Dematerialised Notes: The accounting letter (*lettre comptable*) relating to each Tranche of Dematerialised Notes shall be delivered to Euroclear France, acting as central depositary, one Paris business day before the issue date of such Tranche.

Initial Delivery of Materialised Notes: At least at the issue date of each Tranche of Dematerialised Notes, the Temporary Global Certificate relating to such Tranche shall be delivered to a common depositary for Euroclear and Clearstream or to any other

	clearing system, or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer(s).
Issue Price:	The Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Admission to Trading:	On Euronext Paris and/or on any other Regulated Market of the European Economic Area (which includes, for the purposes of this definition, the United Kingdom) (**EEA**) and/or on a non-regulated market which may be indicated on the applicable Pricing Supplement. The applicable Pricing Supplement may specify that a Series of Notes shall not be admitted to trading.
Rating:	The Programme has been granted an AA- rating by Fitch Ratings (**Fitch**). Notes issued under the Programme may be rated or not. The rating of the Notes, if any, shall be specified in the applicable Pricing Supplement. The rating of the Notes may not necessarily be the same as that of the Programme. A rating is not a recommendation to buy, sell or hold Notes and may be suspended, amended or withdrawn at any time by the relevant rating agency. At the date of the Offering Circular, Fitch is established in the United Kingdom and registered pursuant to Regulation (EC) No. 1060/2009 of the European Parliament and the Council dated 16 September 2006 on credit rating agencies, as amended (the **ANC Regulation**) and is included on the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation.
Selling restrictions:	There are restrictions relating to the sale of Notes and the distribution of the offering materials in different jurisdictions. The Issuer is Category 1 for the purposes of Regulation S under the United States Securities Act of 1933, as amended. Materialised Notes shall be issued pursuant to Section (U.S. Treas. Reg.) §1.163-5(c)(2)(i)(D) of the U.S. Treasury Regulations (**D Rules**) unless (a) the applicable Pricing Supplement provide that such Materialised Notes are issued pursuant to Section (U.S. Treas. Reg.) §1.163-5(c)(2)(i)(C) of the U.S. Treasury regulations (**C Rules**), or (b) the Materialised Notes are not issued pursuant to C Rules or D Rules, but under such conditions that these Materialised Notes shall not constitute "registration required obligations" by the United States Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), in such case the applicable Pricing Supplement shall indicate that the transaction is outside the scope of the TEFRA rules. The TEFRA rules do not apply to Dematerialised Notes.

DOCUMENTS INCORPORATED BY REFERENCE

I. This Offering Circular shall be read and construed together with the sections of the documents listed in the table below which have previously been published on the Issuer's website (https://www.cg13.fr/le-13/linstitution/le-budget/lemprunt-obligataire/). The sections of these documents are incorporated into, and deemed to form an integral part of, this Offering Circular.

Documents	Sections incorporated by reference
Base Prospectus dated 15 October 2013 which has received the Autorité des Marchés Financiers' (AMF) visa no. 13-550 dated 15 October 2013.	"Terms and Conditions of the Notes" pages 24 to 47 (the **2013 Terms and Conditions of the Notes**)
Base Prospectus dated 23 September 2014 which has received AMF visa no. 14-513 dated 23 September 2014.	"Terms and Conditions of the Notes" pages 22 to 50 (the **2014 Terms and Conditions of the Notes**)
Base Prospectus dated 5 October 2015 which has received AMF visa no. 15-515 dated 5 October 2015.	"Terms and Conditions of the Notes" pages 23 to 51 (the **2015 Terms and Conditions of the Notes**)
Base Prospectus dated 25 November 2016 which has received AMF visa no. 16-551 dated 25 November 2016.	"Terms and Conditions of the Notes" pages 23 to 50 (the **2016 Terms and Conditions of the Notes**)
Base Prospectus dated 20 April 2018 which has received AMF visa no. 18-141 dated 20 April 2018.	"Terms and Conditions of the Notes" pages 24 to 51 (the **2018 Terms and Conditions of the Notes**)
Base Prospectus dated 1 April 2019 which has received AMF visa no. 19-123 dated 1 April 2019.	"Terms and Conditions of the Notes" pages 30 to 63 (the **2019 Terms and Conditions of the Notes**)

The 2013 Terms and Conditions of the Notes, the 2014 Terms and Conditions of the Notes, the 2015 Terms and Conditions of the Notes, the 2016 Terms and Conditions of the Notes, the 2018 Terms and Conditions of the Notes and the 2019 Terms and Conditions of the Notes are deemed to form an integral part of this Offering Circular for the requirements of the issuance of equivalents notes. The other parts of the base prospectus dated 15 October 2013, of the base prospectus dated 23 September 2014, of the base prospectus dated 5 October 2015, of the Base Prospectus dated 25 November 2016, of the Base Prospectus dated 20 April 2018 and of the Base Prospectus dated 1 April 2019 are not incorporated by reference.

Any statement contained in any document which is deemed to be incorporated by reference herein shall be deemed to be amended or replaced for the purposes of this Offering Circular to the extent that a statement contained herein amends or supplements any such previous statement. Any statement so amended or replaced shall be deemed not to form an integral part of this Offering Circular unless it has been replaced or amended in accordance with the above provisions.

II. The following documents, which shall be published on the dedicated page of the Issuer's website (https://www.cg13.fr/le-13/linstitution/le-budget/lemprunt-obligataire/) after the date of this Offering Circular, shall be deemed to be incorporated by reference and to form an integral part thereof as from the date of their publication:

- the latest up-to-date version of the Issuer's administrative accounts; and

- the latest up-to-date version of the Issuer's budget (primary or supplemental).

III. Investors are deemed to be aware of all information contained in the documents incorporated by reference (or deemed to be incorporated by reference) in this Offering Circular, as if such information were included in this Offering Circular. Investors who have not made themselves aware of such information should do so before investing in any notes.

SUPPLEMENT TO THE OFFERING CIRCULAR

Any new material fact or any material error or inaccuracy concerning the information contained in the Offering Circular, which may have a substantial impact on any assessment of the Notes and which occurs or becomes apparent between the date of the Offering Circular and the commencement of trading on a regulated market if this event occurs later, must be mentioned in a supplement to the Offering Circular. The Issuer undertakes to give to each Dealer at least one copy of any supplement. No supplement shall be prepared in relation to the information referred to in paragraph II of the section "Documents incorporated by reference".

Any Offering Circular supplement shall be published on the dedicated page of the Issuer's website (https://www.cg13.fr/le-13/linstitution/le-budget/lemprunt-obligataire/).

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to amendment or completion in accordance with the provisions of the applicable Pricing Supplement, shall apply to the Notes (the **Terms and Conditions**). In the case of Dematerialised Notes, the text of the terms and conditions of the Notes shall not appear on the reverse side of the Physical Notes evidencing title thereto, but shall be constituted by the following text as completed by the provisions of the applicable Pricing Supplement. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of the applicable Pricing Supplement (as the same may be simplified by deletion of non-applicable terms) or (ii) the complete text of the terms and conditions, shall appear on the reverse side of the Physical Notes. All terms beginning with a capital letter and not defined in these Terms and Conditions shall have the meaning given to them in the applicable Pricing Supplement. References made in the Terms and Conditions to the Notes refer to the Notes of a single Series and not to all Notes as may be issued under the Programme. The Notes constitute bonds (obligations) as defined under French law.*

The Pricing Supplement in relation to a tranche of Notes may specify other terms which replace or amend one or more of the provisions of the Terms and Conditions of the Notes below.

The Notes are issued by the Département des Bouches-du-Rhône (the **Issuer** or the **Département des Bouches-du-Rhône**) in series (each a **Series**). The Notes shall be issued in accordance with the Terms and Conditions of this Offering Circular, as supplemented by the provisions of the relevant pricing supplement (the **Pricing Supplement**) supplementing this Offering Circular. The Notes of each Series are fungible. Each Series may be issued in tranches (each a **Tranche**). The terms and conditions of each Tranche shall be identical to the terms and conditions of the other Tranches of the same Series (other than the issue date, the issue price, the first interest payment and the nominal amount of the Tranche) and shall be set forth in the relevant Pricing Supplement. A fiscal agency agreement (as amended and supplemented, the **Fiscal Agency Agreement**) relating to the Notes was entered into on 15 September 2020 between the Issuer, BNP Paribas Securities Services as fiscal agent and principal paying agent and the other agents appointed therein. The fiscal agent, the paying agents and the calculation agent(s) for the time being (where relevant) are referred to below respectively as the **Fiscal Agent**, the **Paying Agents** (such term including the Fiscal Agent) and the **Calculation Agent(s)**. Holders of interest coupons (**Coupons**) relating to interest-bearing Materialised Notes and, if applicable to such Notes, talons for additional Coupons (**Talons**) and the holders of receipts for instalments of principal paid on Materialised Notes (**Receipts**) are referred to respectively as **Couponholders and Receipt Holders**.

The term "**day**" in these Terms refers to a calendar day, unless specified otherwise.

Any reference below to **Article** refers to the numbered articles below, unless the context requires otherwise.

1. FORM, DENOMINATION AND TITLE

1.1 Form

The Notes may be issued either in dematerialised form (**Dematerialised Notes**) or in materialised form (**Materialised Notes**), as specified in the applicable Pricing Supplement.

(a) Title to Dematerialised Notes is evidenced by entry in an account, in accordance with articles L. 211-3 *et seq.* of the French *Code monétaire et financier*. No physical document of title (including certificates of title in accordance with article R. 211-7 of the French *Code monétaire et financier*) shall be issued in respect of Dematerialised Notes.

Dematerialised Notes (as defined in articles L. 211-3 *et seq*. of the French *Code monétaire et financier*) are issued, at the option of the Issuer, either in bearer form, inscribed in the books of Euroclear France (acting as central depositary) which shall credit the accounts of the Account Holders, or in registered form, and in such case either, at the option of the relevant Noteholder, in administered registered form (*au nominatif administré*), entered in the accounts of an Account Holder nominated by the relevant holder of the Notes, or in pure registered form (*au nominatif pur*), entered in an account maintained by the Issuer or any registration agent (specified in the applicable Pricing Supplement) acting on behalf of the Issuer (the **Registration Agent**).

In these Terms, **Account Holder** means any intermediary authorised to hold securities accounts, directly or indirectly, with Euroclear France and includes Euroclear Bank SA/NV, as operator of the Euroclear system (**Euroclear**) and Clearstream Banking SA (**Clearstream**).

(b) Materialised Notes are issued in bearer form only. Materialised Notes represented by physical notes (**Physical Notes**) are numbered in series and issued with Coupons (and, if applicable, with a **Talon**) attached, except in the case of Zero Coupon Notes in respect of which references to interest (except in relation to interest due after the Maturity Date), Coupons and Receipts in these Terms shall not apply. **Instalment Notes** are issued with one or more Receipts attached.

In accordance with articles L.211-3 *et seq.* of the French *Code monétaire et financier*, financial securities (such as Notes which constitute obligations as defined under French law) in materialised form and governed by French law must be issued outside France.

The Notes may be **Fixed Rate Notes**, **Floating Rate Notes**, **Fixed to Floating/Floating to Fixed Rate Notes**, **Instalment Notes** and **Zero Coupon Notes**.

1.2 Denomination

The Notes shall be issued in the specified denomination(s) specified in the applicable Pricing Supplement (the **Specified Denomination(s)**). Dematerialised Notes must be issued in one single Specified Denomination.

1.3 Title

(a) Title to Dematerialised Notes in bearer form and in administered registered form (*au nominatif administré*) passes, and such Notes may only be transferred, by registration of the transfer in the books of the Account Holders. Title to Dematerialised Notes in pure registered form (*au nominatif pur*) passes, and such Notes may only be transferred, by registration of the transfer in the books held by the Issuer or the Registration Agent.

(b) Title to Physical Notes with, if applicable, Receipts, Coupons and/or a Talon attached at issue, is transferred by delivery.

(c) Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below under paragraph (d)) of any Note, Coupon, Receipt or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or any right over or interest in such Note, Coupon, Receipt or Talon, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

(d) In these Terms:

Noteholder or, as appropriate, **holder of a Note** means (i) in the case of Dematerialised Notes, the person whose name is recorded in the books of the relevant Account Holder, the Issuer or the Registration Agent (as applicable) as being the owner of such Notes, and (ii) in the case of Physical Notes, any holder of any Physical Note and the related Coupons, Receipts or Talons.

Outstanding means, in respect of Notes of any Series, all of the Notes in issue other than (i) those that have been redeemed in accordance with these Terms, (ii) those in respect of which the redemption date has passed and the redemption amount (including interest accrued on such Notes up to the redemption date and all interest payable after such date) has been duly paid in accordance with the provisions of Article 6, (iii) those that are no longer valid or in respect of which the limitation period has expired, (iv) those that have been repurchased and cancelled in accordance with Article 5.8, (v) those that have been repurchased and retained in accordance with Article 5.7, (vi) in the case of Physical Notes, (A) all damaged or defaced Physical Notes that have been exchanged for replacement Physical Notes, (B) (for the sole purpose of determining the number of Physical Notes outstanding and without prejudice to their status for any other purpose) any allegedly lost, stolen or destroyed Physical Notes for which replacement Physical Notes have been issued and (C) any Temporary Global Certificate to the extent that it has been exchanged for one or more Physical Notes in accordance with its terms.

Terms beginning with a capital letter shall have the meaning given to them in the applicable Pricing Supplement. Where no definition is given, such term does not apply to the Notes.

2. CONVERSION AND EXCHANGE OF NOTES

2.1 Dematerialised Notes

(a) Dematerialised Notes issued in bearer form cannot be converted into Dematerialised Notes in registered form, whether in pure registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).

(b) Dematerialised Notes issued in registered form cannot be converted into Dematerialised Notes in bearer form.

(c) Dematerialised Notes issued in pure registered form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and vice versa. Such option must be exercised by the Noteholder in accordance with article R.211-4 of the French *Code monétaire et financier*. Any costs relating to such conversion shall be borne by the relevant Noteholder.

2.2 Materialised Notes

Materialised Notes of a Specified Denomination cannot be exchanged for Materialised Notes of another Specified Denomination.

3. STATUS AND NEGATIVE PLEDGE

The Notes and, if applicable, related Receipts and Coupons, constitute direct, unconditional, unsubordinated and (subject to the paragraph below) unsecured obligations of the Issuer ranking (subject to mandatory exceptions imposed by law) equally between themselves and equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

As long as the Notes or, if any, Receipts and Coupons attached to the Notes remain outstanding (as defined in Article 1.3(d) above), the Issuer shall not grant or permit to subsist any mortgage, pledge, lien or other form of security interest upon any assets or revenues, present or future, to secure any Indebtedness (as defined below) subscribe by the Issuer, unless the obligations of the Issuer under the Notes and, if any, the Coupons and Receipts benefit from equivalent and equal ranking security.

For the purpose of this Article, **Indebtedness** means any borrowing, present or future, represented by bonds, securities or other negotiable instruments with a maturity greater than one year and which are (or may be) admitted to trading on any market.

4. CALCULATION OF INTEREST AND OTHER CALCULATIONS

4.1 Definitions

In these Terms, unless the context requires otherwise, the terms defined below shall have the following meaning:

Reference Banks (***Banques de Référence***) means the institutions specified in the applicable Pricing Supplement or, if none is specified, four prime banks selected by the Calculation Agent on the interbank market (or if necessary, on the money market, the swaps market) with the closest connection to the Benchmark (which, if the relevant Benchmark is EURIBOR (TIBEUR in French) or EONIA (TEMPE in French) shall be the Euro-zone.

Interest Period Commencement Date (***Date de Début de Période d'Intérêts***) means the Issue Date of the Notes or any other date referred to in the applicable Pricing Supplement.

Coupon Determination Date (***Date de Détermination du Coupon***) means, in respect of an Interest Rate and an Interest Accrual Period, the date specified as such in the applicable Pricing Supplement or, if no date is specified the day falling two TARGET Business Days before the first day of such Interest Accrual Period.

Issue Date (***Date d'Emission***) means, in respect of a Tranche, the settlement date of the Notes.

Interest Payment Date (***Date de Paiement du Coupon***) means the date(s) referred to in the applicable Pricing Supplement.

Interest Accrual Period Date (***Date de Période d'Intérêts Courus***) means each Interest Payment Date unless provided otherwise in the applicable Pricing Supplement.

Relevant Date (***Date de Référence***) means in respect of any Note, Receipt or Coupon, the date on which the amount payable under such Note, Receipt or Coupon becomes due and payable or (if any due and payable amount is not paid or not paid in time without any justification) the date on which the outstanding amount is paid in full or (in the case of Materialised Notes, if such date falls earlier) the day falling seven days after the date on which the holders of such Materialised Notes have been notified that, upon further presentation of such Materialised Note, Receipt or Coupon being made in accordance with the Terms, such payment will be made, provided however that the payment is in fact made on such presentation.

Effective Date (***Date de Valeur***) means, in respect of a Floating Rate to be determined on any Coupon Determination Date, the date specified in the applicable Pricing Supplement, or, if no date is specified, the first day of the Interest Accrual Period to which such Coupon Determination Date relates.

FBF Definitions (***Définitions FBF***) means the definitions referred to in the FBF Master Agreement of June 2013 relating to transactions on forward financial instruments, as supplemented by the Technical Schedules, as published by the *Fédération Bancaire Française* (together the **FBF Master Agreement**) as amended, as the case may be, at the Issue Date.

Specified Currency (***Devise Prévue***) means, euro.

Specified Duration (***Durée Prévue***) means, with respect to any Floating Rate to be determined by Screen Rate Determination on any Coupon Determination Date, the period specified in the applicable Pricing Supplement, or if no period is specified, a period equal to the Interest Accrual Period, ignoring any adjustment pursuant to Article 4.3(b).

Relevant Time (***Heure de Référence***) means, with respect to any Coupon Determination Date, the local time in the Relevant Financial Centre specified in the applicable Pricing Supplement or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency on the interbank market in the Relevant Financial Centre. **Local time** means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, 11.00 a.m. (Brussels time).

Business Day (*Jour Ouvré*) means:

(a) in the case of euro, a day on which the Trans-European automated real-time gross settlement express transfer system (TARGET 2) (**TARGET**), or any system that replaces such system, is operating (a **TARGET Business Day**); and/or

(b) in the case of a Specified Currency and/or one or more business centre(s) specified in the applicable Pricing Supplement (the **Business Centre(s)**), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the currency of the Business Centre(s) or, if no currency is specified, generally in each of the specified Business Centres.

Margin (*Marge)* means, for any Interest Accrual Period, the percentage or the number for the relevant Interest Accrual Period, as indicated in the relevant Pricing Supplement, being specified that it shall be positive, negative or zero.

Day Count Fraction (***Méthode de Décompte des Jours***) means, in respect of the calculation of an amount of coupon on any Note for any period of time (from (and including) the first day of such period to (but excluding) the last day in such period) (whether or not constituting an Interest Period, the **Calculation Period**):

(a) if Actual/365 or Actual/365-FBF is specified in the applicable Pricing Supplement, it is the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(b) if Actual/Actual-ICMA is specified in the applicable Pricing Supplement:

  (i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Periods that would normally end in one year; and

(ii) if the Calculation Period is longer than the Determination Period, the sum:

(A) of the number of days in such Calculation Period falling in the Determination Period during which it begins, divided by the product (I) of the number of days in such Determination Period and (II) the number of Determination Periods that would normally end in one year; and

(B) the number of days in such Calculation Period falling in the following Determination Period, divided by the product (I) of the number of days in such Determination Period and (II) the number of Determination Periods that would normally end in one year,

in each case, **Determination Period** means the period beginning on a Coupon Determination Date (included) in any year and ending on the next Coupon Determination Date (excluded) and **Coupon Determination Date** means the date specified in the applicable Pricing Supplement, or if no date is specified, the Interest Payment Date;

(c) if **Actual/Actual - FBF** is specified in the applicable Pricing Supplement, the fraction of which the numerator is the actual number of days during such period and the denominator is 365 (or 366 if 29th February is included in the Calculation Period). If the Calculation Period is longer than one year, the basis shall be determined as follows:

(i) the number of complete years shall be counted back from the last day of the Calculation Period;

(ii) this number is increased by the fraction for the relevant period calculated as provided in the first paragraph of this definition;

(d) if **Actual/365 (Fixed)** is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365;

(e) if **Actual/360** is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 360;

(f) if **30/360**, **360/360** or **Bond Basis** is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360 (i.e. the number of days to be calculated based on a 360 day year of 12 months of 30 days each (unless (i) the last day of the Calculation Period is the thirty-first day of a month and the first day of the Calculation Period is a day other than the thirtieth or thirty-first day of a month, in which case the month in which the last day falls shall not be reduced to a thirty day month or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be extended to a thirty day month));

(g) if **30/360 - FBF** or **Actual 30A/360 (American Bond Basis)** is specified in the applicable Pricing Supplement, then, in respect of each Calculation Period, the fraction of which the denominator is 360 and the numerator is the number of days calculated in the same manner as the 30E/360 – FBF basis, except in the following case:

where the last day of the Calculation Period is the 31st and the first is neither a 30th nor a 31st, the last month of the Calculation Period shall be deemed to be a month of 31 days.

The fraction is:

if $dd^2 = 31 \text{and}\, dd^1 \neq (30,31)$,

then:

$$\frac{1}{360} \times \left[\left(yy^2 - yy^1\right) \times 360 + \left(mm^2 - mm^1\right) \times 30 + \left(dd^2 - dd^1\right)\right]$$

otherwise:

$$\frac{1}{360} \times \left[\left(yy^2 - yy^1\right) \times 360 + \left(mm^2 - mm^1\right) \times 30 + \mathrm{Min}\left(dd^2, 30\right) - \mathrm{Min}\left(dd^1, 30\right)\right]$$

where:

$D1(dd^1, mm^1, yy^1)$ is the commencement date of the period;

$D2(dd^1, mm^2, yy^2)$ is the end date of the period;

(h) if **30E/360** or **Euro Bond Basis** is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360 (the number of days to be calculated based on a 360 day year of 12 months of 30 days each, ignoring the date on which the first or last day of the Calculation Period falls, unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be extended to a thirty day month) and;

(i) if **30E/360 – FBF** is specified in the applicable Pricing Supplement, then, in respect of each Calculation Period, the fraction of which the denominator is 360 and the numerator is the number of days in such period, calculated on the basis of a year of 12 months of 30 days, except in the following case:

If the last day of the Calculation Period is the last day of the month of February, the number of days in such month is the exact number of days.

Using the same defined terms as used for 30/360 - FBF, the fraction is:

$$\frac{1}{360} \times \left[\left(yy^2 - yy^1\right) \times 360 + \left(mm^2 - mm^1\right) \times 30 + \mathrm{Min}\left(dd^2, 30\right) - \mathrm{Min}\left(dd^1, 30\right)\right]$$

Coupon Amount (***Montant de Coupon***) means the amount of interest due and, in the case of Fixed Rate Notes, the Fixed Coupon Amount or the Broken Amount, (as defined under Article 4.2), as the case may be, as specified in the applicable Pricing Supplement.

Representative Amount (***Montant Donné***) means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on a Coupon Determination Date, the amount specified as such on that date in the applicable Pricing Supplement or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

Screen Page (***Page Ecran***) means any page, section, heading, column or any other part of a document supplied by any information service (including without limitation Reuters (**Reuters**)) as may be nominated to provide a Relevant Rate or any other page, section, heading, column or any other part of a document of such information service or any other information service as may replace it, in each case as nominated by the entity or organisation providing or responsible for the dissemination of the information appearing on such service to indicate rates or prices comparable to the Relevant Rate, as specified in the applicable Pricing Supplement.

Interest Period (***Période d'Intérêts***) means the period beginning on (and including) the Interest Period Commencement Date and ending on (but excluding) the first Interest Payment Date as well as each subsequent period beginning on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date.

Interest Accrual Period (***Période d'Intérêts Courus***) means the period beginning on (and including) the Interest Period Commencement Date and ending on (but excluding) the first Interest Accrual Period Date as well as each subsequent period beginning on (and including) an Interest Accrual Period Date and ending on (but excluding) the following Interest Accrual Period Date.

Relevant Financial Centre (***Place Financière de Référence***) means, in respect of a Floating Rate to be determined in accordance with a Screen Rate Determination on a Coupon Determination Date, such financial centre as may be specified in the applicable Pricing Supplement or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR (TIBEUR in French) or EONIA (TEMPE in French), shall be the Euro-zone or, failing which, Paris.

Benchmark (***Référence de Marché***) means the relevant rate (EURIBOR (or TIBEUR in French), EONIA (or TEMPE in French) or TEC10) as specified in the applicable Pricing Supplement.

Interest Rate (***Taux d'Intérêt***) means the interest rate payable on the Notes and which is either specified or calculated in accordance with the provisions of these Terms, as supplemented by the applicable Pricing Supplement.

Relevant Rate (***Taux de Référence***) means, subject to adjustment in accordance with Article 4.3(c)(iii) and following, the Benchmark for a Representative Amount in the Specified Currency for a period equal to the Specified Duration commencing on the Effective Date (if such period is applicable to or compatible with the Benchmark).

Euro-zone (***Zone Euro***) means the region occupied by the Member States of the European Union that have adopted the single currency in accordance with the Treaty.

4.2 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest calculated on its outstanding nominal amount, as from the Interest Period Commencement Date, at an annual rate (expressed as a percentage) equal to the Interest Rate, payable in arrears on each Interest Payment Date.

If a fixed coupon amount (**Fixed Coupon Amount**) or broken amount (**Broken Amount**) is specified in the applicable Pricing Supplement, the Coupon Amount payable on each Interest Payment Date shall be equal to the Fixed Coupon Amount or, if applicable, the Broken Amount as specified, it shall be payable on the Interest Payment Date(s) specified in the applicable Pricing Supplement.

4.3 Interest on Floating Rate Notes

(a) **Interest Payment Dates**

Each Floating Rate Note shall bear interest calculated on its unredeemed nominal amount, as from the Interest Period Commencement Date, at an annual rate (expressed as a percentage) equal to the Interest Rate, payable in arrears on each Interest Payment Date. Such Interest Payment Date(s) shall be specified in the applicable Pricing Supplement or, if no Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, Interest Payment Date shall mean each date falling at the end of such number of months or at the end of such other period as is specified in the applicable Pricing Supplement as being the Interest Period, falling after the preceding Interest Payment Date and, in the case of the first Interest Payment Date, after the Interest Period Commencement Date.

(b) **Business Day Convention**

If any date referred to in these Terms, that is specified to be subject to adjustment in accordance with a Business Day Convention, would otherwise fall on a day that is not a Business Day, then, if the applicable Business Day Convention is (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each such subsequent date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day. Notwithstanding the above, if the applicable Pricing Supplement specify that the Business Day Convention shall be applied on a "non-adjusted" basis, the Coupon Amount payable on any date shall not be affected by application of the relevant Business Day Convention.

(c) **Interest Rate for Floating Rate Notes**

The Interest Rate applicable to Floating Rate Notes for each Interest Accrual Period shall be determined in compliance with the provisions below relating to either FBF Determination or Screen Rate Determination shall apply, as specified in the applicable Pricing Supplement.

(i) **FBF Determination for Floating Rate Notes**

Where FBF Determination is specified in the applicable Pricing Supplement as being the method applicable for the determination of the Interest Rate, the Interest Rate applicable to each Interest Accrual Period shall be determined by the Agent as being a rate equal to the relevant FBF Rate plus or minus, as the case may be (as specified in the applicable Pricing Supplement), the Margin. For the purposes of this sub-paragraph 0, "FBF Rate" in respect of an Interest Accrual Period means a rate equal to the Floating Rate as determined by the Agent for a swap transaction entered into pursuant to an FBF Master Agreement supplemented by the Interest Rate or Currency Swaps Technical Schedule under the terms of which:

(A) the relevant Floating Rate is as specified in the applicable Pricing Supplement; and

(B) the Floating Rate Determination Date is as specified in the applicable Pricing Supplement.

For the purposes of this sub-paragraph 0, "Floating Rate", "Agent", and "Floating Rate Determination Date" shall have the meanings given thereto in the FBF Definitions.

If the paragraph "Floating Rate" in the applicable Pricing Supplement provides that the interest rate will be determined by linear interpolation in respect of an Interest Period, the Interest Rate applicable to such Interest Period will be calculated by the Calculation Agent by linear interpolation between two (2) rates based on the relevant Floating Rate, provided that the first interest rate corresponds to a maturity immediately inferior to the duration of the relevant Interest Period and the second rate corresponds to a maturity immediately superior to the same relevant Interest Period.

(ii) **Screen Rate Determination for Floating Rate Notes**

Where Screen Rate Determination is specified in the applicable Pricing Supplement as being the method applicable for the determination of the Interest Rate, the Interest Rate for each Interest Accrual Period shall be determined by the Calculation Agent at (or about) the Relevant Time on the Coupon Determination Date relating to such Interest Accrual Period as specified below:

(A) if the primary source for the Floating Rate is a Screen Page, subject as provided below or (if applicable) Article 4.3(c)(iii) (Benchmark discontinuation) below, the Interest Rate shall be:

I. the Relevant Rate (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity), or

II. the arithmetic mean of the Relevant Rates of the entities whose Relevant Rates appear on that Screen Page,

in each case as published on such Screen Page, at the Relevant Time on the Coupon Determination Date as indicated in the applicable Pricing Supplement, decreased or increased, if appropriate (as indicated in the relevant Pricing Supplement), by the Margin;

(B) if the primary source for the Floating Rate is Reference Banks or if sub-paragraph (A)(I) above applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Coupon Determination Date or if sub-paragraph (A)(II) above applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Coupon Determination Date, the Interest Rate, subject as provided below, or subject (if applicable) to Article 4.3(c)(iii) (Benchmark discontinuation) below, shall be equal to the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Coupon Determination Date, as determined by the Calculation Agent, decreased or increased, if appropriate (as indicated in the relevant Pricing Supplement), by the Margin; and

(C) if paragraph (B) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Interest Rate shall, subject as provided below, or subject (if applicable) to Article 4.3(c)(iii) (Benchmark discontinuation) below, be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the Euro-zone as selected by the Calculation Agent, (the **Principal Financial Centre**) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period beginning on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Interest Rate shall be the Interest Rate determined on the previous Coupon Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Interest Rate applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

If the paragraph "Benchmark" in the applicable Pricing Supplement provides that the interest rate will be determined by linear interpolation in respect of an Interest Period, the Interest Rate applicable to this Interest Period will be calculated by the Calculation Agent by linear interpolation between two (2) interest rates based on the applicable Benchmark, where the first rate corresponds to a maturity immediately inferior to the duration of the relevant Interest Period and the second rate corresponds to a maturity immediately superior to the same Interest Period.

(D) When a Screen Rate Determination is indicated in the relevant Pricing Supplement as the method used to determine the Interest Rate and that the Relevant Rate relating to Floating Rate Notes is specified as the TEC10, the Interest Rate for each Interest Accrual Period, subject to the provisions as set forth above, shall be determined by the Calculation Agent, based on the following formulae:

TEC10 + Marge.

"**TEC10**" refers to the free valuation (expressed as a percentage per year) for the EUR-TEC10-CNO calculated by the French Bond Association (*Comité de Normalisation Obligataire* - "**CNO**"), listed on the relevant Screen Page which is the row "**TEC10**" on the Reuters Screen Page CNOTEC10 or any successor page, at 10 a.m. Paris Time, on the relevant Coupon Determination Date.

If, during any Coupon Determination Date, the TEC10 does not display on the Reuters Screen Page CNOTEC or any successor page, (i) the Calculation Agent shall determine it on the basis of the mid-market exchange rate for each of the two French Treasury Bills (*Obligation*

Assimilable du Trésor – "**OAT**") references which would have been used by the CNO for calculation of the applicable rate, in each case assessed by five Primary dealers (which are the market counterparties of choice for the Agency *France Trésor* and the *Caisse de la dette publique* for most of their activities on the markets, and which have the responsibility to participate in auctions, to invest Treasury issues and to maintain the liquidity of the secondary market), around 10 a.m. Paris Time, at the relevant Coupon Determination Date; (ii) the Calculation Agent shall ask to each Primary dealer to provide the price yield valuation; and (iii) the TEC10 shall be the yield to call of the arithmetic mean of such prices, which is determined by the Calculation Agent after elimination of both the highest and the lowest estimate. The yield to call as mentioned earlier shall be determined by the Calculation Agent in accordance with the formulae that has been used by the CNO to determine the relevant rate.

*For information purposes, the EUR-TEC10-CNO, established in 1996, is the performance percentage (which is rounded to the nearest cent and 0,005 per cent being rounded up to the 100^{th} above) of an OAT notional to 10 years corresponding to the linear interpolation between yield to maturity of the two existing OAT (the "**Reference OAT**") whose periods until maturity are the closest in duration of the notional OAT to 10 years, the duration of a Reference OAT being under 10 years and the duration of the other Reference OAT being 10 years or more.*

(iii) **Benchmark discontinuation**

When Screen Rate Determination is specified in the applicable Pricing Supplement as the method for determining the Rate of Interest, and if a Benchmark Event occurs in relation to an Original Reference Rate at any time when the Terms and Conditions of any Notes provide for any remaining rate of interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the following provisions shall apply and shall prevail over other fallbacks specified in Condition 4.3(c)(ii).

(A) Independent Adviser

The Issuer shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4.3(c)(iii)(B)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 4.3(c)(iii)(C)) and any Benchmark Amendments (in accordance with Condition 4.3(c)(iii)(D)).

An Independent Adviser appointed pursuant to this Condition 4.3(c)(iii) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Calculation Agent or any other party responsible for determining the Rate of Interest specified in the applicable Pricing Supplement, or the Noteholders for any determination made by it pursuant to this Condition 4.3(c)(iii).

(B) Successor Rate or Alternative Rate

If the Independent Adviser determines in good faith that:

I. there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4.3(c)(iii)(C)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4.3(c)(iii)); or

II. there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4.3(c)(iii)(C)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4.3(c)(iii)).

(C) Adjustment Spread

If the Independent Adviser, determines in good faith (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(D) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4.3(c)(iii) and the Independent Adviser determines in good faith (A) that amendments to the Terms and Conditions of the Notes (including, without limitation, amendments to the definitions of Day Count Fraction, Business Days or Relevant Screen Page) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**) and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4.3(c)(iii)(E), without any requirement for the consent or approval of Noteholders, vary the Terms and Conditions of the Notes to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 4.3(c)(iii), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(E) Notices, etc.

The Issuer shall, after receiving such information from the Independent Adviser, notify the Fiscal Agent, the Calculation Agent, the Paying Agents, the Representative (if any) and, in accordance with Condition 13, the Noteholders, promptly of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4.3(c)(iii). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(F) Fallbacks

If, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the immediately following Interest Determination Date, no Successor Rate or Alternative Rate (as applicable) is determined pursuant to this provision, the Original Reference Rate will continue to apply for the purposes of determining such Rate of Interest on such Interest Determination Date, with the effect that the fallback provisions provided elsewhere in these Terms and Conditions will continue to apply to such determination.

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 4.3(c)(iii), *mutatis mutandis*, on one or more occasions until a Successor Rate or Alternative Rate (and, if applicable, any associated Adjustment Spread and/or Benchmark Amendments) has been determined and notified in accordance with this Condition 4.3(c)(iii) (and, until such determination and notification (if any), the fallback provisions provided elsewhere in these Terms and Conditions including, for the avoidance of doubt, the other fallbacks specified in Condition 4.3(c)(ii), will continue to apply in accordance with their terms.

(G) Definitions

In this Condition 4.3(c)(iii):

Adjustment Spread means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines and which is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

a) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;

b) in the case of an Alternative Rate (or in the case of a Successor Rate where (a) above does not apply), is in customary market usage in the international debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate (or, as the case may be, the Successor Rate); or

c) if no such recommendation or option has been made (or made available), or the Independent Adviser determines there is no such spread, formula or methodology in customary market usage, the

Independent Adviser, acting in good faith, determines to be appropriate.

Alternative Rate means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 4.3(c)(iii) and which is customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Notes;

Benchmark Event means, with respect to an Original Reference Rate:

a) the Original Reference Rate ceasing to exist or be published;

b) later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the date specified in (i);

c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;

d) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the date specified in (i);

e) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months;

f) it has or will prior to the next Interest Determination Date, become unlawful for the Issuer, the party responsible for determining the Rate of Interest (being the Calculation Agent or such other party specified in the applicable Pricing Supplement, as applicable), or any Paying Agent to calculate any payments due to be made to any Noteholder using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable);

g) that a decision to withdraw the authorisation or registration pursuant to article 35 of the Benchmarks Regulation (Regulation (EU) 2016/1011) of any benchmark administrator previously authorised to publish such Original Reference Rate has been adopted; or

h) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate, in the opinion of the supervisor, is no longer representative of an underlying market or that its method of calculation has significantly changed.

Independent Adviser means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense under Condition 4.3(c)(iii)(A);

Original Reference Rate means the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Notes;

Relevant Nominating Body means, in respect of a benchmark or screen rate (as applicable):

a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof; and

Successor Rate means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

4.4 Fixed Interest Rate/Floating Interest Rate of the Notes

Each Fixed Interest Rate/Floating Interest Rate Notes bears interest at a rate (i) that the Issuer may decide to convert at the date specified in the applicable Pricing Supplement from a Fixed Rate to a Floating Rate (from among the types of Floating Rate Notes mentioned in Article 4.3(c) above) (or vice-versa) or (ii) which shall be automatically converted from a Fixed Rate to a Floating Rate (or vice-versa) at the date specified in the applicable Pricing Supplement.

4.5 Zero Coupon Notes

Where a Zero Coupon Note is redeemable prior to its Maturity Date by exercise of an Option of Redemption at the discretion of the Issuer or, if so specified in the applicable Pricing Supplement, pursuant to Article 5.4 or in any other manner, and such Note is not redeemed on the due date, the amount due and payable prior to the Maturity Date shall be the Optional Redemption Amount or the Early Redemption Amount, as the case may be. As from the Maturity Date, the overdue principal of such Note shall bear interest at a rate *per annum* (expressed as a percentage) equal to the Amortisation Yield (as defined in Article 5.4(a)(ii)).

4.6 Accrual of interest

Interest shall cease to accrue on each Note on the due date for redemption unless (a) on such due date, in the case of Dematerialised Notes or (b) upon due presentation, in the case of Materialised Notes, repayment of principal is improperly withheld or refused; in which event interest shall continue to accrue (after as well as before judgment) at the Interest Rate in the manner provided in Article 4 up to the Relevant Date.

4.7 Margin, Rate Multipliers, Interest Rate, Instalment Amount, Minimum and Maximum Redemption Amounts and Rounding

(a) If a Margin or Rate Multiplier is specified in the applicable Pricing Supplement (either (x) generally or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Interest Rates, in the case of (x), or the Interest Rates applicable to the relevant Interest Accrual Periods, in the case of (y), calculated in accordance with paragraph (c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin or by multiplying the Interest Rate by such Rate Multiplier, subject always to the provisions of the following paragraph.

(b) If any Minimum or Maximum Interest Rate, Instalment Amount or Redemption Amount is specified in the applicable Pricing Supplement, then any Interest Rate, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be. it be specified that (i) in no case shall the interest amount payable for each Note be less than zero and (ii) unless a higher Minimum Interest Rate is provided in the applicable Pricing Supplement, the Minimum Interest Rate shall be 0.

(c) For the purposes of any calculations required pursuant to these Terms (unless otherwise specified), (i) if FBF Determination is specified in the applicable Pricing Supplement, all percentages resulting from such calculations shall be rounded, if necessary, to the nearest ten thousandth of a percentage point (with halves being rounded up) (ii) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest fifth decimal place (with halves being rounded up), and (iii) all figures shall be rounded to seven significant figures (with halves being rounded up).

4.8 Calculations

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Interest Rate and the outstanding nominal amount of such Note by the Day Count Fraction, unless a Coupon Amount (or a Margin or Rate Multiplier) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall be equal to such Coupon Amount (or be adjusted in accordance with the Margin or a Rate Multiplier as specified in Article 4.7 above). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

4.9 Determination and publication of Interest Rates, Coupon Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts

As soon as practicable after the relevant time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Coupon Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period. It shall also calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be. It shall then cause the Interest Rate and the Coupon Amounts for each Interest Period and the relevant Interest Payment Date and, if required, the Final Redemption Amount, Early Redemption Amount or any Optional Redemption Amount or any other Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents and any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information. If the Notes are admitted to trading on a regulated market and the rules of such market so require, it shall also notify such information to such market and/or the Noteholders as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such market of an Interest Rate and Coupon Amount, or (ii) in all other cases, no later than the fourth Business Day after such determination. Where any Interest Payment Date or Interest Accrual Period Date is subject to adjustment pursuant to Article 4.3(b), the Coupon Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

4.10 Calculation Agent and Reference Banks

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with at least one office in the Relevant Financial Centre and one or more Calculation Agents if so specified in the applicable Pricing Supplement and for so long as any Note is outstanding (as defined in Article 1.3(c) above). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Terms to the Calculation Agent shall be construed as a reference to each Calculation Agent performing its respective duties under these Terms. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for an Interest Period or Interest Accrual Period or to calculate any Coupon Amount, Instalment Amount, Final Redemption Amount, Optional Redemption Amount or Early Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment bank operating in the interbank market (or, if appropriate, money market, swaps market or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed in the manner described above.

5. REDEMPTION, PURCHASE AND OPTIONS

5.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the applicable Pricing Supplement at its Final Redemption Amount (which, unless provided otherwise, is equal to its nominal amount (except for Zero Coupon Notes)) as specified in the applicable Pricing Supplement or, in the case of Notes to which Article 5.2 below applies, to its last Instalment Amount.

5.2 Redemption by Instalments

Unless previously redeemed or purchased and cancelled as provided in this Article 5, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the applicable Pricing Supplement. The outstanding principal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the principal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused (i) in the case of Dematerialised Notes, on the scheduled payment date or (ii) in the case of Materialised Notes, on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

5.3 Redemption at the option of the Issuer

If Issuer Call is specified in the applicable Pricing Supplement, the Issuer may, subject to compliance by the Issuer with all applicable laws, regulations and directives, and on giving not less than 15 and not more than 30 days' irrevocable notice to the Noteholders in accordance with Article 14 (or any other notice specified in the applicable Pricing Supplement), redeem all or, if so provided, some of the Notes, as the case may be, on any Option Redemption Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount, specified in the applicable Pricing Supplement, together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed as specified in the applicable Pricing Supplement and no greater than the maximum nominal amount to be redeemed as specified in the applicable Pricing Supplement.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Article.

In the case of a partial redemption by the Issuer in respect of Materialised Notes, the notice to holders of such Materialised Notes must also indicate the number of Physical Notes to be redeemed or in respect of which such option has been exercised. The Notes must have been selected in such manner as is fair and objective in the circumstances, taking account of prevailing market practices and in accordance with all applicable stock market laws and regulations.

In the case of a partial redemption or partial exercise of an Issuer’s option in respect of Dematerialised Notes of any one Series, the redemption shall be made by reducing the nominal amount of such Dematerialised Notes pro rata the nominal amount redeemed.

5.4 Redemption at the option of the Noteholders

If Investor Put is specified in the applicable Pricing Supplement, the Issuer shall, at the request of the holder of any such Note and upon giving not less than 15 and not more than 30 days' irrevocable notice (or any other notice specified in the applicable Pricing Supplement) to the Issuer, redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount, specified in the applicable Pricing Supplement, together with interest accrued to the date fixed for redemption. In order to exercise such option, the Noteholder must deposit with a Paying Agent at its specified office by the required deadline a duly completed option exercise notice (the **Exercise Notice**) in the form obtainable during normal office hours from the Paying Agent or Registration Agent, as the case may be. In the case of Materialised Notes, the relevant Notes (together with all unmatured Receipts and Coupons and unexchanged Talons) must be attached to the Exercise Notice. In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Paying Agent, as specified in the Exercise Notice. No option that has been exercised or, if relevant, no Note that has been deposited or transferred may be withdrawn without the prior written consent of the Issuer.

5.5 Early redemption

(a) Zero Coupon Notes

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note shall, upon redemption of such Note pursuant to Article 5.6 or 5.9 or upon it becoming due and payable as provided in Article 8, be the Amortised Face Amount (calculated as provided below) of such Note.

(B) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Zero Coupon Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if there is no indication of a rate in the applicable Pricing Supplement, shall be such rate as would result in an Amortised Face Amount equal to the issue price of the Notes if discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of each Note upon its redemption pursuant to Article 5.6 or 5.9 or upon it becoming due and payable in accordance with Article 8, is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note, as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as if the reference therein to the date on which such Note becomes due and payable were a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before any judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date, together with any interest that may accrue in accordance with Article 4.4. Where such calculation is to be made for a period of less than one (1) year, it shall be made on the basis of one of the Day Count Fractions mentioned at Article 4.1 and specified in the applicable Pricing Supplement.

(b) Other Securities

The Early Redemption Amount due for any other securities, upon its redemption pursuant to Article 5.6 or 5.9 or upon it becoming due and payable pursuant to Article 8, shall be equal to the Final Redemption Amount, unless otherwise specified in the applicable Pricing Supplement, or in the case of Notes governed by Article 5.2 above, at the unamortised face amount, in each case, plus all accrued interests (including, if applicable, any additional amounts) until the effective date of redemption.

5.6 Redemption for tax reasons

(a) If, at the time of any redemption of principal or payment of interest or other proceeds, the Issuer is obliged to pay additional amounts in accordance with Article 7.2 below, by reason of any change in or amendment to the laws and regulations in France, or any change in the official application or interpretation thereof, made after the Issue Date, unless such relevant obligations to make additional payments can be avoided by reasonable measures taken by the Issuer, to the Issuer may (having given notice to the Noteholders in accordance with Article 14, at the earliest 45 days and at the latest 30 days prior to such payment (which notice shall be irrevocable)) redeem, on any Interest Payment Date or, if specified in the applicable Pricing Supplement, at any time, all but not some only of the Notes at the Early Redemption Amount together with, all interest accrued until the date fixed for redemption, provided that the due date for redemption of which notice hereunder shall be given shall not be earlier than the latest practicable date on which the Issuer could make a payment of principal, interest or other proceeds without withholding or deductions for French taxes.

(b) If, on the occasion of the next redemption of principal or payment of interest or other proceeds in respect of the Notes, Receipts or Coupons, the Issuer would be prevented by French law from making payment of the full amount then due and payable to the Noteholders, notwithstanding the undertaking to pay additional amounts in accordance with Article 7.2 below, the Issuer shall forthwith give notice of such fact to the Fiscal Agent. The Issuer shall, having given seven days' notice to the Noteholders in accordance with Article 14, redeem all, and not some only, of the Notes then outstanding at their Early Redemption Amount, together with all interest accrued up to the date fixed for redemption, on (i) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount due and payable on the Notes, Receipts or Coupons, provided that if the notice referred to above would expire after such Interest Payment Date, the date for redemption to the Noteholders shall be the later of (A) the latest practicable date on which the Issuer could make payment of the full amount then due and payable on the Notes, Receipts or Coupons and (B) 14 days after giving notice to the Fiscal Agent or (ii) if so specified in the applicable Pricing Supplement, at any time, provided that the due date for redemption of which notice hereunder is given shall be the latest practicable date on which the Issuer could make payment of the full amount due and payable in respect of the Notes and, if relevant, any Receipts or Coupons or, if that date is passed, as soon as practicable thereafter.

5.7 Purchases

The Issuer may at any time purchase Notes on the stock market or otherwise (including pursuant to a public offer) at any price (provided however that, in the case of Materialised Notes, all unmatured Receipts or Coupons, and all unexchanged Talons relating thereto, are attached to or surrendered with such Materialised Notes), in accordance with applicable laws and regulations.

Notes purchased by or on behalf of the Issuer may, at the option of the Issuer, be retained in accordance with applicable legal and regulatory provisions, or cancelled in accordance with Article 5.8.

5.8 Cancellation

Notes purchased for cancellation in accordance with Article 5.7 above shall be cancelled, in the case of Dematerialised Notes, by transfer to an account pursuant to the rules and procedures of Euroclear France, and in the case of Materialised Notes, by delivery to the Fiscal Agent of the relevant Temporary Global Certificate or the Physical Notes in question, together with all unmatured Receipts and Coupons and all unexchanged Talons attached to such Notes, if relevant, and in each case, if so transferred and surrendered, all such Notes shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights in respect of payment of interest and other amounts in respect of such Dematerialised Notes and, in the case of Materialised Notes, all unmatured Receipts and Coupons and all unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, as the case may be, transferred or surrendered for cancellation may not be re-issued or re-sold and the obligations of the Issuer in respect of any such Notes shall be discharged.

5.9 Illegality

If, by virtue of the introduction of any new law or regulation in France, any change of law or other mandatory provision or any change in the interpretation thereof by any court or administrative authority, which takes effect after the Issue Date, it becomes unlawful for the Issuer to perform or comply with its obligations under the Notes, the Issuer shall have the right, having given notice to the Noteholders in accordance with Article 14, at the earliest 45 days and at the latest 30 days prior to such payment (which notice shall be irrevocable), redeem all and not some only of the Notes at the Early Redemption Amount together with all interest accrued up to the date fixed for redemption.

6. PAYMENTS AND TALONS

6.1 Dematerialised Notes

Any Payment of principal or interest in respect of Dematerialised Notes shall be made (a) in the case of Dematerialised Notes in bearer form or in administered registered form (*au nominatif administré*), by transfer to an account denominated in the Specified Currency held with the Account Holders for the benefit of the Noteholders, and (b) in the case of Dematerialised Notes in pure registered form (*au nominatif pur*), by transfer to an account denominated in the Specified Currency, held with a Bank (as defined below) specified by the relevant Noteholder. The Issuer's payment obligations shall be discharged upon such payments being duly made to such Account Holders or such Bank.

6.2 Physical Notes

(a) **Method of payment**

Subject as provided below, any payment in a Specified Currency shall be made by credit or transfer to an account denominated in the Specified Currency or to which the Specified Currency may be credited or transferred held by the beneficiary or, at the option of the beneficiary, by cheque denominated in the Specified Currency drawn on a bank located in the principal financial centre of the country of the Specified Currency (which shall be a country within the Euro-zone).

(b) **Presentation and surrender of Physical Notes, Receipts and Coupons**

Any payment of principal in respect of Physical Notes, shall (subject as provided below) be made in the manner described in paragraph (a) above solely upon presentation and surrender (or, in the case of a partial payment of an outstanding amount, upon endorsement) of the relevant Notes and any payment of interest in respect of Physical Notes shall (subject as provided below) be made in the manner described above solely upon presentation and surrender (or, in the case of a partial payment of an outstanding amount, upon endorsement) of the relevant Coupons, in each case at the specified office of any Paying Agent located outside the United States of America (such term meaning for the purposes hereof the United States of America (including the States and District of Columbia, their territories, possessions and other places under its jurisdiction)).

Any instalment of principal in respect of Physical Notes, other than the last instalment, shall, where relevant, (subject as provided below) be made in the manner described in paragraph (a) above upon presentation and surrender (or, in the case of a partial payment of an outstanding amount, upon endorsement) of the related Receipt in accordance with the preceding paragraph. Payment of the last instalment shall be made in the manner described in paragraph (a) above solely upon presentation and surrender (or, in the case of a partial payment of an outstanding amount, upon endorsement) of the related Note, in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant Instalment together with the related Physical Note. Any Receipt presented for payment without the related Physical Note shall render the Issuer's obligations null and void.

Unmatured Receipts relating to Physical Notes (whether or not attached thereto) shall become void and no payment shall be made in respect thereof on the date on which such Physical Notes mature.

Fixed Rate Notes represented by Physical Notes must be surrendered for payment together with all unmatured Coupons appertaining thereto (such expression including, for the purposes hereof, Coupons to be issued in exchange for matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of a partial payment, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the amount due. Any amount of principal so deducted shall be paid in the manner described above against surrender of the missing Coupon before the 1st January of the fourth year following the due date for payment of such amount, and not under any circumstances thereafter.

Where a Fixed Rate Note represented by a Physical Note becomes due prior to its Maturity Date, unmatured Talons appertaining thereto become void and no further Coupons shall be delivered.

Where a Floating Rate Note represented by a Physical Note becomes due prior to its Maturity Date, unmatured Coupons and Talons (if any) appertaining thereto (whether or not attached) become void and no payment shall be made or, if relevant, no further Coupons shall be delivered in respect thereof.

If a Physical Note is redeemed on a date that is not an Interest Payment Date, the interest (if any) accrued on such Note since the previous Interest Payment Date (included) or, as the case may be, the Interest Period Commencement Date (included) shall be paid only against presentation and surrender (if relevant) of the related Physical Note.

6.3 Payments subject to fiscal laws

All payments are subject to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Article 7. No commission or expenses shall be charged to the Noteholders, Receiptholders or Couponholders in respect of such payments.

6.4 Appointment of Agents

The Fiscal Agent, the Paying Agents, the Calculation Agent and the Registration Agent initially appointed by the Issuer and their respective specified offices are listed at the end of this Offering Circular for the Programme. The Fiscal Agent, the Paying Agents and the Registration Agent act solely as agents, and the Calculation Agents solely as independent experts, of the Issuer and under no circumstances do any of them assume any obligation or relationship of agency for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any Paying Agent, Calculation Agent or Registration Agent and to appoint any other Fiscal Agent, Paying Agent(s), Calculation Agent(s) or Registration Agent(s) or any additional Paying Agent(s), Calculation Agent(s) or Registration

Agent(s), provided that the Issuer shall at all times maintain (a) a Fiscal Agent, (b) one or more Calculation Agents, where the Terms so require, (c) a Paying Agent with specified offices in at least two major European cities (providing fiscal agency services in respect of the Notes in France so long as any Notes are admitted to trading on Euronext Paris and applicable market regulations so require), (d) in the case of Dematerialised Notes in pure registered form (*au nominatif pur*), a Registration Agent and (e) any other agent that may be required under the rules of any regulated market on which the Notes may be admitted to trading.

Notice of any such change or of any change of any specified office shall promptly be given to the Noteholders in accordance with Article 14.

6.5 Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Article 9).

6.6 Business Days for payment

If any date for payment in respect of any Note or Coupon is not a business day (as defined below), the Noteholder or Couponholder shall not be entitled to payment until the next following business day, nor to any other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or Sunday) (a) (i) in the case of Dematerialised Notes, on which Euroclear France is operating, or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation of the note for payment, and (b) on which banks and foreign exchange markets are open for business in the countries specified as "Financial Centres" in the applicable Pricing Supplement and (c) which is a TARGET Business Day.

6.7 Bank

For the purposes of this Article 6, **Bank** means a bank established in a city in which banks have access to the TARGET system.

7. TAXATION

7.1 Withholding

All payments of principal, interest or other amounts by or on behalf of the Issuer in respect of the Notes, Receipts or Coupons shall be made free and clear of, and without withholding or deduction for, any taxes or duties of whatever nature imposed, levied or collected by or on behalf of France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

7.2 Additional amounts

If French law requires that payments of principal, interest or other proceeds in respect of any Note, Receipt or Coupon be subject to withholding or deduction with respect to any taxes or duties whatsoever, present or future, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the holders of Notes, Receipts and Coupons receive the full amount that would have been payable in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon in the following cases:

(a) **Other connection**: the holder of Notes, Receipts or Coupons, or any third party acting on his behalf, is liable to such taxes in France by reason of having some connection with France other than the mere holding of the Notes, Receipts or Coupons; or

(b) **More than 30 days have passed since the Relevant Date:** in the case of Materialised Notes, more than 30 days have passed since the Relevant Date, except where the holder of Notes, Receipts or Coupons would have been entitled to an additional amount on presentation of the same for payment on the last day of such 30-day period.

References in these Terms to (i) "principal" shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Instalment Amounts, Early Redemption Amounts, Optional Redemption Amounts and all other amounts in the nature of principal payable pursuant to Article 5 as completed by the Pricing Supplement, (ii**)** "interest" shall be deemed to include all Coupon Amounts and all other amounts payable pursuant to Article 4 as completed by the Pricing Supplement and (iii) "principal" and/or "interest" shall be deemed to include any additional amounts that may be payable under this Article.

8. EVENTS OF DEFAULT

If any of the following events occurs (each an **Event of Default**), (i) the Representative (as defined in Article 10) on its own initiative or upon request of any holder of Notes may, upon simple written notice addressed on behalf of the *Masse* (as defined in Article 10) to the Fiscal Agent with copy addressed to the Issuer, make the redemption immediately and automatically due and payable of all the Notes (and not a part only); or (ii) if there is no Representative, any holder of Notes may, on simple written notice addressed to the Fiscal Agent with copy addressed to the Issuer, make the redemption immediately and automatically due and payable of the Notes held by the author of the notice, immediately and automatically due and payable, at their Early Redemption Amount, with interest accrued to the date of repayment (including, if applicable, any additional amounts), without the necessity for any prior formal demand:

(a) if the Issuer defaults in any payment at its due date of any amount in principal or interest payment due under any Notes, Receipt or Coupon (including payment of any gross up provided by Article 7.2 "Taxation" above) unless it has been remedied to that default of payment within twenty (20) days following the due date of this payment;

(b) if the Issuer fails to perform any other provision of this terms and conditions of the Notes if it has not been remedied within thirty (30) days following on the receipt by the Issuer of a written notice of this failure;

(c) if the Issuer is not able to face its mandatory expenses as specified in Articles L.2321-1 *et seq*. of the CGCT or make a written statement recognising such inability;

(d) (i) is the Issuer do not redeem or pay, all or part of any amount payable for any existing or future financial debt at their expected or anticipated redemption or payment date and, as the case may be, after any grace period expressly specified by the contractual provisions of the indebtedness, but only if such financial debt is greater to euros fifty million (50,000,000) (or its equivalent in any other authorised currencies); or

(ii) if the Issuer do not pay, all or part of a (or several) guarantee(s) granted in respect of any financial indebtedness entered into by third parties, where such guarantee(s) fall(s) due and are duly called, but only if the amount of this or these guarantees is greater than euros fifty million (50,000,000) (or its equivalent in any other authorised currencies); or

(e) if the legal status or regime of the Issuer is amended, including as a result of a legislative or regulation amending, as far as in each case, such modification reduces the rights of the Noteholders against the Issuer or makes more difficult or more expensive actions of the Noteholders against the Issuer.

9. PRESCRIPTION

All claims against the Issuer in relation to the Notes, Receipts and Coupons (except for Talons) shall lapse after four years from the 1st of January of the year following their respective due dates (pursuant to the Law no. 68-1250 of 31 December 1968).

10. REPRESENTATION OF NOTEHOLDERS

The Noteholders shall be automatically grouped, in respect of all Tranches of a single Series, for the defence of their common interests in a *masse* (the **Masse**). The Masse shall be governed by the provisions of the French *Code de Commerce*, except articles L. 228-71 and R. 228-69 of the *Code de Commerce*, as supplemented by this Article 10.

(a) Legal personality

The Masse will be a separate legal entity, acting in part through a representative (the **Representative**) and in part through collective decisions of the Noteholders (the **Collective Decisions**).

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which may accrue now or in the future under or with respect to the Notes.

(b) Representative

The names and addresses of the incumbent Representative of the Masse and his alternate shall be set forth in the applicable Pricing Supplement. The Representative appointed for the first Tranche of a Series of Notes shall be the sole Representative of the Masse for all Tranches of such Series.

The Representative shall receive remuneration for the performance of his functions and duties, if so provided, on such date or dates as may be specified in the applicable Pricing Supplement. No additional remuneration shall be owed in relation to any successive Tranches of a Series of Notes.

In the event of death, dissolution, resignation or dismissal of a Representative, the alternate Representative shall replace him. In the event of death, dissolution, resignation or dismissal of the alternate Representative, such alternate Representative may be replaced another alternate Representative appointed by the Noteholders' General Meeting.

All interested parties may at any time obtain the names and addresses of the initial Representative and his alternate at the principal office of the Issuer and the specified office of any of the Paying Agents.

(c) Powers of the Representative

The Representative shall (in the absence of any Collective Decision to the contrary), have the power to take any management action necessary for the defence of the common interests of the Noteholders.

All legal proceedings brought against or by the Noteholders must be brought by or against the Representative.

The Representative may not interfere in the management of the Issuer's affairs.

(d) Collective Decisions

Collective Decisions are adopted at General Meetings (each a **General Meeting**) or by decision resulting from a written consultation (the **Written Decision**).

In accordance with article R.228-71 of the French *Code de Commerce*, each Noteholder shall claim the right to participate in the Collective Decisions by registering his Notes in his name, in the registered note accounts held by the Issuer, either in bearer note accounts held by an intermediary (if applicable) on the second (2nd) business day preceding the date of the Collective Decision at midnight, Paris time.

Collective Decisions shall be published in accordance with the provisions of Article 14.

The Issuer must keep a record of the Collective Decisions and must make it available, on request, to any subsequent Noteholder of Notes of that Series.

(e) General Meeting

Noteholders' General Meetings may be held at any time, on convocation either by the Issuer or the Representative. One or more Noteholders, holding together at least one-thirtieth of the nominal amount of the Notes outstanding may request the Issuer or the Representative to convene a General Meeting. If such General Meeting has not been convened within two (2) months from such demand, such Noteholders may instruct one of themselves to petition the competent courts of Paris to appoint an agent to convene the meeting.

Notice of the date, hour, place and agenda of the General Meeting shall be published as provided in Article 14 at least fifteen (15) calendar days prior to the date of the General Meeting on first convening and no less than five calendar days prior to the date of the General Meeting on second convening.

Each Noteholder has the right to participate in General Meetings in person, by proxy, by postal ballot by video conference or by any other means of telecommunication allowing participating Noteholders to be identified. Each Note carries one vote or, in the case of Notes issued with several Specified Denominations, one vote in respect of each multiple of the smallest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

(f) Quorum and majority

General Meetings may only deliberate validly on first convocation if the Noteholders present or represented hold at least one fifth of the nominal amount of Notes then outstanding. On second convening no quorum is required. Decisions at General Meetings shall be valid if taken by a simple majority of the votes cast by the Noteholders present or represented at such meeting.

Resolutions adopted by General Meetings shall be published in accordance with the provisions of Article 14.

(g) Written Decisions and Electronic Consent

On the initiative of the Issuer or the Representative, collective decisions may also be taken by Written Decision.

Such Written Decision must be signed by or on behalf of all the Noteholders holding at least ninety (90) per cent of the nominal amount of Notes in issue without having to comply with the formalities and deadlines stipulated in Article 10(e). Any Written Decision shall, in any event, have the same effect as a resolution passed at a Noteholders' General Meeting. Such a decision may be recorded in a single document or in several documents, signed by or on behalf of one or more Noteholders and shall be published in accordance with Article 14.

Pursuant to article L.228-46-1 of the *Code de Commerce*, approval of a Written Decision may be given by any means of electronic communication enabling the Noteholders to be identified (**Electronic Consent**).

(h) Information for Noteholders

Each Noteholder or its representative shall have the right, throughout the fifteen (15)-calendar day period preceding the holding of each General Meeting, to consult or make copies of the text of the resolutions to be proposed and of the reports to be presented at the General Meeting. Such documents will be available for inspection at the principal office of the Issuer, at the specified offices of the Paying Agents and at any other place specified in the notice of such meeting.

(i) Expenses

The Issuer shall pay, upon presentation of duly documented evidence, all expenses incurred in connection with the conduct of the affairs of the *Masse*, including all expenses relating to notices and the holding of Collective Decisions and, more generally, all administrative expenses adopted by Collective Decisions, provided however that no expenses may be imputed against any interest payable on the Notes.

(j) Single Masse

The holders of Notes of the same Series (including Noteholders of any other Tranche consolidated in accordance with Article 13) shall be grouped together for the defence of their common interests into a single Masse. The Representative appointed for the first Tranche of a Series of Notes shall be the Representative of the single Masse of the Series.

(k) Single Noteholder

For as long as the Notes are held by a single Noteholder, and in the absence of the appointment of a Representative, the relevant Noteholder will exercise all of the powers devolved to the *Masse* under the provisions of the *Code de Commerce*, as supplemented by this Article. The Issuer shall hold (or cause any authorised agent to hold) a record of the decisions adopted by the single Noteholder and shall make it available, on request, to any other Holder of Notes of the same Series. A representative shall be appointed as soon as the Notes of a Series are held by more than one Noteholder (except where a Representative has already been appointed in the Pricing Supplement of the relevant issue of Notes).

For the avoidance of doubt in this Article 10, the term "outstanding" shall not include the Notes purchased by the Issuer pursuant to Article 5.7 which are held and not cancelled.

11. AMENDMENTS

The parties to the Fiscal Agency Agreement may, without the consent of the Noteholders, Receiptholders or Couponholders, amend or waive any provisions thereof with a view to remedying any ambiguity or rectifying, correcting or completing any defective provision of the Fiscal Agency Agreement, or in any other manner that the parties to the Fiscal Agency Agreement may consider necessary or desirable but only to the extent that, in the reasonable opinion of the parties, the interests of the Noteholders, Receiptholders or Couponholders are not prejudiced.

12. REPLACEMENT OF PHYSICAL NOTES, COUPONS, RECEIPTS AND TALONS

In the case of Materialised Notes, any Physical Note, Receipt, Coupon or Talon that has been lost, stolen, defaced or destroyed in whole or in part, may be replaced, in compliance with applicable laws and stock market rules and regulations at the offices of the Fiscal Agent or any other Paying Agent, if any, appointed by the Issuer for such purpose and whose appointment shall be notified to the Noteholders. Such replacement shall be made against payment by the claimant of any fees and expenses incurred in connection therewith and subject to such terms as to proof, security or indemnity (which may provide, inter alia, that in the event that the Physical Note, Receipt, Coupon or Talon allegedly lost, stolen or destroyed is subsequently presented for payment or, as the case may be, for exchange for further Coupons, the Issuer shall be paid, at its request, the amount payable by the Issuer in respect of such Physical Notes, Coupons or further Coupons). Partially destroyed or defaced Materialised Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13. CONSOLIDATED ISSUES

The Issuer shall be entitled, without the consent of the holders of any Notes, Receipts or Coupons, to create and issue further notes to be consolidated with the Notes to form a single Series, provided that such Notes and the further notes confer on their holders rights that are identical in all respects (or identical in all respects other than the issue date, issue price and the first interest payment) and that the terms of such Notes provide for consolidation and references to "Notes" in these Terms shall be interpreted accordingly.

14. NOTICES

14.1 Notices addressed by the Issuer to the holders of Dematerialised Notes in registered form shall be valid either (a) if they are posted to their respective addresses, in which case they shall be deemed to have been delivered on the fourth Business Day after posting or (b) at the option of the Issuer, if they are published on the website of any relevant regulatory authority, in one of the leading economic and financial daily newspapers with general circulation in Europe (which is expected to be the *Financial Times*). So long as the Notes are admitted to trading on any regulated market and the applicable rules of such market so require, notices shall not be deemed to be valid unless published in an economic and financial daily newspaper with general circulation in the city(ies) in which the Notes are admitted to trading, which in the case of Euronext Paris is expected to be

Les Echos and in any other manner required, as the case may be, under the applicable rules of such market.

14.2 Notices addressed to Noteholders of Materialised Notes and Dematerialised Notes in bearer form shall be valid if published in a leading economic and financial daily newspaper with general circulation in Europe (which is expected to be the *Financial Times*) and, so long as the Notes are admitted to trading on any regulated market and the applicable rules of such market so require, notices shall also be published in an economic and financial daily newspaper with general circulation in the city(ies) in which the Notes are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos* and in any other manner required, as the case may be, under the applicable rules of such market.

14.3 If any such publication is not practicable, the notice shall be validly given if published in a leading economic and financial newspaper with general circulation in Europe, provided however that, so long as the Notes are admitted to trading on any regulated market, notices must be published in any other manner required, as the case may be, under the applicable rules of such regulated market. Noteholders shall be deemed to have had notice of the contents of any notice on the date of publication, or if the notice was published more than once or on different dates, on the date of the first publication as described above. Coupon holders shall be deemed, in all circumstances, to have had notice of the contents of any notice addressed to Noteholders of Materialised Notes in accordance with this Article.

14.4 Notices addressed to holders of Dematerialised Notes (whether in registered or bearer form) in accordance with these Terms may be delivered to Euroclear France, Euroclear, Clearstream or any other clearing system through which the Notes are then cleared, instead of posting or publishing the notice as provided in Articles 14.1, 14.2 and 14.3 above, provided however that so long as the Notes are admitted to trading on any regulated market and the applicable rules of such market so require, notices shall also be published in an economic and financial daily newspaper with general circulation in the city(ies) in which the Notes are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos* and in any other manner required, as the case may be, under the applicable rules of such market.

14.5 Notices relating to Collective Decisions, in accordance with Article 10 and in accordance with Article R.228-79 and R.236-11 of the *Code de Commerce*, shall be delivered to Euroclear France, Euroclear, Clearstream and to any other clearing system through which Notes are cleared from time to time. For the avoidance of doubt Articles 14.1, 14.2, 14.3 and 14.4 do not apply to such notices.

15. GOVERNING LAW, LANGUAGE AND JURISDICTION

15.1 Governing Law

The Notes, Receipts, Coupons and Talons are governed by and shall be interpreted in accordance with French law.

15.2 Language

This Offering Circular has been drafted in the French language. A free translation in English may be available, however only the French version may be relied upon as the authentic and binding version.

15.3 Jurisdiction

Any dispute in relation to the Notes, Receipts, Coupons or Talons shall be submitted to the courts within the jurisdiction of the Paris Court of Appeal (subject to mandatory provisions related to territorial jurisdiction of French courts). No private law enforcement measures may be instigated and no seizure or attachment proceedings may be brought against the assets or property of the Issuer as a legal entity governed by public law.

TEMPORARY GLOBAL CERTIFICATES IN RESPECT OF MATERIALISED NOTES

1. TEMPORARY GLOBAL CERTIFICATES

A Temporary Global Certificate in respect of Materialised Notes, without interest coupons, will initially be issued (a **Temporary Global Certificate**) for each Tranche of Materialised Notes, and shall be deposited at the latest by the issue date of such Tranche with a common depositary (the **Common Depositary**) for Euroclear Bank SA/NV, as operator of the Euroclear system (**Euroclear**) and Clearstream Banking SA (**Clearstream**). Following deposit of such Temporary Global Certificate with a Common Depositary, Euroclear or Clearstream shall credit each subscriber with an amount in principal of Notes equal to the nominal amount so subscribed and paid for.

The Common Depositary may also credit the accounts of subscribers of a nominal amount of Notes (if so specified in the applicable Pricing Supplement) in other clearing systems through accounts held directly or indirectly by such other clearing systems with Euroclear and Clearstream. Conversely, a nominal amount of Notes initially deposited with any other clearing system may, in the same manner, be credited to the accounts of subscribers held with Euroclear, Clearstream or other clearing systems.

2. EXCHANGE

Each Temporary Global Certificate in respect of Materialised Notes shall be exchangeable, free of charge to the bearer, at the earliest on the Exchange Date (as defined below):

(a) if the applicable Pricing Supplement specify that the Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which the TEFRA rules do not apply, in whole but not in part, for Physical Notes; and

(b) in all other cases, in whole but not in part, after certification, to the extent required under section § 1.163-5(c)(2)(i)(D)(4)(ii) of the US Treasury regulations, that the Notes are not held by US persons, for Physical Notes.

3. DELIVERY OF PHYSICAL NOTES

On or after the Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. The Issuer shall, in exchange for any Temporary Global Certificate, deliver or procure the delivery of an equal aggregate nominal amount of duly signed and authenticated Physical Notes. For the purposes of this Offering Circular, **Physical Notes** means, in respect of a Temporary Global Certificate, the Physical Notes for which the Temporary Global Certificate may be exchanged (having, if appropriate, attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Temporary Global Certificate and a Talon). Physical Notes will be security printed in accordance with any applicable legal and stock exchange requirements.

Exchange Date means, in relation to a Temporary Global Certificate, the day falling no earlier than 40 calendar days after its issue date, provided however that, in the case of a further issue of Materialised Notes, to be consolidated with such previously mentioned Materialised Notes, issued prior to such day in accordance with Article 13, the Exchange Date may, at the option of the Issuer, be postponed until a date falling at least 40 calendar days after the issue date of such further Materialised Notes.

In the case of Materialised Notes with a minimum maturity of more than 365 calendar days (to which the TEFRA C Rules do not apply), the Temporary Global Certificate must include the following legend:

ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF 1986) WHO HOLDS THIS NOTE WILL BE SUBJECT TO RESTRICTIONS UNDER UNITED STATES FEDERAL INCOME TAX LAWS, INCLUDING THOSE PROVIDED UNDER SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

DESCRIPTION OF THE ISSUER

1. GENERAL OVERVIEW

The Issuer is the *Département des Bouches-du-Rhône* (the ***Département***), a local authority. Its head office address is Hôtel du Département, 52, avenue de Saint-Just, 13256 Marseille Cedex 20, France.

The *Département* has a website that sets out details of it as an institution, its plans and policies as well as providing access (direct or via a link) to various information tools and discussions ("www.department13.fr").

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The Bouches-du-Rhône lies in the heart of Provence; it is part of the Région Provence-Alpes-Côte d'Azur (**PACA**). It borders the *départements* Vaucluse to the north, Var to the east, the région Occitanie Pyrénées Méditerranée to the west and, to the south, a wide coastline opens up to the Mediterranean Sea. The *département's* landmass is made up of 49% natural spaces (forests and semi-natural environments, humid zones, open water), 35% farm land and 16% artificial areas (urban zones, industrial zones..)[1].

Two huge geological formations divide the *département*: limestone to the East, alluvial plain to the West.

The limestone section, between the *Etang de Berre* and the Var border, reveals major geological upthrust ("*pyrénéo-provençal upthrust*") and jutting out of the landscape are veritable mountains, if not by their absolute height, but rather their relative height, running east-west.

[1] Source: European Union, Corine Land Cover European Union

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From the *Etang de Berre* to the Rhône, the limestone ranges continue through the Alpilles, to the north, but elsewhere the wide plains dominate: muddy and still partly marshy in the Rhône delta (Camargue) or created by the outflow of stone and pebble debris laid down by the Durance (Crau).

It is an area of stark contrast, in which cohabit, to the west and north, mainly rural areas with an industrial and urban landscape in the south and east. This part of the *département* is marked by the fact that this is where its two largest towns are located (Marseille with 863,310 inhabitants[2] and Aix-en-Provence with 142,482 inhabitants), with the international Marseille-Provence airport, the arrival in the centre of Marseille of the Mediterranean TGV line which places the *département* 3 hours from Paris, an international dimension port and the home of a large number of businesses in the secondary and tertiary sectors.

Marseille is the *département's* principal town and the location of the région PACA's and the Bouches-du-Rhône's administrative head offices (*Préfecture*). The subsidiary offices (*sub-préfectures*) of the *département* are located in the towns of Aix-en-Provence (second most populous town of the *département*), Arles (52,548 inhabitants) and Istres (43,133 inhabitants).

Population: With 2,024,162 inhabitants, the Bouches-du-Rhône département is the third largest département in France in terms of population, behind Paris and Nord.

In addition to the towns mentioned above, the *Département* has 10 other towns with more than 20,000 inhabitants: Martigues (48,188), Salon-de-Provence (45,528), Aubagne (46,209), La Ciotat (35,174), Vitrolles (33,310), Marignane (32,920), Miramas (26,470), Allauch (21,187), Les Pennes Mirabeau (21,046), Gardanne (20,794).

Surface area: 5,087 km².

Economy [3]:

- Bouches-du-Rhône has 174,467 enterprises and 196,677 institutions (at 31/12/2017). As at the 4th quarter of 2019, the number of salaried employees (all sectors combined, including temporary workers, agriculture and private employers) was 829,005;
- a large number of business start-ups have been created in the département: 30,334 between June 2019 and June 2020 (i.e. 40% of the business start-ups in the PACA region). This is explained in particular by the presence of a large number of dense business support structures. The economic fabric is varied, comprising very small companies as well as major contractors (Airbus Helicopters, CMA CGM, Stmicroelectronics, Arcelor…);

[2] Source: INSEE. Population census 2017. Population as at 1st January 2020. Population figures are municipal population, as defined by INSEE.
[3] Source: INSEE. Population census 2016 and Direccte PACA

- in the 4th quarter 2019, there were 1,882,400 in employment in the Région PACA. The Bouches-du-Rhône accounted for 829,000 at the same date. In the first quarter 2020, the employment figures for the Région PACA and the Bouches-du-Rhône were 1,844,600 and 813,600 respectively (source: INSEE, 29/07/2020). The service sector is predominant in the department with 82.8% employed in trade, transport, miscellaneous services, public administration, education, health and social work. The industrial and construction sectors represent 16% of total employment. Construction jobs in the Bouches-du-Rhône have greatly increased between Q2 2018 and Q2 2019: + 5.7 % (commercial tertiary: + 1.8 %; industrial: + 0.3 %);
- finally, Bouches-du-Rhône accounts for 42.2 % of total PACA bank financing in 2018. In 2018, total bank financing increased by 5.4% in PACA (provincial France: +5.6%) with the increase affecting all départements[4].

Initial impact of the Covid-19 epidemic health crisis:

- in the Région PACA, as of 11 May 2020, 117,166 requests for part-time activity had been approved, concerning 864,105 employees (3rd French région behind Ile-de-France and Auvergne-RhôneAlpes). In Bouches-du-Rhône, 42,411 establishments and 45,157 employees are concerned. Bouches-du-Rhône is also the Région's leading département for State-guaranteed loans (14,981 beneficiaries representing 2.1 Bn€)[5];
- As of 7 May 2020, economic activity in the Région PACA was 33% lower than normal (economic shock as for France as a whole). Given their predominance, trade, business services and hotel-catering contributed greatly. Bouches-du-Rhône is affected by the decline in activity due to the presence of very reduced pace industrial sectors (coking and refining). On the other hand, some also highly specialized employment sectors are less affected (transportation/storage, manufacturing of transport equipment)[6].
- the unemployment rate in Bouches-du-Rhône was 9.3% in the first quarter of 2020. The number of job seekers (A, B, C) registered at the Jobs Centre reached 210,600 in the 2nd quarter of 2020 (205,360 in the 2ndquarter of 2019). The decline in pre-hire declarations was less marked in Bouches-du-Rhône than in other départements in the région (fall of 8.2% in salaried employment) but the département accounts for 40% of job losses in the Région PACA.[7]

Cantons: 29.

Number of communes: 119.

Principal town of the *Département*: Marseille.

Préfecture: Marseille.

Sub-*préfectures*: Aix-en-Provence, Arles, Istres.

Number of facilities available to the local population:

- 136 public secondary schools and 50 private secondary schools under contract in September 2019. Of note is the *Cité Scolaire Internationale* project, an institution that brings together in one place a primary school, a middle school and a high school and with a focus on foreign

[4] Source: Banque de France, Territorial financial centralisation of deposits and lending as of end of December 2018.
[5] Source: la Provence 15/05/2020, quoting the Labour Minister
[6] Source: INSEE, May 2020
[7] Source: INSEE, July 2020

language learning. Located on the perimeter of d'Euroméditerranée[8] in Marseille, this future institution should be open by the beginning of the school year in 2024;

- 514 early childhood structures, for 18,263 places as of 1 January 2016 (crèches, nursery schools and kindergartens);
- 268 departmental institutions (authorised and open) for the elderly (independent and dependent) as of 1 January 2017 and 92 centres for adults with disabilities;
- the *département* has two leading hospitals:
    - the *Assistance Publique des Hôpitaux de Marseille* (4 hospitals and 3,400 beds) is the 3rd largest University Hospital in France. It is also the largest employer in the region, with more than 12,000 employees and nearly 2,000 physicians;
    - the *Institut Paoli Calmettes* is a centre of excellence in oncology with more than 1,300 direct jobs.

2. LEGAL AND ORGANISATIONAL STRUCTURE OF THE *DÉPARTEMENT*

2.1 A local authority the result of decentralisation but which has developed considerably since

Like the vast majority of French *département*s, the history of the *département des Bouches-du-Rhône* forms part of a process of decentralisation under which areas, previously governed by the central powers of the State, gradually became self-governed by locally elected authorities.

The existence of *Département*s was first recognised in 1790 (territorial division of France into 83 entities) out of a desire to redemarcate the French "kingdom". Against this background, the *département*s became the representation of the State at local level around the country.

The *Préfet*, the State's representative, guaranteed implementation of its policies locally (the "sole and indivisible" Republic). At that time, the powers of *département*s and communes were very limited. The *préfet* held the executive power in the *département*. Up until 1982, he exercised very tight control, supervision ("*tutelle*"), over the acts of local authorities.

In the 1980s, the great decentralisation laws (introduced by the minister, who is originally from the *département* and a former Mayor of the City of Marseille, Mr Gaston Defferre) sparked a new boom for *département*s by introducing two major changes in their administration. Thus, **the law of 2nd March 1982**, seen as Act I of the decentralisation process, brought two decisive changes to *département*s:

(a) abolition of *a priori* administrative supervision by the *Préfet*, replaced by a system of *a posteriori* control of legality, the *Préfet* remaining the representative of the State in the *département*;

(b) transfer of the executive power in the *département* from the *Préfet* to the President of the general Council, elected by a council which itself is elected by direct suffrage of the *Département*'s inhabitants.

Today, the *Département's* status is governed by the provisions of the French Constitution (article 72 of the Constitution of 4 October 1958 under the principle of free local authority administration), and laws and regulations codified in the local authorities general Code (**CGCT**).

[8] Euroméditerranée is the largest urban renewal project for economic, social and cultural planning and development in Southern Europe. It is part of a 480-hectare area in the heart of the Marseilles metropolis, between the commercial port, the Vieux-Port and the TGV station. This project is classified as project of national interest (*Opération d'Intérêt National*).

Under the so-called "Defferre" law, **the laws of 7 January and 22 July 1983**, powers were shared between the State and local authorities (*communes*, *départements* and *régions*) and a transfer of funding began to enable such powers to be exercised (global operating, equipment, and decentralisation endowments) including social welfare action with mandatory welfare benefits (for the elderly or disabled, persons living precariously …) or the construction and maintenance of schools in the *Département*.

Act II of the decentralisation process: since 2003, the government has adopted several laws which form "Act II" of the decentralisation process.

First, the constitutional amendment of 28 March 2003 on structural decentralisation of the French Republic extends local authorities' responsibilities.

The law relating to local freedoms and responsibilities of 13th August 2004 represents the last legislative stage of this new "Act" of decentralisation policy. This law lists all of the new powers transferred by the State to local authorities and in particular to *département*s (in 2005: income support (RMI, henceforth known as the "**RSA**"), transfer of school technical staff or maintenance of sections of the national road network; in 2007: 358 km of national main roads are reclassified as "departmental" roads in the Bouches-du-Rhône and responsibility for upkeep of the network and management of its personnel are also transferred to it). At the same time, it lays down the financial compensation principles for the various transfers of powers and organises the transfer of personnel from the State to local authorities, the guarantees to be offered to transferred civil servants and also the inter-communal organisational and operational arrangements. Transfers of powers, transfer of personnel and allocation of funding take place gradually as from 1st January 2005.

Following the departmental elections on 22 and 29 March 2015, the articles of law no. 2013-403 of 17 May 2013[9] relating to *départements* entered into force. Henceforth, general Councils have become departmental Councils. In parallel, the renewal of the Council, which used to relate to half the Council every three years, will from now on relate to the whole Council every six years. Binominal voting to ensure gender parity has been introduced. As a result, following the 2015 elections, departmental Councils comprise 50 % women for the first time. In order to achieve this, the number of cantons in which departmental councillors are elected equals, for each *département*, half the number of cantons that existed on 1 January 2013, rounded up to the next odd whole number, if the number is not a whole odd number.

Legislative reforms concerning administrative streamlining and the creation of major metropoles led to the adoption of the law for the modernisation of local authority public action and affirmation of metropoles (the **MAPTAM law**) and of the law on redefining regional boundaries and changing the electoral calendar approved respectively in January 2014 and January 2015. Law no. 2015-991 of 7 August 2015 on the new territorial structure of the Republic (the **NOTRe law**) provides for a new local authority structural reorganisation.

The aim of the MAPTAM law is to clarify local authority powers by establishing a local authority public action summit (CTAP). In this context, this law creates around 10 metropoles including that of Aix-Marseille-Provence which includes part of the territory of the *Département Bouches-du-Rhône*.

The law on redefining regional boundaries and changing the electoral calendar does not directly affect the *département des Bouches-du-Rhône*, but does include the provisions relating to the replacement of departmental councillors.

[9] Law no. 2013-403 of 17 May 2013 relating to the election of departmental councillors, municipal councillors and community councillors, and amending the electoral calendar.

The NOTRe law aims to reallocate powers between the various local authority levels. In this context, *départements* lose the general powers clause and have to shift their focus to local and human social welfare powers. As such, they retain the power to manage secondary schools, roads and social work. Moreover, should they wish to, *départements* can choose to retain control over sea and waterway ports, while school transport, which falls under the remit of the *régions*, may be delegated to the *départements*. Tourism will continue to be the shared responsibility of the local authorities, as will culture, sport and the promotion of regional languages.

Law 2017-257 of 28 February 2017 on the status of Paris and its urban development specifies in article 79: "The Government shall submit to the Parliament, before 1 September 2017, a report concerning the potential merger of the departmental council of Bouches-du-Rhône with the metropolis of Aix-Marseille-Provence. This report aims to study the consequences of the institutional merger between these two entities and its feasibility before the deadline of the next local government elections."

The President of the Republic has since repeatedly affirmed his desire to bring *départements* and *métropoles* closer together, expressly citing the example of the departmental Council of the Bouches-du-Rhône and the métropole Aix-Marseille-Provence. However, account was taken of the reservations raised by the relevant local authorities and ultimately no rapprochement was imposed. As regards the Bouches-du-Rhône, in September 2018 the Prime Minister instructed the Prefect of the PACA Region to organise a consultation on this subject and following that consultation a report was published. At this stage, however, no details have been provided on the arrangements of a possible merger (timetable, distribution of powers, geographical scope) and it would appear that it is no longer on the agenda in the short term. The election of the departmental Council President, Martine VASSAL, as head of the Métropole since 20 September 2018, and her re-election on 9 July 2020, is on the other hand fundamental to implementing concrete partnerships, rolling out throughout the region the common objectives of the two authorities in terms of sustainable development, mobility and also eradicating sub-standard housing.

2.2 Specific institutional organisational and operational structure

(a) The governing assembly: the departmental Council of the Bouches-du-Rhône

The governing assembly meets, on the initiative of its President, at least once per quarter (Article L. 3121-9 of the CGCT), to vote on the most important decisions relating to the operation of the local authority.

It has 58 members elected by direct universal suffrage for a term of 6 years.

The President of the departmental Council is elected by absolute majority by the departmental councillors at the first meeting following the renewal of the departmental Council which must be represented by at least two thirds of its members.

As such, Mrs Martine Vassal became President of the departmental Council following the meeting of the departmental Council on 2 April 2015.

Source: www.CD13.fr/le-13/linstitution/lassemblee-et-les-elus

The standing Committee

Under the regulations (articles L. 3122-4 and 5 of the CGCT), the standing committee of the departmental Council is composed of:

- the President of the departmental Council, automatic member,
- vice-presidents and one or more other members in such number as the governing Assembly may determine.

The standing Committee deliberates on all matters delegated to it by the departmental Council.

The standing Committee of the departmental Council comprises 58 departmental councillors including the President of the departmental Council (1 President, 15 vice-presidents and 42 members) and deliberates on more than 2,000 reports each year.

It sits, as often as required, when convened by the President of the departmental Council (almost every month in the case of the *Département*).

Unlike departmental Council meetings, standing Committee meetings are not held in public.

The standing Committee of the Bouches-du-Rhône departmental Council is split into 4 committees which prepare decisions for submission to a vote, in specific areas (associations, transport, education, tourism, social integration, culture, housing and habitation, the elderly, aid for *communes*, finance…).

These committees, being responsible for considering the reports submitted by the President before a final vote, are as follows:

(i) Appeal and influence (Mr Bruno GENZANA, President):

- European and international relations - humanitarian action;
- planning and development;
- hunting and fishing;
- culture;
- Provencal language and traditions;
- economic development and employment;
- departmental land and natural spaces;
- higher education and research;
- environment - Sustainable Development - Renewable Energy - Agenda 21;
- Berre reservoir;
- large events;
- cycle paths;
- ports;
- natural resources and environmental risks;
- roads;
- tourism;

- mobility.

(ii) Local conservation (President: Jean-Marc PERRIN):

- aid for communes;
- armed forces veterans;
- secondary schools,
- delinquency and radicalisation prevention;
- social housing;
- departmental heritage and buildings;
- urban policy;
- support for rural areas;
- agriculture;
- viticulture.

(iii) Social policy (President: Mrs Danièle BRUNET):

- older people;
- social centre support;
- social and professional integration;
- young people;
- combating discrimination;
- persons with disabilities;
- Maternal & Child Welfare – Children – Health – Family – Departmental analysis laboratory;
- road traffic accident prevention;
- sports;
- associations.

(iv) General administration (President: Mrs Véronique MIQUELLY):

- management control;
- finance;
- public service procurement and awarding of contracts;
- local authority human resources;
- information systems and digital services.

(b) **The executive power: the President of the departmental Council and vice-presidents**

Head of the executive authority, the President is also head of local authority services personnel. He is tasked with leading the Assembly’s work, preparing decisions and overseeing their implementation.

He delegates some of his powers to vice-presidents and delegates.

Vice-presidents: 15

1st Vice-President:	Patrick **Boré**, head of the "**International and European relations – Humanitarian action**" delegation.
2nd Vice-President:	Sabine **Bernasconi**, head of the "**Culture**" delegation.
3rd Vice-President:	Jean-Claude **Féraud,** head of the "**Older people activities**" and "**Social centre support**" delegations.
4th Vice-President:	Solange **Biaggi**, head of the "**Planning-Marseille**" and "**Associations**" delegations.
5th Vice-President:	Gérard **Gazay**, head of the "**Economic development - Employment**" delegation.
6th Vice-President:	Marie-Pierre **Callet,** head of the "**Viticulture**", "**Management Control**" and "**Information Systems and digital services**" delegations.
7th Vice-President:	Didier **Réault**, head of the "**Finance**" delegations and "**Environment – Sustainable development – Renewable energies – Agenda 21**"
8th Vice-President:	Danielle **Milon**, head of the "**Tourism**" delegation.
9th Vice-President:	Jean-Pierre Bouvet**,** head of the "**Roads**" delegation.
10th Vice-President:	Sylvia **Barthélémy**, head of the "**Urban policy**" delegation.
11th Vice-President:	Bruno **Genzana**, head of "**Provençale language and traditions**" and "**Sports**" delegations.
12th Vice-President:	(*Vacant*).
13th Vice-President:	Maurice **Rey**, head of "**Senior Citizens**", "**Security - prevention of delinquancy and radicalisation**" and "**Armed forces veterans**" delegations.
14th Vice-President:	Sandra **Dalbin**, head of the "***Maison Départemental* for persons with disabilities**" delegation.
15th Vice-President:	Lucien **Limousin,** head of the "**Agriculture**" and "**Areas outside Métropole Aix-Marseille-Provence**" delegations.

Delegates (in addition to the Vice-Presidents): **12**

Danièle BRUNET:	head of the "**Youth**" and “**Professional Integration**” delegations.

Sylvie CARREGA:	head of the “**Housing**” and “**Combatting discrimination**” delegations.
Corinne CHABAUD:	head of the “**Departmental land – Natural spaces**” and “**Hunting and Fishing**” delegation.
Brigitte DEVESA:	head of the “**Maternal & Child Welfare – Children – Health – Family – Departmental analysis laboratory**” delegation.
Jacky GERARD	head of the “**Persons with disabilities**” delegation.
Valérie GUARINO:	head of the "**Secondary schools**" delegation.
Eric LE DISSES:	head of the "**Ports**", "**Berre reservoir**" and "**Cycle paths**" delegations.
Richard MALLIE:	head of the "**Road traffic accident prevention**" delegation.
Véronique MIQUELLY:	head of the "**Higher education and research**" and "**Authority human resources**" delegations.
Yves MORAINE:	head of the "**General administration and general services**" and "**Important institutional events**" delegations.
Jean-Marc PERRIN:	head of the "**Heritage**" and "**Public procurement and public service**" delegations.
Henri PONS:	head of the "**Local development and planning outside Marseille**", "**Departmental buildings**" and "**Mobility**" delegations.
Patricia SAEZ:	head of the "**Natural Resources – Environmental risks**" delegation.

Finally, the President of the departmental Council has direct powers, which he exercises by issuing decisions (*arrêtés*), and powers delegated to him by the departmental Council, such as:

- direct powers: originator of Departmental spending, personnel management (individual and Departmental administration), spokesperson of the State in the *département* (in particular, with the *Préfet*, in social welfare action matters),

- delegated powers: decisions concerning public procurement, financial matters (contracting and managing borrowings and liquidity facilities within the maximum limits authorised by the departmental Council), right of first refusal in connection with asset disposals, power to bring legal proceedings in the name of the *département*, decisions relating to the housing solidarity fund (financial aid, loans, debt waivers…).

(c) **Powers of the *Département***

Article 72 of the Constitution of 4th October 1958 recognizes the *département* as the regional local authority of the French Republic. As such, its role is to take decisions in all the areas of authority that have been devolved to it.

Furthermore, article L. 3211-1 of the CGCT provides that "*Through its deliberations, the departmental council governs the affairs of the department in the areas that the law attributes to it.*

It has authority to implement any aid or action related to the prevention or management of fragile situations, social development, childcare and autonomy of individuals. It has also authority to facilitate the access to rights and public services of which it is responsible.

Likewise, it has the power to promote solidarity and territorial cohesion across the department, respecting the integrity, autonomy and powers of the regions and communes".

Moreover, article L. 1111-4, fourth sub-paragraph of the CGCT establishes the principle that "*communes, departments and regions give priority to financing projects within the areas of authority devolved upon them by law*".

Accordingly, improving the quality of life of *Bouches-du-Rhône* inhabitants, reducing injustice and inequality between generations and localities, promoting the development and outreach of the *département*, all fall within the departmental Council's remit

To achieve this, and in strict compliance with the law, it has extended the attributions bestowed by law with voluntary departmental action promoting the return to work, the development and reinvigoration of the local area and access to services, with a constant desire to protect the environment and its resources.

The departmental Council also has an office in Brussels, whose aim is to boost the hunt for European partnerships and funding.

Solidarity

The *département* is the local authority level most specifically responsible for social welfare. In this context, the law has conferred responsibilities on *département*s in the areas of:

- children: mother and infant protection, child protection (foster placements, educational activities, unaccompanied minors), youth centres;

- the disabled: accommodation policy and social integration, disability living allowance (law of 11 February 2005), Departmental Centre for the Disabled;

- the elderly: establishment and management of retirement homes, policy for caring for the elderly at home or in care homes (individual independence allowance);

- social insertion: administering *revenu de solidarité active* (RSA) and integration initiatives; and

- social work: support to families and individuals in difficulty (emergency rescue, access to water and energy outside urban areas).

As part of, and in addition to, its responsibilities, the departmental Council of the Bouches-du-Rhône has decided to implement a public health programme through major new facilities (buildings or equipment). It has decided to focus on access to jobs for those receiving RSA and to leverage the impact of its mandatory powers by supporting cultural, sports and leisure initiatives for people returning to work, people with disabilities (in particular the Handiprovence plan), for the elderly and young people. It strengthens bonds and local access through the Maisons du Bel-Âge network. It also actively promotes the right to housing and strives to eradicate sub-standard housing. Finally, it has signed the poverty Plan which enhances and supplements all of its child protection and return-to-work actions.

Education

The law places on d*épartements* the responsibility for constructing, maintaining and equipping schools. In this regard, *départements* have managed technical, non-skilled and service personnel (**TOS**) since the law of 13 August 2004.

More generally, educational success is a priority for the departmental Council of the Bouches-du-Rhône. It has also resolved to actively promote knowledge acquisition initiatives, in particular by making digital tools more widely available within all secondary schools in the *département*, providing easier access to educational support and financial aid for cultural, educational and sporting initiatives for school children. This aim to provide the best possible environment and resources to secondary school pupils is set out in the Charlemagne plan. Adopted in 2017, it provides 2.5 billion Euros over 10 years for the design and implementation of the secondary schools of the future.

The departmental Council of the Bouches-du-Rhône also vigorously supports higher education and research projects, which generate innovation and development in the region.

Planning and development

The general action programme of the *département* includes:

- Roads (development, management, maintenance, road traffic accident prevention), which was provided for in the MAPTAM and NOTRe laws;

- Fishing ports and marinas;

- Rural equipment, land consolidation, property development, managing rural water in light of the priorities set by *communes*.

The departmental Council of the Bouches-du-Rhône deploys a very global and structural vision of this power which thus goes beyond planning in the strictest sense and instead focuses more widely on regional development. Accordingly, it invests to protect and develop employment, but also to increase the attractiveness of the *Département*.

The *Département* has therefore decided to intervene to promote employment and integration, and to facilitate the establishment of innovative businesses and the long-term success of major facilities or projects (EuroMediterranean, *Grand Port Maritime de Marseille*, ITER, the Henri Fabre hub, The Camp, the naval repair hub La Ciotat, L2 bypass… etc)[10].

Finally, more widely, the departmental Council of the Bouches-du-Rhône is proposing financial aid to realise quality of life enhancing projects (nurseries, libraries,…) for all *communes* and inter-communal organisations within its geographical jurisdiction.

[10] EuroMediterranean is the largest urban regeneration and economic, social and cultural development project in Southern Europe. It spans an area of 480 hectares in the heart of the Marseille metropolis, between the commercial port, the Old Port and the TGV terminal. This project has been classified as a National Interest Project.
The *Grand Port Maritime de Marseille* plays a central role in the structure of the *Département*, and for this reason, the departmental Council has formed active partnerships through multi-year contracts. The challenge is, first, to adapt its container ship capacity to the current expansion in this area and, second, to maintain and develop the competitive position of the Port relative to the other major European ports whilst encouraging environmentally respectful practices and customs.
The ITER (International Thermonuclear Experimental Reactor) project is an international research project on thermonuclear fusion acknowledged as being the source for future energy. The idea: to reproduce the sun's energy on Earth using thermonuclear fusion.
The L2 bypass connects, over a stretch of 9 km, the motorways east and north of Marseille, bypassing the city centre and reducing congestion.

Culture

This power places *départements* under a responsibility for creating and managing Departmental lending libraries, archiving services and museums in the *département*.

More globally, the departmental Council of the Bouches-du-Rhône is a major participant in promoting and supporting cultural initiatives. In particular, it was a partner of Marseille Provence 2013, European Capital of Culture, then Marseille 2018 through various special initiatives. It will also be involved in Manifesta, a biennial contemporary art festival, to be held in France for the first time in 2020, in Marseille. The museums (*Musée de l'Arles Antique*, for example) host large scale events forging prestigious partnerships (with the Vatican, the Gehry Foundation or the Louvre for example). The *Département* promotes numerous initiatives emphasizing its heritage (Marseille Provence year of gastronomy which will continue in 2020); it supports structural and innovative projects such as the Artplexe complex planned in Canabière and boosts local performing arts by supporting facilities such as the Friche de la Belle de Mai or the Gymnase theatre.

©CD13- Serge Ben-Lisa-Museum of Ancient Arles

Above and beyond its cultural powers, the departmental Council has decided to develop a more global responsibility for living standards, to safeguard and promote its geographical assets through tourism, environmental conservation and participation in major events (world biodiversity congress scheduled for 2021 in Marseille), in particular, and its support for not-for-profit organisations.

(d) **Departmental administration**

The *département*'s various services are responsible for preparing and executing decisions taken by plenary Assemblies and standing committees.

At 1st January 2020, 6,902 permanent staff are employed by the *département*, of which 6,026 incumbent, 341 trainees and 535 contracted agents. In addition to this staff, there were 156 non titular, 33 civic service volunteers, 34 apprentices and 14 staff on loan to the authority.

The executive management body (*Direction Générale des Services*) coordinates these services and oversees the operational implementation of the policy decisions of the local authority.

The Bouches-du-Rhône departmental Council has become heavily involved in the plan contracts adopted by the Government which, over the period 2014-2020 are focused on:

- higher education, research and innovation;
- very high-speed broadband coverage and developing the use of digital;
- forward-looking sectors and the factory of the future;
- multi-modal mobility;
- environmental and energy transition.

To mobilise its services towards these objectives and face the challenges of the future such as increasingly rare resources, institutional change, the demands and expectations of the public and, more generally, social and technological transformation, the Bouches-du-Rhône departmental Council has for over 10 years been drafting a public service Charter to promote better understanding by all civil servants of the issues facing the local authority with a view to improving the effectiveness of its public service provision.

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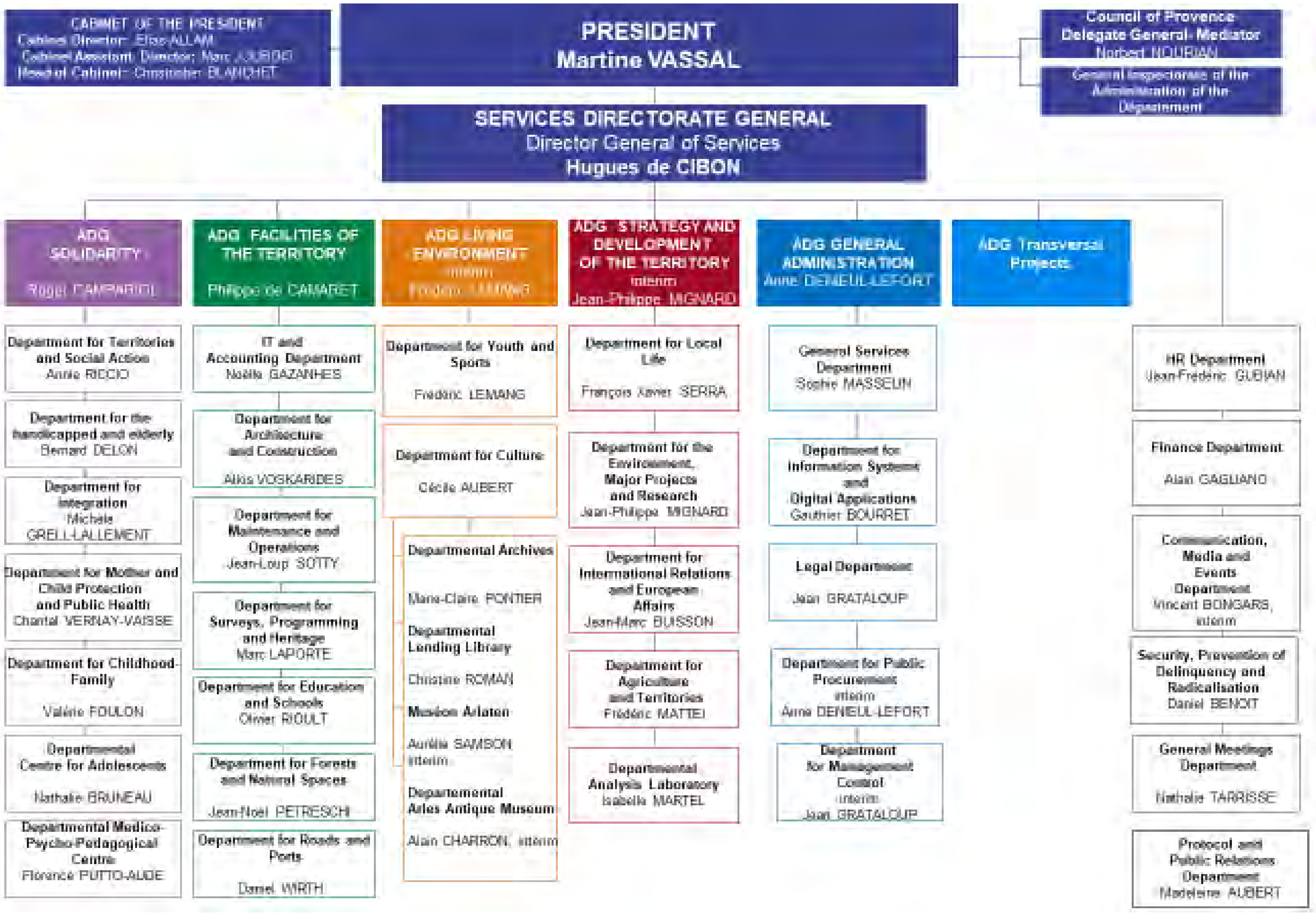
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3. THE BOUCHES-DU-RHÔNE: A PLACE OF INNOVATION AND PROGRESS

3.1 A privileged geographical location and high-quality airport, maritime port and rail services

Situated at the junction of the Mediterranean arc and the Rhône corridor, the Bouches-du-Rhône's surface area extends to 5,087 km² with 280 km of coastline. The territory is criss-crossed by 12,519 km of roads, 492 km of railways and sees heavy river and maritime activity (Rhône-Saône basin, Mediterranean coast).

The *département* Bouches-du-Rhône has excellent communications:

- It is crossed by strategic motorways: the A7 (which serves a North-South axis from Paris to Marseille via Lyon), the A8 (to the Côte d'Azur and Italy), the A54 (towards Montpellier and Spain), the A51 (towards the Alps), the L2 (Marseille city centre bypass, between the A50 and A7 motorways).

- It also has major infrastructure thanks in particular to the Mediterranean TGV, the international airport of Marseille-Provence, and an extensive coastline which opens up the port of Marseille to the major maritime routes.

A *Département* with a principally urban population, it is nonetheless characterised by an exceptionally diverse landscape. Its natural spaces and agricultural land are carefully protected by public conservation and development policies.

© CD 13 – Photo: Christian ROMBI.
Plain of Crau.

© CD13 – Photo: Patrick BLOT.
City of Marseille.

The facilities of the port of Marseille, **Grand Port Maritime de Marseille (GPMM)** bestride the seafront over 70Km of coastline, running East to West from Marseille to Fos-Sur-Mer and up to the Port-Saint-Louis-du-Rhône passing via Lavéra. Its activities cover not only passenger transport and cruise ships but also transport of goods and raw materials. A global port of international scale, the GPMM is listed in numerous rankings:

- 1st French port in terms of market share in 2017[11];
- 2nd Mediterranean port in 2018[12];
- 22nd European container port in 2017, with + 11.2% in traffic[13];
- 8th European port in terms of tonnage in 2015[14] and 3rd worldwide oil and gas port in 2016[15];

[11] Source: Challenges, janvier 2018
[12] Source: GPMM
[13] Source: L'Antenne
[14] Ibid

- 4th Mediterranean port for cruise ships[16].

With 41,500 direct and indirect jobs in 2018[17], the port remains a leading force for local development. It is a global port which has, in Fos-sur-Mer, a unique industrial-port zone of 10,400 hectares serving northern and southern Europe (in 2017, the port developed 55 hectares for logistics and industry and, in 2018, the Chinese giant Quechen Silicon Chemical signed a lease to build a factory representing an investment of 105 M€).

The GPMM and the Asco Fields industrial park are both among the sites identified by the Government for the "Made in France" project, aimed at reviving the country's industry (industrial site guaranteeing short and controlled time frames for the construction of new factories).

With regard to freight, the surrounding inland area extends principally through Provence and the Rhône valley, but also extends north thanks to a dense network of lines of communication enabling the port to compete with those in the English Channel and the North Sea. Onshore connections are provided by the road and motorway network (A7 motorway), the railway lines of the right bank (exclusively freight) and left bank of the Rhône and by the Mediterranean TGV and also by the Rhône and Saône large capacity canal system and two oil pipelines (south-European and Mediterranean-Rhône) and gas pipelines. 55 regular maritime services connect the Port of Marseille-Fos with more than 500 other ports and serve nearly 160 countries around the world. In 2018, freight traffic amounted to 81 million tonnes, making it France’s leading port, all traffic combined. With the ports of the Medlink network along the Mediterranean-Rhône-Saône axis, it is the largest French river-port complex with 103 million tonnes of traffic. In 2018, container traffic totalled 1.4 million TEUs and passenger numbers reached 3 million. The leading French cruise port (1.9 million passengers in 2019), Marseille should win its place among the list of the top Mediterranean cruise ports (becoming the 4th ahead of Venice)[18]. Finally, 50 M€ of investment is earmarked by the Monaco Marine Group for the construction of the largest platform in Europe dedicated to maintaining and refitting mega-yachts (it should be operational within 4 or 5 years.

GPMM activity has suffered due to the Covid-19 crisis: goods traffic fell by 15% between January and June 2020 (down 17% for containers and 20% for bulk liquids). The health crisis has also affected passenger traffic (down 59% for regular routes and 84% for cruises). However, the port is continuing to invest (international maritime station, new submarine cable infrastructure making Marseille the 5th digital hub worldwide, increased container terminal capacity at Fos, rail facilities)[19].

The Port of Marseille Fos is also recognized as a smart port 2.0 having received the international Gold IT Award awarded by the IAPH (International Association of Ports and Harbors). A pioneer of supply chain management information systems, and the French no. 1 in community cargo management systems (CCS)[20], its efforts in deploying digital solutions are facilitating trade. Finally, it is committed to virtuous development with, for example, the electrification of the quayside in Marseille and welcoming activities that combine industrial innovation and energy transition in Fos.

15 Source: GPMM
16 Ibid.
17 Ibid
18 Source: GPMM
19 Ibid.
20 Source: CCIMP; L’Antenne; Wavestone website

© CD 13 – Photo: BABE / GPMM.

The Marseille-Provence International Airport has seen a constant increase in traffic brought about in particular by the arrival of low-cost airlines (**Marseille Provence 2** (**MP2**) is the first low-cost terminal in Europe). Located 20 minutes from the business districts of Marseille, it recorded 10.1 million passengers in 2019 (+8.1% compared to 2018) of which 62% were international travellers (6.3 million persons, + 11.1%). In 2020, it will offer 17 new routes as from spring, with others to follow (33 new regular routes were opened in 2019, including Moscow Addis-Ababa and Dakar). The airport launched a plan in 2015 to invest 500 M€ over 10 years. This includes the extension of Terminal 1 whose surface area will increase to 85,000 m².

Marseille-Provence Airport (MPA) is also the leading French and west Mediterranean airport for express freight. The total freight carried in 2019 was 59,700 tonnes (+5.3% over one year)[21].

The airport was severely affected by the Covid-19 health crisis: in March 2020, traffic dropped by 54.6% and in April the airport was welcoming an average of 300 passengers per day compared to 30,000 in normal times. Only 4 million passengers are expected in 2020 compared to an expected 10.4 million. Freight also declined (25% in March and 50% in April) due to the economic downturn. Activity is expected to slowly recover (in 2021, traffic is expected to fall by 20% compared to 2019), with the return to normal not expected until 2024 for airlines.

© CD 13 – Photo: Christian ROMBI / Vitropôle

The département des Bouches-du-Rhône is characterized by a dense rail network: it has nearly 500 km of operational railway line (37% of the rail capacity in the Région PACA), compared to a département average of 309 km, both for goods and passenger transport. It also hosts the Mediterranean TGV line.

[21] Source: AMP, *Air-journal* and *Journal des Entreprises*

The **Mediterranean TGV**, with 11.5 million passengers per year, puts Marseille within three hours of the capital. As regards railway services and to meet travel needs along the coastline from Marseille to Italy, the *Département* is participating actively in discussions relating to the New Provence Côte d'Azur Line which will develop daily train services particularly around Marseille and reduce travel time between the major agglomerations of the Mediterranean coast. This project, confirmed by the investment programme presented to the infrastructure consultation committee in September 2018, includes the development of the St Charles railway station plateau in Marseille and the construction of an underground station.

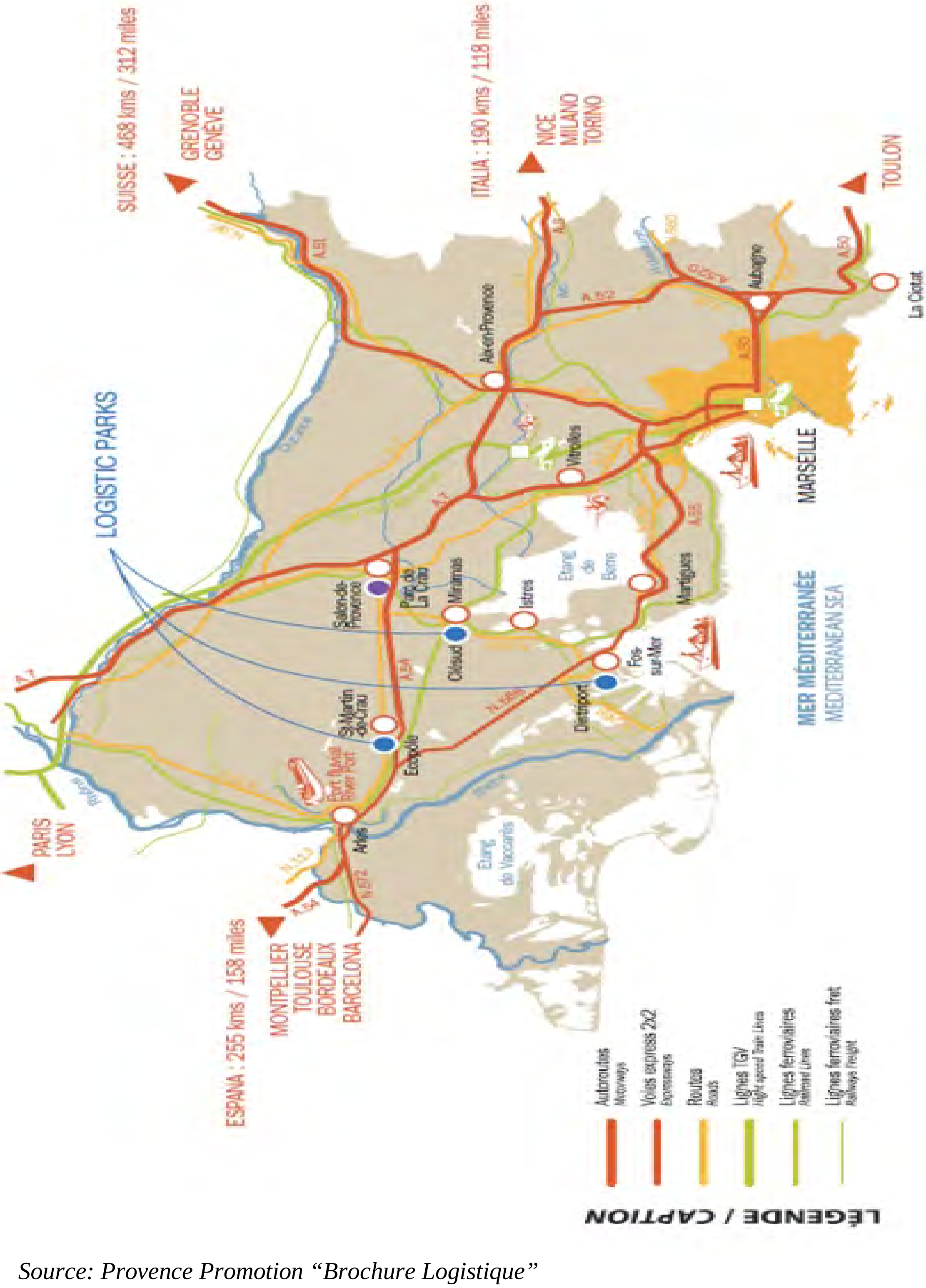
The *Département* has become **one of leading platforms for multi-modal transport air-rail-sea-river-road**. The logistics business, together with transportation/transport and warehousing, provides 40,000 jobs and 1,700 firms (including 13 of the leading 25 shipowners worldwide) producing 5.5 Bn€ in turnover and 3.4 million m² of warehouse space. It also provides a wide choice of training opportunities ranging from the CAP to Bac +5 (with for example, AFT-OIFTIM FC, being a benchmark)[22]. The worldwide headquarters of CMA CGM (No. 3 worldwide in maritime container transport) provides 2,400 jobs in Marseille [23].

The *Département* has the first **NGV** (natural gas vehicle) **station** in the port zone for heavy goods vehicles in the PACA région with six dedicated platforms: Clésud, Fos-Distriport, Saint-Martin-de-Crau, La Feuillane, the Marseille-Provence airport platform, the Airbus Helicopters-Daher logistics centre and Parc des Florides. The PACA Logistics Cluster is now home to numerous international businesses such as Castorama (GB), CEVA and Office Dépôt (USA), Distrimag, ID Logistics (FR), Ikea (Sweden), Katoen Natie (Belgium), Kuehne & Nagel (Switzerland), Mattel, Carrefour, Danone and also Maisons du Monde.

The *Département* is also well positioned as far as **telecommunications networks** are concerned (the Sea-Me-We cable connects 14 countries and a new cable could connect with New York). The *Département* is the second largest French telecoms hub and the leader in Southern Europe.

[22] Source: Investinprovence
[23] Source: CMA CGM

Transport infrastructure and logistics platforms in the Bouches-du-Rhône



Source: Provence Promotion “Brochure Logistique”

3.2 Major planning and development operations

Euroméditerranée is a project to boost the attractiveness and influence of the Marseilles metropolis. Considered the largest urban regeneration project in Europe, it involves the rehabilitation of a 480-hectare area between the commercial port, the Old Port, and the TGV station.

The objective of this programme is to promote the development of Marseille's characteristic function as the hub of exchange an interface between Europe and the Mediterranean, to attract upper echelon French employment and facilitate the establishment of new businesses, in particular in the new technologies sector. At the end of 2018, the *Département* committed to a participation in principle of 89.4 M€ out of a total investment from EPAEM of 677.97 M€ by 2020 (Euromed 1 and first phase of the Euromed 2 extension) and 2030 (Euromed 2, phase 1-bis).

Extending over 480 hectares including 40 green and public spaces, the project has since 1995 involved the construction of 18,000 new homes and the renovation of 7000 homes, with 40,000 inhabitants and 5300 businesses employing 37000 people[24].

© CD 13 – Photo: Christian ROMBI / CMA CGM

PIICTO was formed from an association of major industrial stakeholders in the Industrial Port Zone, in consultation with the Grand Maritime Port of Marseille (GPMM), in order to consolidate the existing strengths of the area and increase its attractiveness. The project is set on a 1,200 hectare site (with 600 hectare for development), including an innovation platform (**INNOVEX**); this involves 5 million tonnes of maritime traffic, 17 established companies, and 3,000 jobs (direct and sub-contracted).

[24] Source: Euroméditerranée

Aix-Marseille French Tech came into being on 12 November 2014. This southern digital metropolis project brings together local authorities and nine promoters of accelerator projects. It is organised around the Belle de Mai Media Hub, the Château-Gombert and Arbois technology parks and the site of Constance. French Tech is developing in 3 directions: the economy, planning and the citizen. The project brings together 700 foreign-invested enterprises, 8 digital-intensive competitiveness clusters, 9,600 digital establishments, 35,000 jobs and 6.7 billion in turnover.

Finally, **ITER** is a unique international collaboration to construct a centre for research and physics studies in the field of controlled fusion. The programme is being developed at the atomic research centre (*Centre d'Etudes Atomiques or CEA*) in Cadarache (Saint-Paul-Lez-Durance) and covers 180 hectares. Presently, nearly 3500 people work on the site and ITER Organization indicates that since 2007, services directly relating to the site generated more than 6.4 billion euros in contracts, of which more than half (€3.7 billion) went to French companies[25]. Of this amount, €2.7 billion (73%) went to companies in the PACA region[26]. The total investment linked to the project from the construction of the apparatus until it is dismantled is estimated to be €18.91 Bn€.

ITER platform – source: www.iter.org

3.3 Attraction of a place of innovation

The Bouches-du-Rhône is a meeting place between the two Mediterranean shores. The EuroMediterranean project, especially, will attract strategic decision-making centres. Marseille, **second diplomatic centre in France,** hosts very high level **international organisations:** the World Bank, the World Water Council, United Local Cities and Governments (**CGLU**), Medcoop, the International Organisation for Migration (**IOM**), the United Nations Industrial Development Organisation (**UNIDO**), Ubifrance (the French international business development agency), the Marseille Centre for Mediterranean Integration - Mediterranean office for economic cooperation (**CMI-OCEMO**), the Development Research Institute (**IRD**) and the Mediterranean Institute, the office of the International Organisation for Migration or indeed the technical Secretariat of the LenCd (Learning Network for Capacity Development). Marseille is also candidate to host a division of the United Nations Development Programme.

It is a true tertiary "hub", the second largest centre in France for financial services, home to the regional bases of BNP Paribas, AON administration centre France, MAIF and a key centre for international transportation and trade businesses.

[25] Source: Iter.org
[26] Ibid

(a) **An internationally prominent centre for excellence in higher education and research**

All of the region's universities merged on 1 January 2012 to form the **AMU** (Aix-Marseille University) which is today the largest university in the Francophone world. It brings together 78000 students[27], including 10,000 international students, 120 research bodies and 5 large campuses. AMU is a significant local employer with 8000 employees.

AMU offers education in all subject areas, divided into 18 units, 12 doctoral schools, 3,300 doctoral students and a budget of 720 million euros. AMU has been ranked amongst the eight French centres of excellence recognised by an international jury under the "invest for the future" programme: for this purpose the AMIDEX foundation was established, then funded to implement high level research programmes.

©Jean-Paul Herbecq-AMU

AMU is a recognised centre for research excellence. It has 120 research facilities, 111 research units, and 9 federative facilities linked to the most important research organisations (National Scientific Research Centre (CNRS), National Health and Medical Research Institute (INSERM), Development Research Institute (IRD), National Agronomics Research Institute (INRA) and the Alternative Energies and Atomic Energy Commission (CEA)). Investment is principally in five major domains: Energy; Environment; Health and life sciences; Science and Technology; Humanities. AMU has established 350 international cooperation agreements and offers more than 40 diplomas in international partnership.

©CD13- Sandra ECOCHARD.

University of Aix Marseille: Luminy hub

[27] Source: www.univ-amu.fr/fr/public/presentation-de-luniversite

Also of note is the presence of major engineering and management colleges (Polytech, Ecole Centrale, Kedge Business School), a Business Administration Institute (IAE), a hospital-university Institute, an Advanced Research Institute (**IMERA**) whose objective is to promote the emergence and development of inter-disciplinary high-level research initiatives.

(b) **Thriving future industries**

The region is highly attractive to domestic businesses and also international companies. The *Département* is home to 540 foreign businesses. In parallel, export activity is naturally experiencing strong growth.

Bouches-du-Rhône has several zones (Aix-en-Provence / Rousset / Gardanne / Istres / Fos-sur-Mer / Marignane / Etang de Berre) selected by the government in November 2018 among the 124 industrial areas identified as having potential for business development and industrial employment and likely to be offered special support.

The knowledge economy

The *Département* has major **technology centres** in Château-Gombert, Luminy and Arbois. These bring together businesses, research laboratories, associations and training organisations. Developing them presents a major spatial and operational challenge in terms of innovation and sustainable development. These centres of excellence are located within 8 "competitive clusters" including Secured Communications Solutions and PEGASE, with global ambition in the aeronautical sector. They are heavily promoted by **Provence Promotion** as part of an intense prospecting strategy.

This agency, cofounded and co-chaired by the departmental Council (until 2016, the *Département* now accompanying it by supporting its activities) and the Chamber of Commerce and Industry of Marseille Provence, deploys targeted initiatives aimed at large organisations in particular and is multiplying the number of partnership agreements between the major participants in international development (for example: the Massachusetts Institute of Technology, in the United States).

The Micro-Electronics industry is centred principally in Rousset and in the Haute Vallée de l'Arc. It has benefited from major investment including the emblematic *Centre intégré de microélectronique Provence-Alpes-Côte d'Azur* (**CIMPACA)**. Businesses such as ST Microelectronics and Gemalto operate here. Furthermore, in Marseille there is the **Centre National de la RFID** (national radio frequency identification centre). The **SCS** (*Solutions Communicantes Sécurisées*) **worldwide hub** represents 390 businesses and 156 research laboratories, 250 innovative funded projects and more than €1 billion in research and development investment[28].

With regard to **photonic optics**, the *département* offers significant potential in terms of R&D, enhanced by the presence of a **Technoptic Hotel** at Château Gombert and the national **OPTITEC** competitive cluster. It is also an important centre for French astronomy and space research, with the presence in the *Département* of the **Pythéas Institute**, a multi-disciplinary space science observatory.

The **health-biotechnology** sector is also buoyant. In the field of science, numerous international level research facilities are present such as the Marseille Luminy Immunology Centre, *the Centre d'Immunophénomique* (CIPHE), the Phénomix platform, as part of the national infrastructure, and also the hospital-university Institute "*Méditerranée Infections*"

[28] Source: Pôle SCS

specialising in infectious diseases, financed under the "Invest for the Future" programmes (**PIA**).

© *CD13-Jean-Paul Herbecq-Fœtal laboratory*

The pre-industrial demonstrator Mi-Mabs (**PIA**), 23 technology platforms, internationally prominent businesses (Innate Pharma), potential start-ups and new research-based businesses (Luminy Biotech) and the presence of companies such as Laphal Industrie, Innodiag, Ipsogen, Euros, Provepharm, Immunotech, Isotron and international groups such as Siemens Health Service, GE Médical, Hill-Room gives testament to this attractiveness and growth potential assisted by the **Eurobiomed** "competitive cluster".

The health crisis has prompted several start-ups in the *Département* to invest in products or processes to combat the epidemic in liaison with hospitals, the fire-marine service (Marins-Pompiers) or businesses (blood test reading and analysis application, sample testing platform, self-test kits).

The *Société d'Accélération du Transfert de Technologies Provence-Alpes-Côte-d'Azur-Corse* (**SATT SUD EST**) helps to develop inventions conceived in research laboratories on the legal (intellectual property), economic (market) and technological levels. It enables businesses to fully benefit from innovations derived from public research in the region in various domains including health and biotechnology, information and communication technology, eco-technology, human and social sciences.

With 49,000 jobs in the Aix-Marseille area, spread between more than 7,000 companies and with annual growth of 13%, the **digital sector** is booming[29]. Among the 30 companies of the PACA delegation present at CES 2020 in Las Vegas (in addition to which there were 6 businesses led by partners such as BPI), 9 came from the Arbois clean-tech incubator, which received seven awards (of which the only two European out of six worldwide in the “climate change” category)[30].

The BDR hosts iconic digital companies such as Voyage Privé, Jaguar Networks, Wiko, Avis Vérifiés but also many start-ups. These companies can benefit from the help of a variety of structures specialising in their development such as incubators and accelerators, the high-tech campus TheCamp which opened in October 2017 or La Coque, a dedicated showroom, designed to boost start-ups. The aim is to strengthen the PACA region as the epicentre for R&D, development of applications and industrialization.

The region also has a mobile telephony presence: at the Mobile World Congress 2019, the delegation led by SCS (the largest of the regional delegations), comprised 9 very small/small-

[29] Source: Madeinmarseille – January 2018
[30] Source: Start-up (January 2020), Technopôle Arbois (January 2020)

medium sized businesses, more than half of which are based in Bouches-du-Rhône (Nosoft, Synertic, Keolabs, sMsmode).

Multimedia and content software-publishing offer a bright future. The Belle de Mai hub[31], unique in Europe, hosts around fifty businesses and 1,000 jobs within 23,000m²; Bouches-du-Rhône also hosts numerous multimédia content producers and independent videogame manufacturers with 13 Production, Cityvox, Expedia, France 3, Lexis Numérique and Voxinzebox. Image and transmedia businesses having a strong presence. Located in the La Joliette district in Marseille, Genimage is a new higher education institution specializing in animation, video games, manga, comics and illustration. In addition, since 2011 Marseille has hosted the leading International Web-Series Festival.

Another illustration of the dynamism of the digital sector in the *département*, the Club Top 20 of the 20 largest companies in Aix-Marseille helped in September 2019 to establish a new digital school offering a (free) two-year computer coding course, a digital training course designed for engineers up to BAC +5 and a platform providing continuing education for executives[32].

Smart-city, meanwhile, illustrates the region's engagement, through new experiments in digital technologies and sustainable development. It offers numerous market opportunities supported by large structural projects whose ambition is to create intelligent urban systems including low-energy buildings, innovative transport networks and connected services for all users.

Controlling energy consumption is a major issue for the region. The Premio project in Lambesc, launched in 2008 by the Capenergies competitiveness cluster, was the first demonstrator of Intelligent Electricity Networks (REI). Today, the PACA region, selected by the State for its Flexgrid project, is continuing the industrial-scale deployment of Smart Grid equipment and technologies. Public and private actors including ERDF and RTE are gearing up to validate large-scale technical and economic solutions.

Smart-city represents more than 340 million euros of investment in the Flexgrid programme in 2017, with 800 businesses mobilised, 2100 jobs secured or created by 2020, 8400 medium-term jobs created by 2025 and 115,000 citizens benefitting[33]. Notable among the concrete projects related to Flexgrid is the So FLEX'hy project integrating renewable electricity derived from hydraulic structures, representing an investment of €90m in the Smartseille eco-district facilities in *Euroméditerranée 2* (a second eco-city is planned on the same site, bringing the overall real estate complex to more than 300,000 m2 of floor space with the construction of bioclimatic positive energy buildings through the use of solar, thermal and photovoltaic energy. Once connected as planned to Thassalia, France's leading marine geothermal power plant, this housing, public facilities and office space will significantly enrich the real estate offer in the metropolis). Finally, the **Cité des Energies innovation platform** works, conducted by CEA Tech, touch areas of technological expertise in response to the challenges of Smart Cities (materials, simulation equipment, modeling and software, energy optimization, systems and sensor integration). Start-ups and large groups can come and conduct full-scale tests on their projects[34].

The **fashion-textiles** sector brings together more than 4700 enterprises and 20000 jobs[35]. The Mediterranean fashion trades centre (***Maison Mediterraneanne des Métiers de la Mode***)

[31] Source: Pôle La Belle de Mai
[32] Source: City of Marseille, Digital Marseille
[33] Source: Regional Council of SUD Provence-Alpes-Côte d'Azur
[34] Source: Investinprovence.
[35] Source: Agam, December 2018

defends this dynamic position in what is nowadays a very competitive sector. Several major brands or their founding companies come from Bouches-du-Rhône: Jacquemus, Kaporal, Le Temps des Cerises, Kult, Ginette NY, Gas, Nicolas Claverin, JJ Garella, Sessun, Sugar, American Vintage, Sugarloaf, etc.

Village des Marques ("Brand Village") opened on 13 April 2017, in Miramas. Named "*Les Portes de Provence*", this village offers a total sales area of 25,000 m² and 100 stores. 2 million visitors were welcomed in 2017 and 650 jobs created[36].

© CD 13 – Photo: Jean-Paul HERBECQ / opening of the Village des Marques

The shipbuilding industry

With more than 100,000 sea-related jobs, the maritime sector represents 8% of regional salaried employment. The development of maritime employment is due principally to coastal tourism but also centres around various activity centres: works at sea, on-board personnel, port and nautical services, naval construction and maintenance… Due to the growth in the maritime economy, employment in this sector should double by 2030[37].

The La Ciotat shipyards have so far been successful in delivering industrial transformation. The creation of maintenance platforms for large and medium-sized pleasure craft has preserved and developed industrial and artisanal know-how in shipbuilding and ship repair. Thanks to this exceptional equipment (the 2000-tonne boat lift, the 250-tonne Krupp crane, the 660-tonne Krupp gantry crane, the 300-tonne belt lift, the large modular base (between 200 to 330 metres long), the 35 businesses on the site and their 700 industrial jobs (with a target of 1,000 jobs by 2025), the La Ciotat shipyard is now a leader in large craft (over 24 metres long) in the Mediterranean. A project for the construction of a new platform (equipped with a lift with a capacity of more than 4,000 tonnes) capable of handling yachts of 80 to 100 metres has been approved. It represents an investment of 70 M€.

In order to get through the crisis resulting from the shutdown of the economy and foreign travel, the local public company that manages the site will reduce its occupancy rates in a targeted manner.

[36] Source: Frequencesud.fr
[37] Source: PACA « Pôle emploi »

© CD 13 – Photo: Christian ROMBI.

Naval repair brings together many specialized companies: MB 92 La Ciotat, Lürssen, Monaco Marine, Foselev, Sud Marine Shipyard, Palumbo Marseille Superyachts, ITM and CNM in particular. The Marseille site with the project for the construction of a platform by Monaco Marine is an additional asset. The Pôle Mer Méditerranée is helping to boost projects in this sector.

The Marseilles-Aubagne employment zone hosts a number of maritime transport and naval repair/shipbuilding bridgeheads: CMA CGM and Mediterranean Shipping Company for freight, Intramar for port handling, Moteurs Baudouin... In fact, the zone accounts for nearly half of all maritime jobs (11,600) and more than 40% of the maritime wealth generated in the region. Boosted by the presence, mainly, of CMA CGM, the Grand Maritime Port of Marseille (GPMM) and the Interregional Directorate of the Mediterranean Sea, the 2nd arrondissement of Marseille alone accounts for nearly 30% of the workforce and of maritime wealth generation in PACA[38].

Note that CMA CGM expects a limited slowdown in its activity due to the Covid-19 crisis (10% whereas the World Trade Organization expects a fall of 13% to 32% in 2020).

The aviation industry

Airbus Helicopters is the world's largest civilian helicopter manufacturer and a leading manufacturer of military helicopters. The company's head office is located in Marignane, where it has its main production site in France, the other being in La Courneuve. This site employs nearly 8,000 people.

© CD 13 – Photo: Christian ROMBI

[38] Source: INSEE June 2017

The health crisis is expected to have an impact between 2021 and 2023 and the company has stopped hiring and minimised the use of temporary staff and sub-contracting. However, the helicopter market should be less affected than conventional aviation.

Official test flights and development tests, as well as Dassault Aviation's development flights, are carried out at the **125 Charles Monier d'Istres air base**. It is the leading French flight test centre.

The **Henri-Fabre** project, promoted by the State and Airbus, is an unprecedented public-private project. It is based on collaboration between the worlds of industry, research, training, employment, the State and local authorities. The Henri-Fabre project brings a new industrial model which is developing within a world class ecosystem with key expertise in mechanics, materials and advanced processes as well as digital engineering. The Technocentre is at the heart of this project. It is a space for meetings and for grouping and pooling skills (researchers, teachers, specialized operators), innovative machines and equipment, and premises fit for the purpose. Located in the Florides Park in Marignane, it is home to 200 businesses and 50 development projects each year[39].

The competitive hub Safe Cluster (Security and aerospace actors for the future of the earth) last July launched a new programme with the objective of accelerating the industrial performance of space and aeronautics companies. This involves a total of 15 SMEs in the region.

Last June, the Government announced a 15 Bn€ support plan for civil and military aviation. It is based on investment in research/development projects identified by manufacturers, and two investment funds, one to meet businesses' capital needs, and the second, to support SMEs to digitize and robotise their facilities.

The agri-food industry

This sector is very buoyant. The dynamism of the agri-food sector is down to the favourable natural conditions, exceptional sunshine, specific irrigation tools and techniques (*Société du Canal de Provence*) but also agricultural know-how in the exploitation of multiple resources.

Agriculture represents 150,000 hectares (1/3 of Bouches-du-Rhône's surface area), 4,900 farmers, 18,000 direct and seasonal salaried jobs and an annual turnover of €950 million (70% of gross production is fruit and vegetables). The *Département* is the leading French department in the production of tomatoes, lettuce, courgettes, rice, olives and accounts for 1/3 of the national olive production. There are 10,000 ha for winegrowing. The sector has nevertheless come under significant strain: in 10 years, the agricultural area has shrunk by 9% and the number of farms has declined by 20%. Nevertheless, efforts to convert to organic produce are paying off: in 2018 the share of organic production as a proportion of total cultivated area reached nearly 30% (28.8%). More than 40,000 hectares are farmed organically[40].

There are nearly 584 agri-food enterprises employing 5,548 people (as at 31/12/2015)[41], with a turnover of €6 Bn and many large companies: Coca-cola, Danone, Haribo, Pernod-Ricard, Heineken, Grands Moulins Storione, Dole France, Orangina Schweppes. Alongside these, many SMI/SMEs such as Marius Bernard or Jean Martin, rely on local agricultural production. United under the umbrella of the European centre for fruit and vegetable

[39] Source: Henri-Fabre
[40] Agreste, DRAF PACA, PACA regional chamber of agriculture
[41] Source: FRIAA

innovation (**Pôle Européen d'Innovation Fruits et Légumes** or **PEIFL)**, this sector has been very resilient even in the depths of the crisis.

The agri-food sector has been affected by the Covid-19 crisis in very diverse ways. Very small and medium-sized enterprises have suffered from the stoppage of commercial or collective catering, as have alcohol producers. Strong sales of products such as flours and dairy products have allowed some companies to grow.

Metallurgy, industrial maintenance and the petro-chemical industry (30 % of French refining capacity with INEOS, Exxon Mobil, Total, Naphtachimie, Shell, Airgas, Air liquide) remain very present around the banks of the Étang de Berre. The Bouches-du-Rhône is considered as the leading petrochemical centre in southern Europe and the Mediterranean basin and accounts for 10 % of French chemical production. These industries adapt to new technological developments and constraints. Marseille is expected to be home to the largest biomethane plant in France (Suez Group). This green energy production is expected to supply 8,000 residents, then, ultimately, supply gas for public transport. Arcelor Mittal and Véolia have joined forces with Fos to maximise valorization of gases generated by the steel making plant (co-investment of € 190 million over 3 years to waste no more than 2% of gas produced).

Refineries in Bouches-du-Rhône idled during the health crisis (falling demand). On the other hand, the high demand for ethylene and propylene needed to manufacture personal protective equipment and respirators and the establishment of a hydroalcoholic gel manufacturing facility have strengthened companies such as Naphachimie.

At the beginning of May 2020, 95% of companies in the Alpes-Mediterranée metallurgical industry and trades sector were operating (30% at the start of lockdown) and were operating at 70% capacity with 45% of employees on furlough[42].

© CD 13 – Photo: Joëlle MANCHION. Berre.

After years of decline, the workforce in the **construction** sector increased to 49,992 employees (including part-time) at the end of the second quarter of 2019, an increase of 5.7% in one year (+2,679 jobs)[43]. The construction sector represents 6.2% of employment in 2015, 12.1% of companies (as at 31/12/2016) and more than 12% of new businesses in 2017[44].

A number of major businesses are present: SNEF, Travaux du Midi, Guintoli, Cegelec, Dumez, Eurovia Mediterranean, Spie Sud Est. In the PACA region, the construction sector confirmed its recovery for the first half of 2018 (production up 2.9% in September 2018),

[42] Source: UIMM, May 2020
[43] Source: Direccte PACA
[44] Source: INSEE

with only the public works sector treading water (bad weather in the spring)[45]. Local authorities in the region have a specific tool, the *Etablissement public foncier* (**EPFP**) to develop housing and, in the case of the Bouches-du-Rhône, commercial property and economically viable land.

In the Région PACA, by mid-June 2020, 87% of construction sites were open (71% activity level) and by the end of May, 100% of public works sites had resumed (52% activity level). In mid-June, the level of employment in construction was at 89%[46].

3.4 A historically mixed labour market

An unemployment rate which exceeds regional and national averages[47]

In the first quarter 2020, the unemployment rate in the *Département* was 9.3% (8.9% in the Région PACA and 7.8% in France excluding Mayotte). The annual fall was 1.1 points.

The number of job seekers (A, B, C) registered at the Jobs Centre was 210,600 in the 2nd quarter 2020 (520,360 in the Région PACA and 6,115,600 in France). The annual increase was 2.6 points, 4.8 in PACA and 3.9 in France)[48].

Salaried employment's progress is slowed by the pandemic[49]

In Q2 2019, the *Département* had 821,475 salaried employees (including part-time), an increase of 0.4% compared to the previous quarter and of 1.1% compared to Q2 2018.

Except for non-commercial tertiary (-0.5% over one year), salaried employment had increased in all economic sectors: agriculture: + 1.3%; industry: + 0.3%; construction: + 5.7%; commercial tertiary: 1.8%.

In the first quarter 2020, the *Département* totalled 813,600 salaried jobs, down 0.7 points year-on-year, and 1.9 points compared to the last quarter 2019.

An increasingly well-trained population[50]

The Bouches-du-Rhône is characterised by a significant proportion of people without any diploma (29.9%) although this is gradually decreasing (almost 16 points lower than in 1999) and by an ever larger proportion of people with a higher education diploma (31.5%) a figure which is rising constantly (more than 12 points higher than in 1999).

Qualification levels and careers pursued are closely related. Accordingly, as the number of diplomas increases in the *département*, the proportion of executives and those in higher intellectual professions is also on the increase.

Indeed executives and higher intellectual professionals represent 19.7% of those in employment, which is a net increase compared to 1999 where these only represented 14.7%.

Before the crisis, the *Département* was therefore in a situation which may have seemed paradoxical, between an employment market which was buoyant given its positive trajectory and an unemployment rate which was decreasing but remained high. This contradiction was

[45] Source: Banque de France - 09/2018
[46] Source: Regional economic unit for construction in PACA, 15 June 2020
[47] Source: Direccte PACA and INSEE
[48] Source: INSEE, July 2020
[49] Source: Direccte PACA
[50] Source: INSEE, RP 2016

only apparent insofar as unemployment in the *Département* was structurally high and greater than the regional and national levels, with the overall increase in employment not being sufficient to make up the difference. This paradox is reflected in the analysis of the results of the health crisis with the number of job seekers increasing less than elsewhere; and the number in salaried employment decreasing less.

3.5 Tourist attractions and recognised quality of life

A land of welcome and trade since ancient times, the Bouches-du-Rhône enjoys a remarkable cultural, natural and historical heritage which attracts 8 million tourists generating €2.7 billion in revenue (7% of GDP) and 50,000 direct and indirect jobs[51]. Arles is the first town awarded world heritage status by UNESCO. Finally, the 300 days of sunshine per year are a precious asset for tourism and cultural activities.

© CD 13 – Photo: Jean-Paul HERBECQ.

Arles.

© CD 13 – Photo: Jean-Paul HERBECQ. Calanque.

The Bouches-du-Rhône's tourism identity is based on three factors:

- Marseille, a cosmopolitan city of contrast with a long twenty-six century history,
- Provence, with its strong identity, traditions, particular "art de vivre" and dream-like views that inspired great artists (Paul Cézanne, Vincent Van Gogh, Jean Giono, etc.),
- the Camargue, a wild landscape with its own specific identity.

Each of these areas, although having their own identity, complement the region and contribute to the cultural and natural richness of the *Département*.

[51] Source: Provence Tourism

© CD 13 – Photo: Christian ROMBI.

La Camargue.

© CD 13 – Photo: Sandra ECOCHARD.

La Rotonde, Aix-en-Provence.

The *Département* has numerous prestigious sites and places of interest including the Sainte Victoire, the Alpilles, the Camargue and the Calanques National Park (exceptional natural space and the leading land and sea, urban-adjacent national park).

Paul Cézanne: The Gulf of Marseille from l'Estaque – 1878-79. Paris, Orsay Museum.

Tourism in PACA represents 141,000 jobs and €18.6 billion in revenue (218.2 billion overnight stays in 2017, up 5%). PACA is the second tourist region in France (for international tourism) behind Ile-de-France[52]. The Métropole Aix-Marseille-Provence is the second French *métropole* (after Grand Paris) in terms of French hotel overnight stays and the third (after Grand Paris and Nice Côte d'Azur) in terms of the number of foreigner overnight stays[53]. The Bouches-du-Rhône is the seat of the first tourism incubator in Provence, Provence Travel Incubator. A number of start-ups have already emerged such as Phonomade, Estay and also Left for work.

Tourism is one of the sectors most affected by the health crisis (cancellation of major cultural events, cruises and business tourism halted, closure of hotels and restaurants). For the *Département*, 10 million overnight stays and 675 M€ in tourist spending have been lost. The results for June and the 14th July weekend seem to herald the start of a relative recovery (the overnight stays curve above that of 2019, with the return of German, Swiss and Belgian customers)[54]. In addition, the Airbnb France platform reports a 160% increase in bookings in

[52] Source: Regional Tourism Board
[53] Source: Atout France
[54] Source: Provence Tourism

the Bouches-du-Rhône compared to 2019[55]. However, close attention is being paid to the sector with various, national or local recovery plans.

© CD 13 – Photo: Jean-Paul HERBECQ / MuCem

Culture and sport largely contribute to quality of life which is recognised as one of the areas assets.

Cultural activities in the region's territory together generate 1,844 million euros, or 2.2% of regional wealth (businesses′ added value as a proportion of the wage bill), employing around 50,000 people per year. It is the fifth ranking of the former regions in terms of the proportion of added value generated by culture[56].

On average, there are 5 cultural facilities for every 10,000 inhabitants (historical monuments, public reading places, cinemas, Museums of France and conservatories). The region has no fewer than 2,300 listed and registered historic monuments. There are more than 50,000 statistical units (administratively active establishments) operating in the cultural sector as their principal activity in the region in 2017[57]. These represent 5.2% of all units for all activity sectors combined, of which 40% are found in the *Département* [58].

In the Bouches-du-Rhône, in 2013, the Arles employment zone (thanks to publishing houses and record companies: Actes Sud, Harmonia Mundi), ranks first for cultural employment, with 3.3% of regional salaried cultural jobs. Next are Aix-en-Provence (2.3%) and Marseille-Aubagne (1.7%)[59].

Marseille-Provence 2013 European Capital of Culture has given the region some emblematic facilities enabling it to show off internationally its rich and diverse cultural offering (including music with the Aix-en-Provence, Roque d'Anthéron and Marsatac festivals, dance with Angelin Prejlocaj, several national theatres, opera, important exhibitions such as the *Carriére des Lumières* or the *Hôtel de Caumont*) and Marseille Cultural Capital 2018 has extended this impact. In 2020, Marseille will be the first French city to host the biennial Manifesta (dedicated to contemporary art and which is going ahead despite the health crisis).

[55] Source: La Provence, 20 June 2020
[56] Source INSEE, FEE 2012
[57] INSEE′s ″SIRENE″database, available since January 2017
[58] Source: INSEE
[59] Source: INSEE – April 2017

This buoyant sector is bolstered by sport. The area has recently hosted Euro 2016 football matches, Marseille Provence European Capital of Sport in 2017 and two stages of the Tour de France in Marseille in July 2017.

Marseille will be hosting the sailing events of the 2024 Olympic Games and the Rugby World Cup in 2023.

© CD 13 – Photo: Jean-Paul HERBECQ / Opening of the Stade Velodrome

The *Stade Vélodrome* is highly symbolic for the collective imagination (local and national). In addition, several major sporting events are held regularly in Marseille including football (*Olympique de Marseille*), tennis (Open 13 - ATP), rugby (2020 European Cup finals, World Cup 2023 and final qualifying tournament), beach soccer (World Cup), *pétanque* (Mondial), Marseille Marathon and not forgetting the Marseille-Cassis 20km run.

Both of these sectors (culture and sport) have been greatly affected by the health crisis and the restrictions placed on gatherings.

4. BOUCHES-DU-RHÔNE PUBLIC FINANCE RULES AND BORROWING – SOLVENCY

4.1 Budgetary and accounting rules

Budgetary management and public accounts under the *décret* no. 2012-1246 of 7 November 2012[60] follow a number of the principles laid down by the general accounts table ("*Plan Comptable Général*") applicable to the private sector: accrual basis accounting using the double-entry method (correlation between sources and uses of funds). For both expenditure and revenue, a distinction is made between operating activity (income and expenses) and capital activity (relating to assets).

In addition to a separation between the authorising officer and the accountant, the presentation of the budget must observe 5 main principles:

1° the annuality principle: the budget must be adopted every year and budgetary execution follows the calendar year;

[60] Replacing *décret* no. 62-1587 of 29 December 1962.

2° the unity principle: the budget is set out in a single document which itemises and authorises all revenue and expenditure;

3° the universality principle: the budget must include all revenue and expenditure items and revenue must cover all expenditure (non-contraction and non-allocation);

4° the specificity principle requires that the amount and nature of all budgeted items are precisely defined, hence appropriate budgetary terminology;

5° the truth and fairness principle implies that the financial information presented must be exhaustive, consistent and accurate.

Provisions applicable to local authorities are set out in:

- the CGCT: articles L. 1611-1 to L. 1618-2 with respect to the general principles and articles L. 3311-1 to L. 3342-1 with respect to *département*s specifically;

- budgetary and accounting instructions: for *département*s, the relevant instruction is "M52".

These texts lay down the various phases of the budgetary process: preparation, execution and control.

(a) **Preparation of the budget**

The *Département*'s budget is the document in which the *Département*'s annual revenue and expenditure are itemised and authorised.

The departmental Council takes several budgetary decisions during the budgetary year: primary budget, budgetary amendments and supplemental budget (restatement of accounting results and deferred credits carried over, as noted in the previous year's final accounts). In the two-month period prior to the governing Assembly's examination of the budget, a budgetary policy debate for the financial year and on planned multi-year commitments takes place at a public departmental Council meeting.

The budget is prepared by the *Département*'s executive, but its adoption is within the sole power of the *Département*'s Assembly. The budget is voted by type, but also includes a cross-reference presentation by function.

The *Département*'s budget comprises an operating section and a capital section showing both expenditure and revenue. It is divided into chapters and articles.

The budget is properly balanced when the operating section and the capital section respectively are adopted in balance, with revenue and expenditure having been truly and fairly assessed and when the levy on operating section revenue transferred to the capital section, added to that section's direct revenue, excluding the proceeds of borrowings, and to appropriations to amortization accounts and reserves, if any, provides sufficient funds to cover annual repayments of principal on borrowings falling due during the financial year.

Up to the adoption of the budget at the latest by 15th April [61], the *Département*'s executive is entitled to collect in revenue and commit, liquidate and order operating section expenditure within the limits set in the previous year's budget. As regards capital expenditure, the

[61] Or prior to 30 April in *Département* assembly election years.

executive may, with the authorisation of the governing Assembly, commit, liquidate and order, up to the limit of one quarter of the credits allocated in the previous year's budget (not including credits allocated for repayment of debt). As regards multi-year expenditure included in a programme authorisation (**PA**) voted in previous years, the executive may liquidate and order such expenditure within the limits of the spending credits planned for the financial year in the PA deliberations.

Ordinance no. 2020-330 of 25 March 2020 on local authority and local public institution fiscal, financial and budgetary continuity measures to deal with the consequences of the Covid-19 epidemic postponed the adoption of the budget until 31 July 2020, allowed the debate on budgetary guidelines to be held at the budget adoption session, and relaxed some of the budgetary rules mentioned above.

(b) **Execution of the budget**

The principle of **separation of the authorising officer and accountant** applies to execution of the budget.

The President of the departmental Council is the authorising officer for Departmental spending and revenues. He keeps an account of expenditure commitments. He commits expenditure and, having verified the factual reality (liquidation), proceeds with the payment order (or mandate), in other words, the act by which he orders payment by the accountant.

Spending must remain within the limits of the budgetary authorisations voted by the governing Assembly (budget, programme authorisations, commitment authorisations) and must act as soon as creditors' rights materialise.

As regards revenue, he records the entity's rights (liquidation) and orders collection and receipt thereof by the accountant by means of a "certificate of revenue".

The President of the departmental Council presents the administrative accounts to the departmental Council annually.

The departmental Council's accountant is the "Paymaster" of the *Département*. The independent officer of a Government ministry (the Economics and Finance Ministry), he is responsible for controlling the regularity of revenue and expenditure operations ordered by the authorising officer. He has sole authority for cash transactions (collection and receipt of revenue, payment of expenses) and keeps the general accounts. In this regard, he falls under the jurisdiction of the regional accounts chamber (*Chambre Régionale des Comptes*).

Today, when the departmental Council votes its administrative account, it simultaneously presents, in a separate report, the (strictly identical) management report prepared by the Paymaster. The draft single financial account, which would merge both documents and is in the process of testing, aims to strengthen transparency and reliability.

Multi-annual management of capital section expenditure: programme authorisations.

This mode of management only relates to capital expenditure and equipment subsidies paid out. A PA constitutes the upper limit for expenditure to be incurred in financing capital investment. It remains valid, without time limit, until cancelled. It may be reviewed.

Spending credits define the upper limit for expenditure that may be ordered during the year to cover corresponding Programme Authorisation commitments.

In order to clarify the general budgetary framework and describe the local authority's internal procedures, the *Département des Bouches-du-Rhône* has introduced the following:

- budgetary and financial rules, including the principal rules governing the local authority's budgetary and accounting procedures;

- a general financial procedures guide setting forth all of the *Département*'s internal financial, budgetary and accounting rules.

Since 1 January 2020, local authorities' accounting chains are fully dematerialised.

4.2 Borrowing

Principles

Following the law of 2 March 1982 relating to the rights and freedoms of *communes*, *départements* and *régions*, which has abolished any form of State supervision over the acts of local authorities, such authorities henceforth have acquired full and complete discretionary decision-making powers with regard to borrowing.

Accordingly, under the terms of article L. 3336-1 of the CGCT, *Départements* may now raise borrowings.

Borrowing, budgetary source of funds

Under the terms of article L. 3332-3 of the CGCT, proceeds from borrowing constitute one of the non-fiscal revenues in the capital section of the *Département*'s budget.

Borrowings must be used exclusively to finance capital spending, whether for a specific item of equipment or works relating to such equipment or the acquisition of durable goods treated as fixed assets. Borrowings do not have to be specifically allocated to one or more capital spending items set forth in the contract. They are pooled and remain available for all capital section financing requirements.

Borrowings must under no circumstances be used to make up a deficit in the operating section or a lack of own funds to repay debt (article L. 1612-4 of the CGCT).

Furthermore, unforeseen expenditure entered in the capital section of the budget cannot be financed by borrowings (article L. 3322-1 of the CGCT). Subject to this restriction, the proceeds of borrowing specified in the primary budget may be used to balance the capital section.

Budgetary allocation

The credits necessary for annual debt repayment, in both principal and interest, must be truly and fairly assessed in the budget. Borrowing costs, whether interest or ancillary finance costs, are allocated to Chapter 66 (financial expenses) under operating section expenditure.

Principal repayments, on the other hand, are applied to the Chapter 16 (borrowings and assimilated debts) under capital section expenditure. These must be covered by own funds which constitutes a fundamental condition of budgetary balance (article L.1612-4 of the CGCT).

Debt service constitutes a mandatory expense whether for the redemption of principal or finance costs. The lender is therefore entitled to invoke automatic payment registration and ordering procedures to obtain payment of annual repayments if the local authority is in default (articles L. 1612-15 to L. 1612-17 of the CGCT).

The various lenders and types of borrowing available to local authorities

Freedom of access to borrowing has helped to create a real local authority financing market which has resulted in a diverse array of financiers and products offered to local authorities.

The *Caisse des dépôts et Consignations* (**CDC**), established in 1816, began lending to local authorities in 1821. It is therefore a traditional local authority financier, which now shares the stage with other more recent entities, through the "Banque des Territoires".

Originally, local authorities used fixed-rate loans with regular annual repayments. With the liberalisation of access to the financial markets, they henceforth have the opportunity to make use of almost all existing types of product (variable rate, bonds, risk management…).

The 2008 financial crisis which led to high volatility levels in the indices used in rate calculation formulas for structured products, revealed the true danger of certain types of borrowings.

The signing in 2009 of a code of good conduct between banking establishments and local authorities and the publication of the 25 June 2010 memorandum, aim to bring an end to the commercialisation of risky structured products. The implementation, under the framework of the code of good conduct, of a classification for structured products (the "Gissler" classification) and the updating of local authority budgetary explanatory notes concerning debt, have significantly increased the awareness of elected officials and citizens on local public financing, in particular in relation to the risks of structured products.

Tapping in to the bond markets has enabled local authorities, essentially *départements* and *régions*, to access new sources of financing.

A new tool has emerged in recent years, in the form of a dematerialized exchange platform for issuers and investors. Their place remains confidential.

4.3 Controls

The French Republic has become structurally decentralised and local authorities are governed autonomously by elected councillors pursuant to articles 1 and 72 of the 4 October 1958 Constitution.

As such and pursuant to article L. 1111-2 of the CGCT, the *Département* governs by its decisions the affairs falling within the scope of its authority.

However, such freedom of administration must be exercised in compliance with all applicable laws and regulations governing the exercise of such powers. Although the State's representative no longer exercises any supervisory control, suitability control, *a priori* control over the acts of local authorities, such local authority acts are, however, subject to legality controls.

In budgetary matters, and in parallel with legality controls, local authority acts are subject to specific controls: budgetary control, transactional controls by the public auditor, control by the regional audit office ("**CRC**").

(a) Budgetary control by the State’s representative

Pursuant to articles L. 1612-1 to L. 1612-20 of the CGCT, budgetary control is exercised over the primary budget, supplemental budgets and the administrative account. The CRC intervenes in four instances:

- when adoption of the primary budget is overdue (after 15 April, other than in governing Assembly election years, where the time limit is 30 April of the financial year) and, following a 15-day delivery deadline, the *Préfet* must immediately refer the matter to the CRC which formulates proposals within one month; the *Préfet* sets the budget and renders it enforceable. If he diverges from the CRC’s proposals, his decision must be backed up by reasons;

- if the adopted budget is not properly balanced (revenue does not match expenditure), three successive time periods follow: 30 days for the *Préfet* to refer the matter to the CRC; 30 days for the CRC to formulate its proposals; one month for the governing assembly of the local authority to remedy the situation, failing which the *Préfet* will himself go ahead and set the budget or provide express reasons for his decision if he diverges from the CRC’s proposals;

- if a mandatory expense item is omitted from the budget, the CRC, to which the matter may be referred either by the *Préfet*, the public auditor or any other interested party, sends a formal demand notice to the relevant local authority; if within a period of one month such formal notice has not been satisfactorily answered, the CRC requests the *Préfet* to enter such expense item in the budget and, if necessary, proposes that funds be raised or an optional expenditure item be decreased to cover the mandatory expense; the *Préfet* sets the budget and renders it enforceable. If he diverges from the CRC’s proposals, his decision must be backed up by reasons;

- where execution of the budget is in deficit (where the sum of the results of the two sections of the administrative account is negative) by more than 5 % or 10 % of operating section revenue, depending on the size of the local authority, the CRC proposes restorative measures within a period of one month from the date of referral by the *Préfet*. Furthermore, it validates the primary budget for the following financial year and, if it determines that the local authority has not taken sufficient action, it proposes the necessary measures to the *Préfet* within a period of one month. The *Préfet* sets the budget and renders it enforceable. If he diverges from the CRC’s proposals, his decision must be backed up by reasons.

The Public Finance Planning Act 2018-2022 adopted on 21 December 2017 by the National Assembly provides for the establishment of a 3-year financial pact between the 340 largest local authorities and the State’s local representative (Prefect). This pact sets out the two new objectives of local authorities, the first relating to changes to their operating expenses (now capped) and the second, relating to indebtedness (local authorities must play an active role in reducing public debt, and their solvency will now be measured, with the reference threshold for Departments set at 10 years).

The debt objective does not include corrective measures.

With regard to the cap on operating expenses, it is the Prefect who will propose, if necessary, how much financial recovery is necessary where actual operating expenses are too high. The local authority has one month to address his comments. This recovery, if necessary taken from tax revenues, is capped at 2% of actual operating revenue.

The emergency law no. 2020-290 of 23 March 2020 dealing with the Covid-19 epidemic has suspended the application of this measure in respect of the 2020 financial year.

(b) **Transactional control by the public auditor**

In public accounts, separation of the authorising officer and the auditor derives from the principle of specialisation and separation of responsibilities. Each of them has a specifically defined role as set forth in the *décret* of 7 November 2012 as referred to above relating to budgetary and public accounts management.

As a reminder, this *décret* consolidates and updates the body of laws and regulations relating to budgetary and public accounts management including the *décret* no. 62-1587 of 29 December 1962 containing the general regulations on public accounts.

This principle of separation between authorising officers and auditors and the incompatibility between the two functions that flows from this, means that public auditors are bestowed with exclusive powers and responsibilities.

Accordingly, articles 18 to 20 of the *décret* of 7 November 2012 set forth the controls that the public auditor must carry out with respect to the expenditure and revenue falling within his remit, namely:

- collection orders (regularity of issue of demand and implementation of enforcement and collection measures);
- payment orders (authority of signatory, proof of services provided and production of evidence, control of correct budgetary and accounting application …);
- validity of the debt;
- correctness of account keeping;
- custody of funds and securities belonging to or entrusted to public bodies;
- handling of funds and cash account transactions;
- safe-keeping of transactional documentary evidence and accounting documents.

The role of the public auditor guarantees the regularity and sincerity of public authority accounts. He controls the transactions originated by the authorising officer with reference to budgetary and accounting rules and regulations. The public auditor does not judge the suitability or legality of budgetary decisions.

(c) **Control by the regional audit office (*Chambre régionale des comptes or CRC*)**

The law of 2 March 1982 concerning the rights and freedoms of *communes*, *départements* and *régions* established CRC, staffed by magistrates appointed for life. The powers and authority of these jurisdictions are prescribed by law and have been codified under articles L.211-1 et seq. of the French financial jurisdictions Code.

They principally exercise three areas of authority over local authorities and their public entities (i) jurisdictional power with respect to public auditors' accounts, (ii) budgetary control (iii) management control. Their role is also to evaluate public policy and the implementation of such policy at local level by contributing to thematic enquiries.

Budgetary control

Pursuant to article L. 232-1 of the financial jurisdictions Code, the CRC intervenes in the following cases:

- budget not adopted within legal time limits,
- adopted budget not balanced,
- administrative account in deficit,
- insufficient credits necessary for payment of a mandatory expense item,
- rejection of the administrative account.

Jurisdictional control over public auditor accounts

The primary mission of the CRC, it is obliged to control the regularity of public auditors' accounts of local authorities and their public entities.

For such purpose, it verifies the accounts and documentary evidence presented, by document and by location, and examines whether the accounts are balanced. If the accounts have been correctly prepared, the CRC issues an order discharging the public auditor.

Conversely, it places him in "debit" if revenue has not been recovered or if expenditure has been improperly paid for. Indeed, the public auditor can be personally and financially liable for the performance of his mission. In this regard, he is liable on his personal assets for errors committed in the performance of his mission, either by himself or by his dedicated team: cash deficit, non-collection of revenue, payment not in discharge of expenditure, notably.

Such control also extends to any person acting illegally in the management of public funds. The *de facto* accountant is therefore also subject to the same obligations and liabilities as a public auditor.

Management control

The purpose of these controls is to examine the regularity and quality of a local authority's management. It examines not only the financial equilibrium of management activity and the resources employed for its implementation, but also the outcome achieved compared to the resources employed and the results of the actions undertaken. Basing their judgement on the regularity of the activity and the economics of the resources employed and not on the appropriateness or suitability of the actions undertaken by local authorities, the *CRC's* first priority is to encourage and assist local authorities in complying with the law in order to avoid any penalties.

(d) **Civil servant liability**

The law no. 83-634 of 13 July 1983, which forms chapter I concerning the general status of civil servants and applies to three public functions (state, local authority and hospitals), provides in article 29: "*any civil servant who commits a breach in the exercise or in connection with the performance of his/her functions shall be liable to disciplinary measures without prejudice, if applicable, to any criminal penalties imposed by law*".

Furthermore, there are faults which constitute breaches of specific obligations defined in specific laws and which are distinct from disciplinary breaches. These include, for example, offences punishable by the financial and budgetary discipline committee (*cour de discipline budgétaire et financière*). The list of offences is set forth in articles L. 313-1 et seq. of the financial jurisdictions Code. Their purpose is to sanction breaches by the State and local authorities of revenue and expenditure execution rules.

Furthermore, the CRC may hold a public servant liable for *de facto* management. This is an irregularity which involves failing to observe the principle of separation of authorising officer and accountant by involving oneself in the unauthorised handling or holding of public funds.

Law No. 2016-483 of 20 April 2016 on ethics and the rights and obligations of civil servants clarified the rights and obligations of civil servants. In particular, it provides measures to prevent conflicts of interest (for example, the making of formal statements) and to protect whistle-blowers.

(e) **Informing the local population**

Law No. 2015-991 of 7 August, known as the NOTRe law, reinforced existing obligations in terms of informing the population about local authorities' budgets and accounts.

In particular, it provides that there should be a brief and concise presentation of essential financial information attached to the primary budget (**PB**) and the administrative accounts (**AA**), and that documents should be made available online (including the aforementioned presentation, report on budgetary guidelines, BP and AA) to improve citizens' information and enable them to make informed choices when voting.

These measures complement those already in force (publication of ratios and external financial commitments of the local authority under Law No. 92-125 of 6 February 1995, known as the ATR Act, list of associations that have received a subsidy or other assistance under Law 2006-586 of 23 May 2006 and the corresponding decree).

(f) **Ratings**

The Issuer has been attributed a rating from the rating agency Fitch Ratings ("**Fitch**").

The analysis performed relates to its political, institutional and economic background and on developments in its financial situation. The first long-term rating was obtained by the Issuer on 10 October 2013.

Following its ratings review of 10 July 2020, Fitch assigned an 'AA-' long-term issuer default rating to the *Département* des Bouches-du-Rhône and confirmed the 'F1+' short-term IDR rating. The outlook is stable.

The press release disseminated on 10 July specifies:

"*Fitch Ratings has downgraded the Département Bouches-du-Rhône's long-term foreign and local currency issuer default ratings (IDRs) to 'AA-' from 'AA'. The outlook is "stable". A full list of rating actions is below.*

This one-notch downgrade reflects our expectation of deterioration in the département's debt sustainability metrics in the coming years, and a payback ratio expected sustained above 7.5x in the medium term in our rating case scenario.

This deterioration is due to the economic recession triggered by the coronavirus pandemic, which will lead to a decline in the operating balance, amid a sustained large capex programme, which will increase its net adjusted debt to close to EUR1.9 billion at end- 2024, from EUR1 billion at end-2019.

KEY RATING DRIVERS
The rating actions reflect the following rating drivers and their weighting:

HIGH WEIGHT
Debt sustainability: assessed as category 'aa'

In Fitch's rating case scenario, Bouches-du-Rhône's payback ratio (net adjusted debt/operating balance) would be in the 7.5x-9.0x range in 2023 and 2024, from 3.6x in 2019. Debt service coverage (operating balance/debt service; Fitch's synthetic calculation) would be around 1.5x and the fiscal debt burden (net adjusted debt/operating revenue) would approach 80%.

We expect the département's operating balance to drop to about 220-240 M€ between 2022 and 2024, from 281 M€ in 2019. We expect operating revenue growth to be low, at 0.6% a year on average in 2020-2024, below the pace of operating expenditure growth (1.3%). The economic recession triggered by the coronavirus pandemic will lead to a decline in property transfer duties (DMTO) in 2020 and of corporate value-added tax (CVAE) in 2021-2022 (around 10% expected for each item). It will also lead to a significant increase in social benefits (RSA) in 2020-2021. Much will depend on the magnitude of the economic rebound at the local and national level in the coming years.

We expect the département to maintain a sustained capex programme in the coming years. In our rating case scenario we expect capex to be close to 450 M€ per year on average in 2020-2024, at around 17%-18% of total expenditure, compared with 526 M€ in 2019 (20%). The capex programme is driven by the high investment needs in terms of transportation and middle schools, and by the support provided by the département to municipalities and inter-communalities on its territory, especially the Métropole Aix-Marseille-Provence (AMP; A+/Negative). As result, we expect the département's net adjusted debt to get close to 1.9 Bn€ at end-2024, from 1 Bn€ at end-2019.

LOW WEIGHT
Risk profile "High Midrange"

We assess the département des Bouches-du-Rhône's risk profile at "High Midrange", which reflects the mix of 'Stronger' and 'Midrange' attributes. The 'High Midrange' risk profile reflects the limited risk that the département's financial performance deteriorates more than expected in our rating case scenario, namely an operating balance varying between 200 and 240 M€ in the coming years and debt service in excess of 130 M€.

Revenue robustness: "Strong"

The département benefits from robust revenue, mainly made up of stable State transfers (28% of operating revenue in 2019) and predictable tax revenue. These include built property tax (TFB; 17%), which is based on a low volatility tax base, special tax on insurance contracts (TSCA; 10%), which is little affected by the economic cycle, and fuel tax (TICPE; 16%) whose proceeds are mostly guaranteed by the French state (AA/Negative) with a low *counterparty risk. The counterparty risk of transfers is also low as most of them are provided by the French state.*

In Fitch's view, property transfer duties (DMTO; 20%) represent the main source of budget volatility for the département as they are linked to real estate transactions. This volatility risk is taken into account in its rating case scenario assumptions. Operating revenue linked to GDP growth is currently limited to CVAE proceeds (6%).

The replacement of the share of TFB by a share of national VAT as of 2021, as included in the 2020 Finance Bill, will increase the share of tax revenues linked to GDP growth (national GDP for VAT versus local GDP for CVAE). However, the départements will still benefit from a minimum level of tax proceeds guaranteed by the State, corresponding to the amount of TFB received in 2020. VAT will also be a source of revenue growth in the medium term. This change in the départements' tax revenue basket should not lead to a lower assessment of the département's revenue robustness.

Revenue adjustability: assessed as "Midrange"

As a result of the replacement of the TFB with a share of VAT proceeds, the Département will lose almost all its rate-setting autonomy and tax flexibility as of 2021, like other French départements.

However, Fitch believes that French départements benefit from partial cost pass-through mechanisms covered by the State: They are responsible for public policies decided at the national level, especially social spending, and tend to receive greater financial support from the State when costs increase. Fitch expects the French state to continue supporting the départements if they face a sustained increase in social spending. In Fitch's view, the full removal of their fiscal flexibility would make support from the French state even more likely. Support mechanisms from the French state were not sufficient to cover increases in spending in the past and do not benefit from a constitutional guarantee, ruling out a 'Stronger' assessment of revenue adjustability. However, the track record of financial support and our expectation that such support would continue in case of need justifies a 'Midrange' assessment of this factor for all French departments.

Expenditure Sustainability: "Midrange"

Between 2015 and 2019, operating expenditure grew at a slightly faster (1.1%) pace than operating revenue (0.8%). We expect the Département to maintain tight control over expenditure in the coming years. The Département is subject to the prudential rules set by the State, under the finance programming bill for 2018-2022, which cap its current expenditure growth at 1.2% per year. However, these rules have been put on hold in the context of the coronavirus crisis and include some exceptions relative to social spending. The Département exceeded the ceiling in 2018 and was subject to a 2 M€ fine in 2019.

Like other French départements, a share of Bouches-du-Rhône's spending is counter-cyclical. This share is made up of social (RSA) benefits (23% of operating expenditure in 2019), which tend to grow when unemployment rises. Fitch expects this spending item to increase significantly, by around 5% in 2020.

Fitch expects some operating expenditure items to increase in response to the coronavirus pandemic, especially items linked to hygiene requirements or support for the local economy. However, Fitch expects the Département to cover most of these increases through the reallocation of some budget items. Containment measures will also inevitably lead to areas of *decreased spending this year, which should also help the Département maintain control of spending in 2020.*

Expenditure Adjustability: "Midrange"

The Département's operating expenditure adjustability is limited due to the weight of social spending. The latter comprises both social subsidies to those on low incomes, the elderly and disabled (37% of operating spending in 2019) and social accommodation fees (23%). Staff costs (18%) are also a rigid spending item as most of the Département's employees have the status of civil servants.

The Département des Bouches-du-Rhône has more flexibility on its capital expenditure programme (20% of total spending in 2019) that may be reduced or postponed in case of need. Capital expenditure is mainly focused on transportation, middle schools and subsidies to municipalities. However, this flexibility is offset by the Département's high capital expenditure needs, especially in terms of transportation. Overall, Fitch estimates the share of inflexible expenditure to be between 70% and 90% of total spending. Fitch considers the Département to have a high level of service and investments from an international perspective, which leaves room for manoeuvre to reduce spending if needed.

Liabilities and Liquidity Robustness: 'Strong'

Fitch considers that the rules governing French local authority debt management are robust and that the Département's debt is prudently and robustly managed.

At end-2019, the Département's debt was low risk: 57% of its direct debt was fixed rate, and 100% was categorized 1.A under the Gissler Charter. Debt service is structurally well covered by the operating balance (2019: 4.2x). At end-2019, the Département did not carry any short-term debt.

The Département's off-balance sheet liabilities are significant, totalling 1.46 Bn€ at end-2018, representing 4.6x the operating balance. However, 93% of these liabilities related to the social housing sector which is considered low risk. Close to half of the liabilities are due to the social housing provider '13 Habitat', the debt ratios of which were satisfactory for the sector at end-2018.

Liabilities and liquidity flexibility: 'Strong'

Fitch views the framework for emergency liquidity support from the French state as strong. Local authorities' liquidity is deposited with the Trésor and is pooled with that of the French State. The State can transfer cash advances to local authorities, several months ahead of schedule. The counterparty risk of this mechanism is low due to the high sovereign rating (AA/Negative).

The Département has abundant access to liquidity under various forms, including 250 M€ from committed lines contracted with counterparties rated in the 'A' category. Like other French local authorities, it has also access to some institutional lenders, especially the Caisse des Dépôts et Consignations (AA/Negative) which may support them if they are denied access to commercial banks.

The Département des Bouches-du-Rhône is heavily populated with around two million residents. Its economy is strong from an international perspective: it has high level research centres, strong international transport networks and a diverse tax base.

The Département's socio-economic indicators are below national average. The poverty rate was high, at 18.2% in 2017 compared with 14.5% in mainland France. The unemployment rate is also above the national average (9.6% versus 7.8% in the 4th quarter 2019). These indicators explain the Département’s above-average social benefits (RSA) spending.

Like other French départements, Bouches-du-Rhône's main responsibilities are social spending, secondary education and roadworks.

RATING SUMMARY

The Département des Bouches-du-Rhône’s standalone credit profile is assessed 'aa-'. This reflects the combination of a 'High Midrange' risk profile and debt sustainability metrics that Fitch assesses in the lower end of the 'aa' category under its rating-case scenario. Bouches-du-Rhône’s long-term IDR is not capped by the French sovereign (AA/Negative) and no other factors affect the ratings.

KEY ASSUMPTIONS

Qualitative assumptions and assessments and their respective change since the last review on 25 March 2020 and weight in the rating decision are as follows:

Risk profile: High Midrange, unchanged with low weight

Revenue Robustness: Stronger, unchanged with low weight

Revenue Adjustability: Midrange, unchanged with low weight

Expenditure Sustainability: Midrange, unchanged with low weight

Expenditure Adjustability: Midrange, unchanged with low weight

Liabilities and Liquidity Robustness: Stronger, unchanged with low weight

Liabilities and Liquidity Flexibility: Stronger, unchanged with low weight

Debt sustainability: 'aa' category, lowered with high weight

State support: n/a

Asymmetric Risk: n/a

Sovereign Cap: No

Quantitative assumptions - issuer specific:

Fitch's rating case scenario is a "through-the-cycle" scenario, which is based on the 2015-2019 figures and 2020-2024 projected ratios. It incorporates prudent assumptions relating to revenue, costs and debt service that could arise in the event of economic slowdown. Fitch revised its rating case scenario's assumptions to reflect the economic consequences of the coronavirus on French departements' debt ratios.

For the Bouches-du-Rhône, the revised key assumptions in our rating case scenario include:
- year-on-year 0.6% increase in operating revenue on average in 2020-2024, including a sharp drop in property transfer duties proceeds (DMTO) by about 10% 2020; and a drop of about 10% of CVAE proceeds between 2020 and 2022;

- year-on-year 1.3% increase in operating spending on average in 2020-2024 including a significant increase in social (RSA) spending in 2020;

- net capital balance of close to -400 M€ on average in 2020-2024;

- 1.5% apparent cost of debt between 2020 and 2024.

Quantitative assumptions – related to the French State

Figures as per Fitch's sovereign actual for 2019 and forecast for 2021, respectively:

GDP per capita (dollars): 41 590; 39 065
Real GDP growth (%): 1.5; 4.3
Inflation (annual change; %): 1.1; 0.6
Public deficit (% GDP): -3.0; -7.2
Public debt (% GDP): 98.4; 120.2
Current account balance plus net investment (% GDP): -0.2; -1.8
Net external debt (% GDP): 42.5; 40.8
IMF Development Classification: DM
CDS Market Implied Rating: AA-

Significant changes in revenue and expenditure are to be expected for French local authorities due to the lockdown measures imposed in 2020. Debt ratios are likely to deteriorate over the coming weeks and months due to the sharp slowdown in economic activity. Fitch's ratings are "through-the-cycle", and we will monitor developments in the sector for their severity and duration, and incorporate them into the rating case scenario qualitative and quantitative assumptions.

RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade: An upgrade could be triggered by the payback ratio remaining below 7.5x on a sustained basis in our rating case scenario, provided the sovereign's Long-Term IDR is not downgraded.

Factors that could, individually or collectively, lead to negative rating action/downgrade: A deterioration of the payback ratio (net adjusted debt / operating balance) to above 9x on a sustained basis in our rating-case scenario could lead to a downgrade. This could occur if the drop in tax revenue resulting from the pandemic is larger than expected and not matched by a lower amount of expenditure.

A prolonged COVID-19 impact and much slower economic recovery lasting until 2025 would put pressure on net revenues. Should the department be unable to reduce expenditure or supplement weaker receipts from increased central governments transfers, this could lead to a downgrade.

SUMMARY OF FINANCIAL ADJUSTMENTS

The fire brigade's (SDIS) accounts are consolidated with those of the département since the SDIS is mainly financed by an operating subsidy from the département (73.6 M€ in 2019).

SUMMARY OF COMMITTEE MINUTES

Date of committee meeting: 8 July 2020
A committee with the appropriate quorum met and the members of the committee confirmed that they were not challenged. The data was considered sufficiently robust for analysis.

During the committee meeting, no material difficulty, not raised in the presentation document, was raised. The key rating drivers of the methodology were discussed by the committee members. The rating decision set forth in this press release reflects the committee's decision. Public finance.

ESG CONSIDERATIONS

ESG factors have a very low impact on the département's credit quality, which is reflected in its score of '3'."

Rating Actions

ENTITY/DEBT		RATING			PRIOR
Bouches du Rhône, Department of		LT IDR	AA-	Downgrade	AA
•		ST IDR	F1+	Affirmed	F1+
•		LC LT IDR	AA-	Downgrade	AA
•	senior unsecured	LT	AA-	Downgrade	AA

5. THE 2018 AND 2019 ADMINISTRATIVE ACCOUNTS

THE 2019 ADMINISTRATIVE ACCOUNT

There is currently no requirement for the *Département's* accounts to be certified by statutory auditors. They are approved by the departmental Council by 30 June at the latest in the administrative accounts (**AA**) which reproduces all expenditure and revenue relating to the relevant financial year. This account must comply with the management accounts prepared by the public auditor who is responsible for making payments in respect of expenditure and collecting in the Issuer's revenue.

The Ordinance no. 2020-330 of 25 March 2020 on local authority and local public institution fiscal, financial and budgetary continuity measures to deal with the consequences of the Covid-19 epidemic has postponed until 31 July 2020 the deadline for adopting the 2019 administrative account.

5.1 Presentation and analysis of the 2019 AA

The *Département's* AA for the financial year 2019 was approved by the departmental Council at its public meeting held on 24 July 2020, in conformity with the management accounts of the paymaster of the *Département*.

The *Département* maintains five distinct accounts. Indeed, the law requires that certain activities be treated separately from the *Département's* general missions (social care facilities (CMPPD[62], DIMEF[63]); industrial and commercial services with special tax regimes (ports, scientific services)):

- the general budget (**GB**)[64];
- the ancillary CMPPD budget (support for families and children in difficulty);
- the ancillary DIMEF budget (child care structures);
- the ancillary ports budget [65] (development and management of 7 maritime fishing ports and marinas);
- the ancillary LDA budget [66] (human, animal and vegetal health and welfare).

Breakdown of expenditure and activity (AA 2019) – actual credits / in M€

Budgets	Operating	Capital	Total	Structure	Comments
General budget	2139.6	525.5	2665.1	98.9%	
CMPPD	2	0.0	2	0.05%	Financed by social security per session rate
DIMEF	20	0.2	20.2	0.7%	Financed by global endowment (Source GB)
Ports	0.7	1.1	1.8	0.05%	Financed by ports levy and GB endowment
LDA	6.7	0.2	6.9	0.3%	Invoicing of services and GB endowment (public service missions)
Total	**2169**	**527**	**2696**	**100.0%**	

General budget, operating: actual operating expenditure excluding provisions.

[62] Departmental medico-psycho-pedagogical centre (Instruction M22).
[63] Departmental family and children's welcome centre (Instruction M22).
[64] Budgetary and accounting instruction M52.
[65] Instruction M4.
[66] Département's analysis laboratory (instruction M52).

General budget, capital: expenditure excluding debt

The figures below do not take into account the ancillary budgets due to their relative financial insignificance compared to the general budget.

Simplified balance sheet as at 31 December (management account) – in K€

Intangible fixed assets	2,394,511	**TOTAL OWN FUNDS**	**7,225,840**
Tangible fixed assets	5,788,084	**PROVISION FOR RISK AND EXPENSES**	**22,410**
Financial fixed assets	22,537	Long-term financial debt	1,045,057
TOTAL FIXED ASSETS	**8,205,132**	Short-term debt	179,648
TOTAL CIRCULATING ASSETS	**277,565**	**TOTAL DEBT**	**1,224,705**
Prepayment and accrued income	**494**	**Accruals and deferred income**	**10,236**
TOTAL ASSETS	**8,483,191**	**TOTAL LIABILITIES**	**8,483,191**

A. Overview

Actual and mixed expenditure in the 2019 AA was 2714.3 M€ (including debt), with 2815.1 M€ in revenue. The 2019 AA closed with a cumulative surplus of 30.6 M€.

Unrealised items for the 2019 financial year amount to 56.1 M€ for expenditure. These are split as follows: 48.4 M€ for operating expenditure and 7.7 M€ for capital expenditure. In the revenue section, they are 39 K€ for operating revenue and 30 M€ for capital revenue (corresponding to borrowings carried over).

Taking 2019 unrealised items into account, the cumulative closing result leaves a margin of 4 M€ to fund the 2019 financial year.

Operating section– actual credits / in K€

Expenses	2017	2018	2019	Change	Income	2017	2018	2019	Change
General expenditure	109,577	115,973	130,543	12.6%	Direct taxes	673,679	666,497	690,495	3.6%
Staff costs	322,604	329,317	341,276	3.6%	Other tax revenue	1,045,963	1,075,400	1,104,630	2.7%
RSA	527,547	528,920	533,982	1.0%	Endowments	408,460	405,948	402,403	-0.9%
APA	165,439	172,012	175,165	1.8%	RSA / APA	88,860	91,862	90,191	-1.8%
Other ordinary management expenses	817,300	831,996	861,072	3.5%	Other ordinary management income	79,989	82,432	82,268	-0.2%
Financial costs	14,410	14,157	14,465	2.2%	Financial income	4,797	1,907	2,879	51.0%
Provisions	4,122	18,889	9,556	-49.4%	Write-backs of provisions	30,223	4,608	16,028	247.9%
Other	49,301	52,559	73,496	39.8%	Other	38,362	19,961	24,526	22.9%
Total	**2,010,300**	**2,063,823**	**2,139,556**	**3.7%**	**Total**	**2,370,333**	**2,348,613**	**2,413,420**	**2.8%**
	GROSS SAVING					**360,033**	**284,790**	**273,864**	**-3.8%**

N.B: all transactions included.

Capital section – actual credits / in K€

Expenses	2018	2019	Change	Income	2018	2019	Change
Subsidies paid	282,513	363,254	28.6%	Endowments	19,105	21.755	13.9%
Works	69,688	98,692	41.6%	Subsidies received	13,854	12.280	-11.4%
Intangible and tangible fixed assets	67,755	62,400	-7.9%	Borrowing	116,498	228.650	96.3%
Financial fixed assets	1,704	1,186	-30.4%	Financial fixed asset	338	203	-29.9%
Debt capital	47,138	49,159	4.3%	Other	3,456	305	-91.2%
Debt restructuring	6		NS				
TOTAL	**468,804**	**574,692**	**22.6%**	**TOTAL**	**153,251**	**263.193**	**71.7%**
FINANCING REQUIREMENT					**-315.553**	**-311.499**	**1,3%**

N.B.: excluding extraordinary adjustments.

The expenditure realisation rate, excluding debt and retained income in the operating section was 96% in 2019 and the rate for revenue exceeded 100 %. The expenditure figure can be explained by the fact that not all actions undertaken were realised in year n. Conversely, in the case of revenue, forecasts are made on a cautious basis at the beginning of the year in particular with respect to chargeable transfer duty (*droits de mutation à titre onéreux* or "**DMTO**"), which helps mitigate unforeseen circumstances. Once extraordinary revenue has been collected, budgetary entries will generally have been exceeded.

In the capital section, the realisation rate for expenditure excluding debt and retained income was 80% in 2019. The realisation rate for revenue was nearly 90%.

In K€	**Operating**				**Capital**			
	Expenditure		**Income**		**Expenditure**		**Income**	
	2018	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**
Forecast	2,164,739	2,230,249	2,309,381	2,365,104	499,321	654,972	41,669	39,787
Actual	2,063,823	2,139,556	2,348,613	2,413,420	421,666	525,533	36,753	34,543
% realised	**95.3%**	**95.9%**	**101.7%**	**102%**	**84.4%**	**80.2%**	**88.2%**	**86.8%**

NB: actual credits– excluding extraordinary adjustments, debt capital and deferred earnings.

As of 31 December 2019, outstanding debt totalled 1,039 M€, which is almost 507 € per inhabitant, against the average for départements with over one million in population (excluding Paris) of 503 €[67]. The indebtedness ratio was 43% and the solvency ratio 3.9 years, compared to national averages of 48.2% (source: *Observatoire des finances et de la gestion publique locales*, July 2020) and 3.4 years for Départements not including the authority of Corsica and CTU Guyane and Martinique (source: *Observatoire des finances et de la gestion publique locales*, July 2020).

[67] Mainland *départements* (excl. Paris) as at 31/12/2018 (source: « Observatoire des Finances et de la gestion publique locales » report July 2019report July 2019).

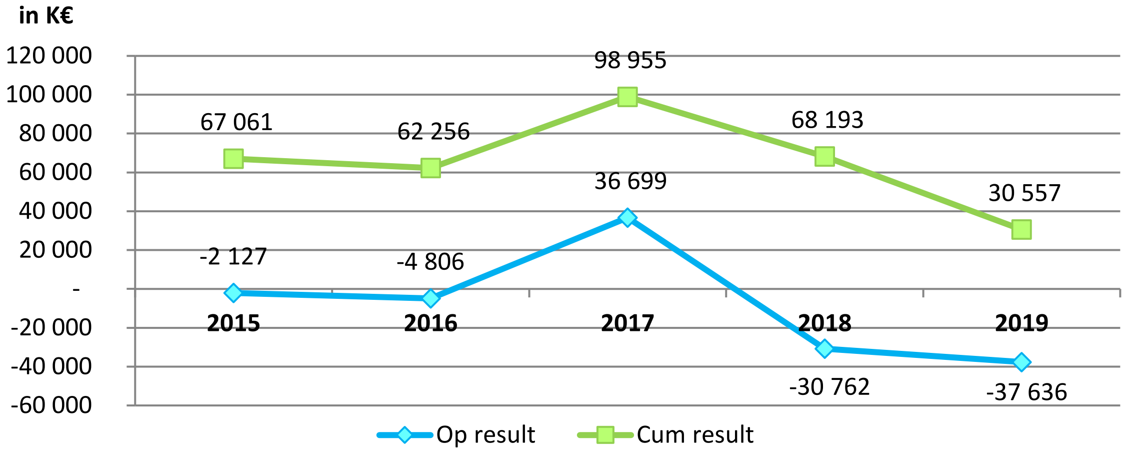
Capital financing capacity and requirement

In 2019, total capital spending, excluding debt, to be financed was 525.5 M€[68].

This financing requirement was covered by net savings of 224.7 M€ (42.8%), by borrowings of 228.7M€ (43.4%), by permanent capital revenue which totaled 34.5 M€ (6.6%), the remainder being topped up by a deduction from surplus carried over of 38 M€ (7.2%). Internal financing of capital expenditure was therefore 56.6%, which is more than half.

Change in operating result and cumulative result

Over the period 2015-2017, the *Département's* cumulative result remained relatively stable, at around 70 M€, peaking in relative terms in 2017 (99 M€). The 2019 financial year remains very positive with 30.6 M€, representing the equivalent of 4 days of total actual expenditure[69].



Change in savings and debt repayment capacity

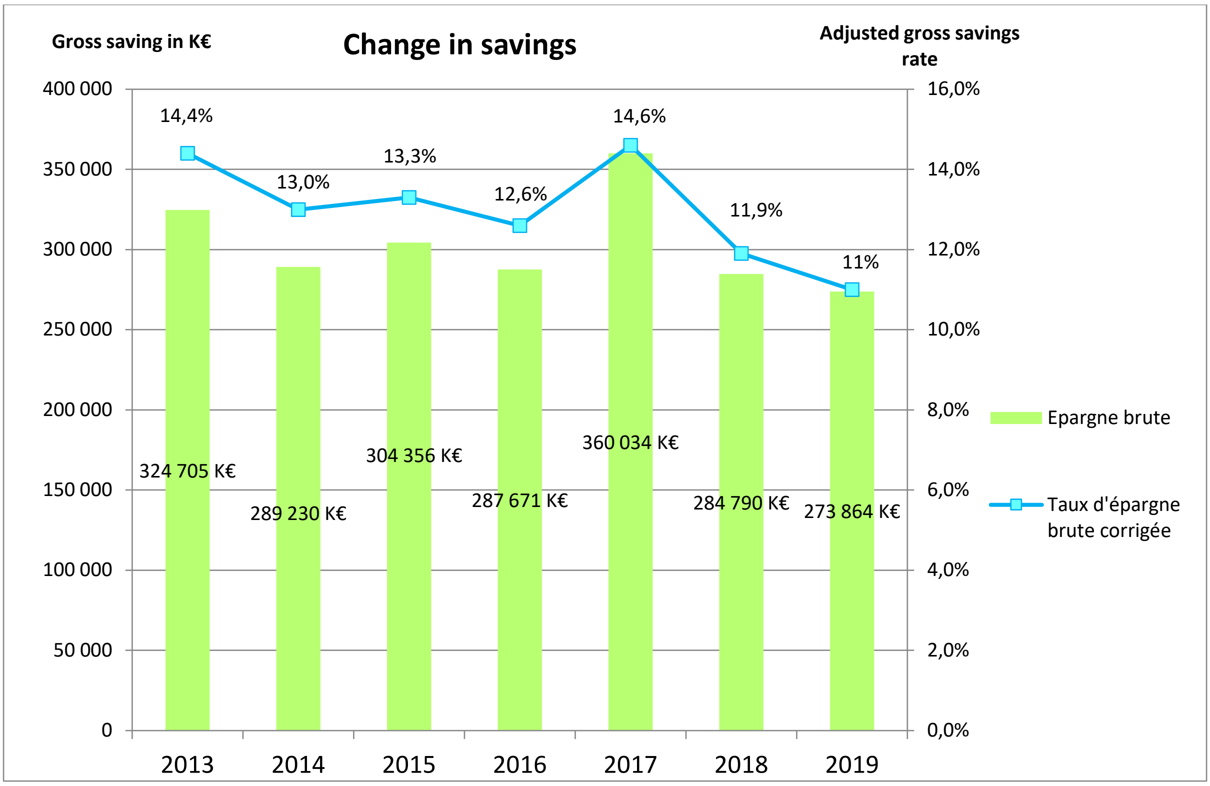
"Gross savings" refers to the positive difference in the operating section between expenditure and revenue. This balance is used by the local authority to finance its capital spending policy.

The gross savings as shown in the AA, i.e. 273.9 M€, however needs to be refined and therefore restated, in order to neutralise asset disposals (8.4 M€ in 2019).

Therefore, in 2019, adjusted gross savings totalled 265.5 M€ compared to 279 M€ in 2018.

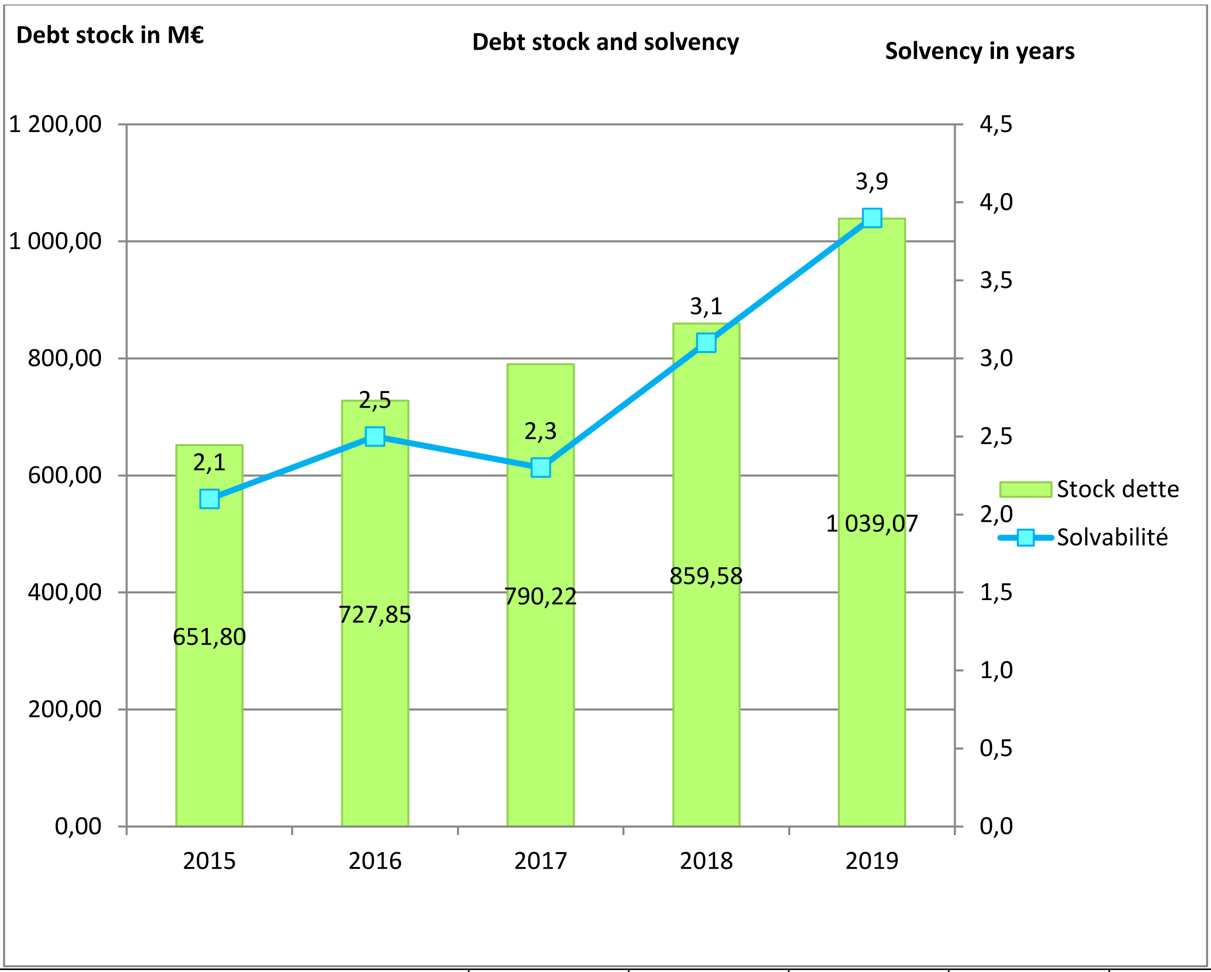
The gross savings ratio expresses the ratio of gross savings to actual operating revenue. It fell from 11.9% in 2018 to 11% in 2019.

[68] Excluding unrealised items.
[69] Expressed as calendar days and excluding revolving debt.



	2013	2014	2015	2016	2017	2018	2019
Gross savings	324,705	289,230	304,356	287,671	360,034	284,790	273,864
Adjusted gross savings rate	14.4%	13.0%	13.3%	12.6%	14.6%	11.9%	11%

The *Département's* indebtedness (1,039 M€) compared to gross savings (273.9 M€) produces a solvency ratio of 3.9 years as at the end of 2019. This provides significant room for manoeuvre. Indeed, compared to the cap set by law (10 years in article 29 of the 2018/2022 public finances programming law), it permits considerable additional indebtedness.

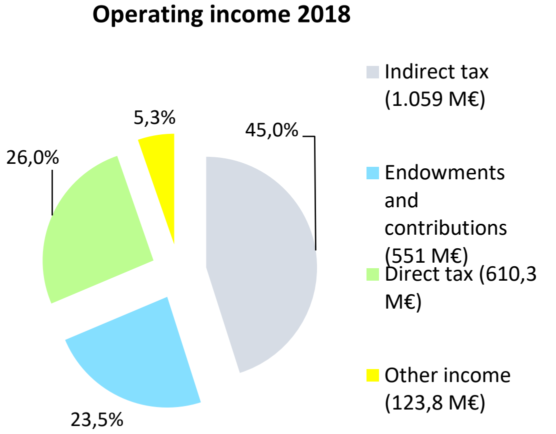


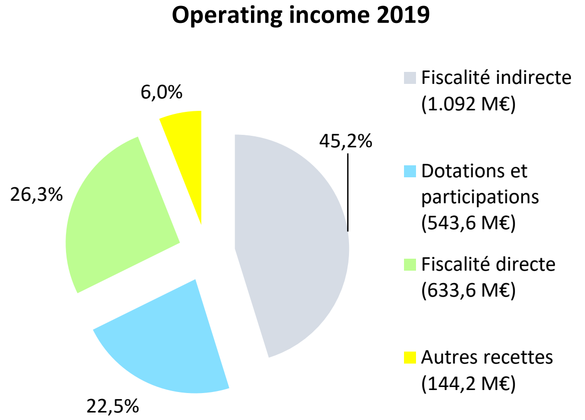
	2015	2016	2017	2018	2019
Debt stock (inM€)	651.80	727.85	790.22	859.58	1,039.07
Solvency (in years)	2.1	2.5	2.3	3.1	3.9

B. OPERATING SECTION

CHANGE IN OPERATING INCOME

Operating income (excluding disposals and provisions) rose by +2.2%, increasing from 2,349 M€ in 2018 to 2,413 M€ in 2019.



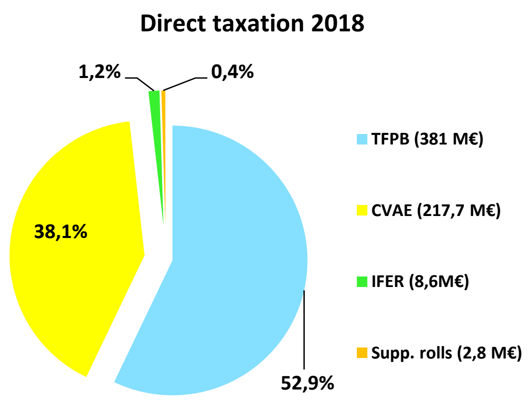


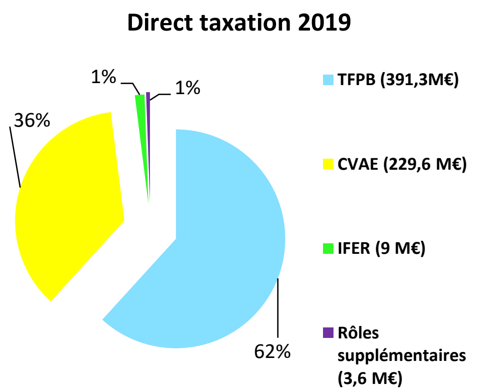
NB: excluding provisions and accounting adjustments.

Operating income 2019	Amount in M€	Share
Indirect tax	1,092	45.2%
Endowments and contributions	543.6	22.5%
Direct tax	633.6	26.3%
Other income	144.2	6.0%

Direct taxation: 633.6 M€ (+3.8%)

Direct tax revenue has risen by nearly 23.3 M€ over the financial year. These comprise mainly income from the TFPB (391.3 M€), the rate of which has remained stable although the amount has increased, the company value-added contribution *(cotisation sur la valeur ajoutée des entreprises–* **CVAE**) (134 M€), which is also an increase, the reversal by the Région of a portion of the transferred CVAE (a stable revenue of 95.6 M€) and the fixed duty on utilities companies (*imposition forfaitaire sur les entreprises de réseaux* - **IFER**) (9 M€), a slight increase.



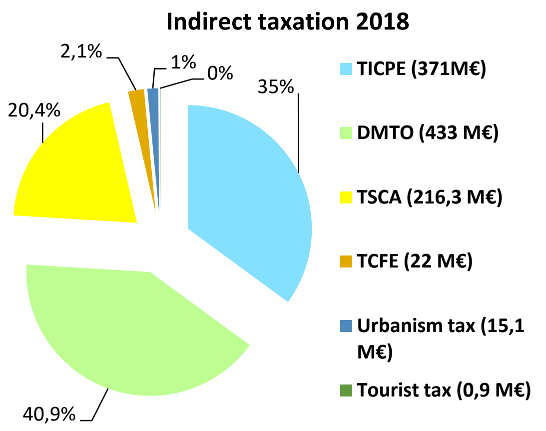


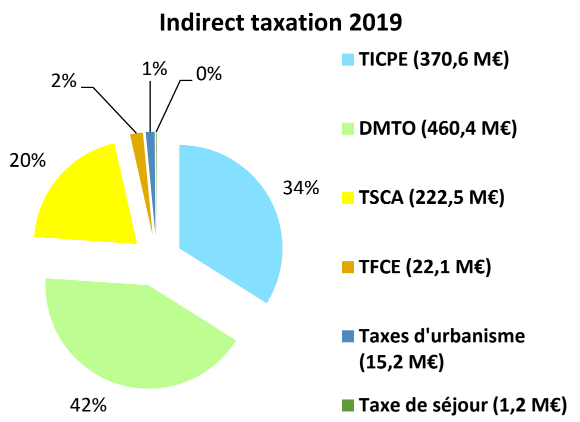
Supp. rolls (3.6 M€)

Indirect tax: 1,092 M€ (+3.1%)

Indirect tax revenue in 2019 increased by more than 3%. It mainly includes DMTO revenue (460.4 M€, an increase of 6.3%) and also the development tax (*taxe d'aménagement*) in an amount of 15.2 M€. The Département also receives the revenue from the internal consumption tax on energy products (**TICPE)** (370.6 M€), the tax on insurance contracts (222.5 M€) and also the departmental tax on the final consumption of electricity (**TCFE**) (22.1 M€). Since 2018, the Département has received an additional tourist tax which has since reached cruising speed (1.2M€ in 2019). Except for DMTO which, like every year, has boosted the dynamics of indirect taxation, the other revenues have remained fairly stable or increased only slightly.

In respect of all direct and indirect tax revenues as a whole, the Département repaid 62.6 M€ via a rebalancing payment, almost all of which is destined for the funds assessed on DMTO (note that these are due to be reorganised in 2020).





Urbanism tax (15.2 M€); Tourist tax (1.2 M€)

NB: Excluding allocation to the DMTO equalisation fund.

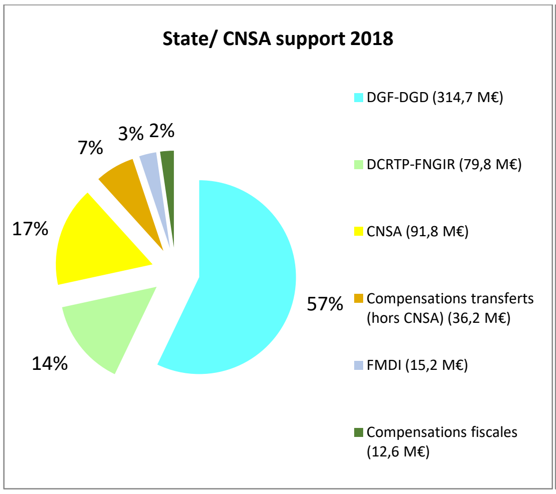
Support from the state and the national autonomy solidarity fund (*Caisse Nationale de Solidarité pour l'Autonomie – CNSA*): 543.6 M€ (-1.3%)

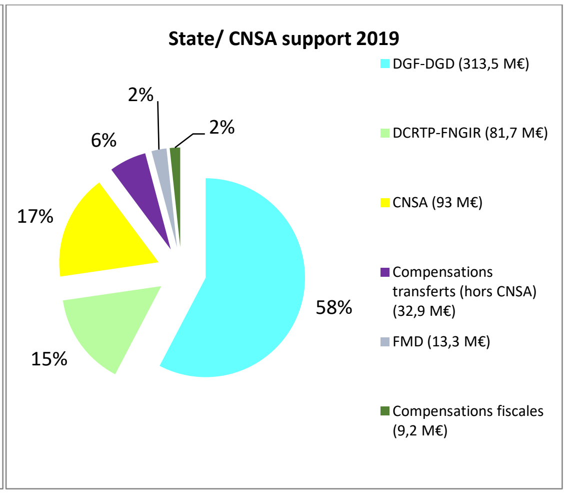
The DGF represents 301.6 M€, a fall of 1.2 M€, a trend already seen in 2018. The general decentralisation allowance (**DGD**) is unchanged for several years (11.9 M€).

Also, the compensation measures ensure that the 2011 tax reforms are financially neutral: the national individual resources guarantee fund (FNGIR) (37.7 M€) and the professional tax reform compensation allowance (DCRTP) (41 M€). The Département has also received compensation of 13.3 M€ in respect of the integration mobilisation fund (FMDI), a decrease of 15.7%. This is used to mitigate RSA financing shortfalls.

Allowances from the CNSA to fund the personal autonomy allowance (*allocation personnalisée d'autonomie* - **APA**), disability allowance (*prestations de compensation du handicap* - **PCH**) and the grant to the departmental centre for persons with disabilities (*maison départementale des personnes handicapées* - **MDPH**) amount 93 M€ (+1.3%).

Finally, the Département receives TFPB management fees (19.2 M€), the VAT compensation fund (1.1 M€) and is also awarded an equalization payment based on DMTO of 12.6 M€.





NB: including TFPB, FNGIR management fees and allocation to the DMTO equalisation fund.

State/CNSA support 2018	Percentage	Amount (M€)
DGF-DGD (314.7 M€)	57%	314.7
DCRTP-FNGIR (79.8 M€)	14%	79.8
CNSA (91.8 M€)	17%	91.8
Transfer compensations (excl. CNSA) (36.2 M€)	7%	36.2
FMDI (15.2 M€)	3%	15.8
Tax compensations (12.6 M€)	2%	12.6

State/CNSA support 2019	Percentage	Amount (M€)
DGF-DGD (313.5 M€)	58%	313.5
DCRTP-FNGIR (81.7 M€)	15%	81.7
CNSA (93 M€)	17%	93
Transfer compensations (excl. CNSA) (32.9 M€)	6%	32.9
FMD (13.3 M€)	2%	13.3
Tax compensations (9.2 M€)	2%	9.2

Other revenue (excluding provisions): 119.8 M€

Income and contributions derived from the social sector form the main part of this item (more than 90 M€). The other receipts derived from income from estate services and miscellaneous sales, contributions, financial income and exceptional items, and do not require any particular commentary.

CHANGES IN OPERATING EXPENDITURE

Operating expenditure has grown by 4.2% (2,130 M€ excluding provisions).

Operating expenditure (excluding provisions)

Item	2018	Structure	2019	Structure	Change 2019/2019
Staff	346 587.8	16.9%	358 665	16.8%	3.5%
General services	129 199.2	6.3%	81 523	3.8%	2.2%
Security	73 713.4	3.6%	76 635	3.6%	4%
Education	58 044.8	2.8%	61 489	2.9%	5.9%
Culture and social life	41 013.2	2.0%	44 938	2.1%	9.6%
Social policies	1 325 854.5	64.8%	1 367 370	63.9%	3.1%
Networks - Infrastructure	8 939.2	0.4%	9 295	0.4%	4%
Development - Enviro.	11 522.8	0.6%	13 224	0.6%	14.8%
Transport	34 534.4	1.7%	34 605	1.6%	0.2%
Local development	15 525.2	0.8%	12 709	0.6%	-18.1%
Total	**2 044 934.6**	**100.0%**	**2 130 000**	**100%**	**4.2%**

In € thousands

Staff costs: 358.7 M€

Staff costs rose by 12.1 M€ (+3.5%). This increase can be explained mainly by the continued deployment of the RIFSEEP (pay scheme taking account of functions, constraints, expertise and professional engagement) benefiting all of the *département's* staff, taking on responsibility for job support but also by the strengthening of teams considered by the *Département* as part of priority policy areas (elderly persons, persons entering the jobs market).

Social work and solidarity expenditure: 1,367.4 M€

The change in this expenditure item has progressed (+3.1%), with an increase of 41.5 M€, the year 2019 having witnessed an accelerated rate of growth in solidarity expenditure throughout all *Départements* (source: *Cour des Comptes* report June 2020).

Individual solidarity allowance (AIS) expenses rose from 732.3 M€ to 748.7 M€, representing an increase of 2.2%. Active solidarity allowance (RSA) remains under control with an increase of 0.8% (472.1 M€) associated with the continued efforts in favour of professional reintegration of RSA recipients (the average monthly number of recipients is 70.745). APA expenditure represents 170.7 M€, an increase of +2.2%, less than in the 2018 financial year (+4.4%). Finally, PCH reached 105.8 M€, with continued sustained growth (+9.4% and 8,749 recipients at end-2019): this increase is seen across all *Départements* (Source: Report of the *Observatoire des finances et de la gestion publique locales*, July 2020).

Social care for children (201.4 M excluding family assistants) has also changed notably (+7.4%). This increase is associated in particular with caring for unaccompanied minors (1,074 as of the end of 2019 in Bouches-du-Rhône, compared to 859 at end-2018).

Lastly, public healthcare expenses totalled 9.8 M€.

Security: 76.6 M€

Security policies mainly cover fire prevention and protection of forest areas. These include the financing of the Departmental fire and rescue service (SDIS) (63.9 M€) and the Marseilles fire brigade (BMPM) (10 M€).

Transport: 34.6 M€

This expenditure essentially includes the compensation endowment for transfer of transport powers to the Métropole Aix-Marseille-Provence (31.9 M€). The remainder finances the operations of the SMTDR (*Syndicat Mixte de Traversées du Delta du Rhône*) which manages the ferries ensuring transport continuity in the Camargue (2.6 M€).

Education and schools policy: 61.5 M€

The implementation of the "Charlemagne" plan, launched in 2017, continues with the modernisation and securing of school establishments, the distribution of educational content tablets to schoolchildren (100% digital schools target) and increased educational support for pupils. In this regard, since 2018, in order to reduce family outgoings, a back-to-school kit (60€) has been distributed, to children in sixth grade and a special contribution towards those benefitting from school meals has been paid to families since 1st January 2019.

More generally, an increase of almost 6% was earmarked for educational policies.

Culture, social life, youth, sports and leisure: 44.9 M€

Departmental funding contributed to the organization of a number of initiatives and events for the benefit of the Bouches-du-Rhône population: exhibitions organised by the various cultural facilities belonging to the local authority, museums), Canebière Sundays, the Marseille-Cassis race, the Open13 Provence (tennis tournament), the Marseillaise Pétanque World Cup, and indeed Christmas carols. In 2019, the *Département* also launched a scheme to enhance the heritage and identity of the region, “Marseille Provence Gastronomy 2019, year of gastronomy” the highpoints of which united the population, visitors and professionals throughout 2019.

Local development, agriculture and land use planning: 35.2 M€

These policies include actions in the spheres of local development (infrastructure maintenance, of roads in particular, cooperation projects, promoting the département through tourism), planning and development of the region, and the environment and agriculture, with support for farms in Bouches-du-Rhône, but also sectoral structuring and product promotion.

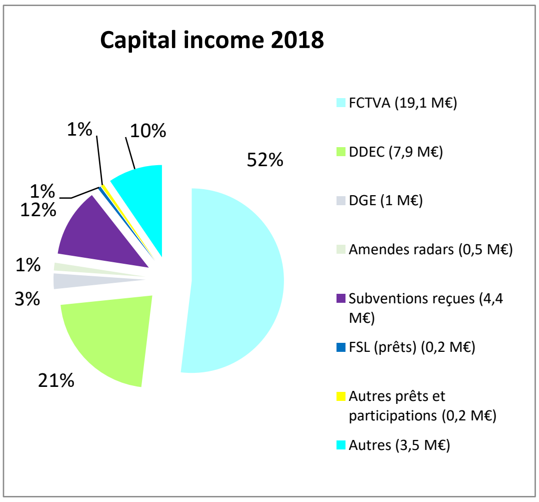
Local authority general administrative expenses: 160.6 M€

These expenses, other than those related to equalization, cover the daily operations of the *département* (cleaning, caretaking, buildings maintenance). These have been compromised by an exceptional litigation involving more than 4 M€.

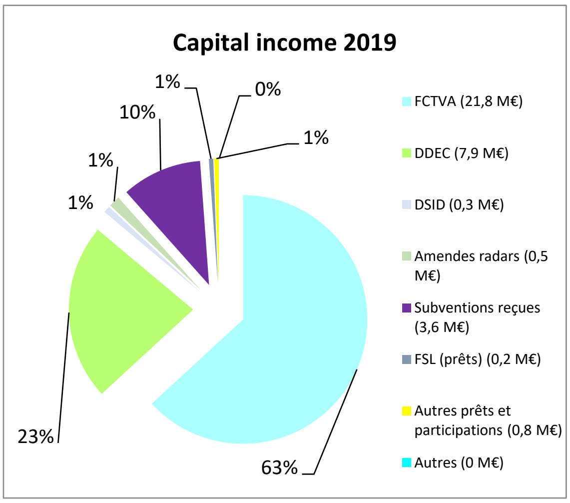
<u>CAPITAL SECTION</u>

CHANGES IN CAPITAL INCOME (EXCLUDING DEBT)

The *Département des Bouches-du-Rhône's* capital income, excluding debt is 34.5 M€, a decrease of 6%.



Capital income 2018
FCTVA (19,1 M€)
DDEC (7,9 M€)
DGE (1 M€)
Speeding fines (0,5 M€)
Grants received (4,4 M€)
FSL (loans) (0,2 M€)
Other loans and contributions (0,2 M€)
Other (3,5 M€)



Capital income 2019
FCTVA (21,8 M€)
DDEC (7,9 M€)
DSID (0,3 M€)
Speeding fines (0,5 M€)
Grants received (3,6 M€)
FSL (loans) (0,2 M€)
Other loans and contributions (0,8 M€)
Other (0 M€)

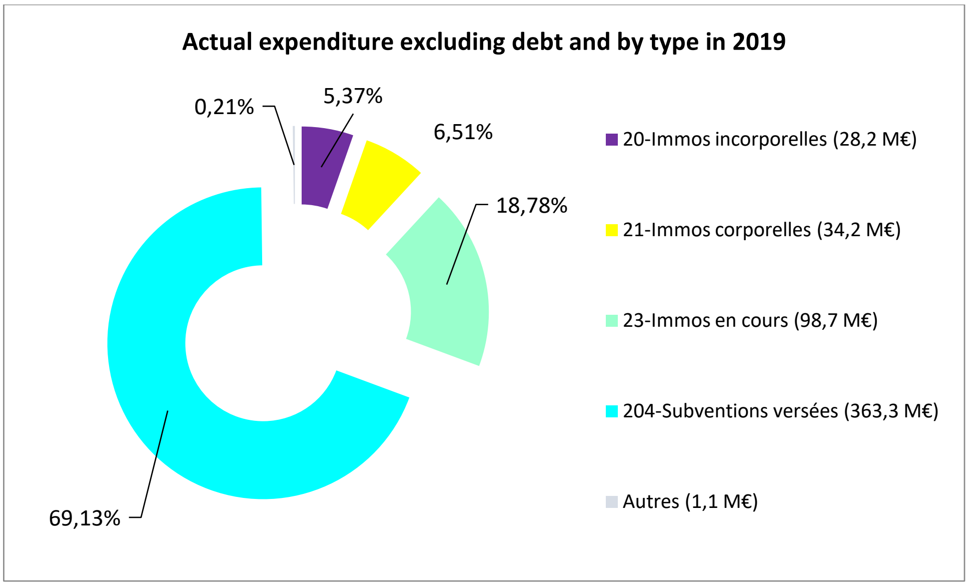
FCTVA has grown by almost 14%, in line with the authority's capital spending. The decrease in grants received can be explained by the smaller number of projects eligible for third-party subsidies. The DGE has now been replaced by the DSID (investment support endowment for départements): its composition is different (it includes an equalization portion), which is the cause of the observed decrease.

CHANGES IN CAPITAL EXPENDITURE (EXCLUDING DEBT)

The capital section amounts to 574.7 M€ including debt. Excluding debt, capital expenditure equalled 525.5 M€, an increase of almost 25%. This upward trend after the recovery that began in 2018 is nationwide, but particularly marked in the Bouches-du-Rhône (in 2019, capital expenditure of the Départements increased by 13.5%. Source: Report of the *Observatoire des finances et de la gestion publiques locales* July 2020).

Equipment subsidies increased in line with the support for communes policy (+28.6% and 363.3 M€) and account for the majority of expenditure (69.1%).

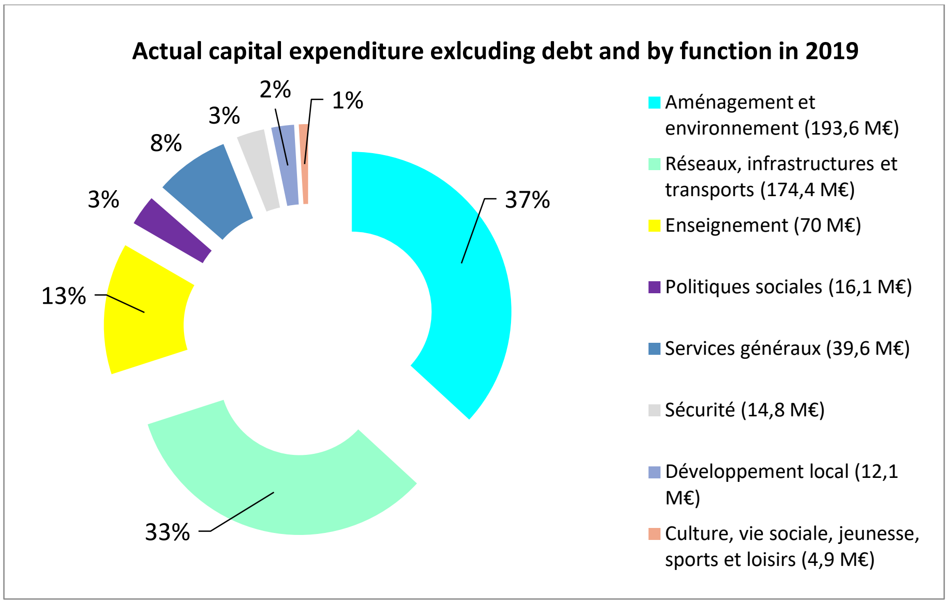
Direct investment has also increased with 161 M€ realised compared to 137 M€ in 2018. It includes expenditure directly assumed by the local authority, whether for works (roads and highways, school, cultural and sports buildings) in an amount of nearly 100 M€, spending on equipment (schools computer equipment, transport, security) in an amount of 34 M€, survey or similar fees in an amount of 28 M€ and loans granted, in particular relating to the housing solidarity fund (FSL) within the scope for which the *Département* is responsible.



20-Intangible fixed assets (28.2 M€)
21-Tangible fixed assets (34.2 M€)
23-Fixed assets in progress (98.7 M€)
204-Subsidies paid (363.3 M€)
Other (1.1 M€)

Out of concern for regional solidarity and fairness and the quality of life offered to its population and the attractiveness of the area, the *Département* confirms its position as privileged partner of the communes and intercommunal structure. It dedicates a large part of its subsidies to them (165.4 M€).

All of these areas are broken down into several categories examined below.



Planning and environment (193.6 M€)
Networks, infrastructure and transport (174.4 M€)
Education (70 M€)
Social policies (16.1 M€)
General resources (39.6 M€)
Security (14.8 M€)
Local development (12.1 M€)
Culture, social life, youth, sport and leisure (4.9 M€)

Planning and environment: 193.6 M€

This item accounts for nearly 37% of the total amount of actual capital expenditure. It has increased (+11 M€) in line with the priority given to daily quality-of-life via the funding for communes (165.4 M€) and housing (16.9 M€), the Département having committed to a plan to combat sub-standard housing.

Networks - infrastructure and transport: 174.3 M€

In 2019 the ramping-up of the mobility plan representing more than 105 M€ accelerated. For the record, this programme defines and implements alternative transport solutions (cycle lanes, bus lanes, park-and-ride). As for maintenance and works on networks and infrastructure, these accounted for almost 70 M€.

Education: 70 M€

In 2019, 65.7 M€ was devoted to the 135 public and private schools within the Département's authority, including 16 M€ for digitizing schools. Research and higher education, assets for the region's development and attractiveness, received 4.4 M€.

Social action and solidarity: 16.1 M€

The Département invests in innovative health technologies and contributes to the financing of works in health care establishments, such as the Institut Paoli-Calmettes, the APHM or the St Joseph Hospital. The reception facilities for the département's public are also undergoing improvements in an amount of almost 7 M€.

General resources: 39.6 M€

This function is essentially designed to provide technical support for the day-to-day operation of services and to implement the département's public policies: IT solutions, equipment, vehicles, furniture, building maintenance.

Security: 14.8 M€

The *Département* assists the SDIS13 by funding programmes for the acquisition of equipment and the construction/restoration of emergency response centres. This represented 11 M€ in 2019.

Local development, tourism and agriculture: 12 M€

The *Département* supports the territory's structural projects such as Euroméditerranée or the mid- and top-range leisure craft facilities at La Ciotat (9.5 M€) and also sectors such as tourism and agriculture (2.5 M€) to simultaneously develop attractiveness, business and employment.

Culture, social life, youth, sport and leisure: 4.9 M€

Support for arts education, cultural creativity and broadcasting, historical heritage and cultural facilities represented 4.9 M€ in 2019.

C. SAVINGS AND DEBT

Gross savings represent the surplus of income over operating expenditure. They are related to capital resources and are used to fund capital expenditure.

The *Département des Bouches-du-Rhône's* gross savings amounted to 273.9 M€ in 2019 (285 M€ in 2018) a level consistent with the sharpening of social spending constraints (responsibility for unaccompanied minors whose number is rising constantly, and support for the disabled).

Subtracting debt capital repayments gives net savings. These repayments were 49 M€ in 2019 which results in net savings of 225 M€ (241 M€ in 2018).

At 31 December 2019, the *Département's* debt stock represented 1,039 M€, including 228.7 M€ raised in 2019, i.e debt per capita of 507 € (average for million population *Départements* excluding Paris as of 31/12/2019: 503€. Source: Report of "*Observatoire des Finances et de la gestion publique locales*" July 2020).

This total is distributed 56.8% fixed rate debt (590.5 M€) and 43.2% variable rate debt (448.6 M€), at an average interest rate of 1.4% and solvency of 3.9 years.

The Department’s debt is spread among fifteen different lenders, with the predominant share with Banque des Territoires (BDT) (28.2%), whose products are principally backed by the "Livret A". The BDT debt includes several zero interest rate loans.

The bond programme established by the Department in 2013 (for a total amount of 500 M€) has enabled bond issues in a total of 373 M€ to be made at 31 December 2019, with maturities matching the Department’s debt repayment profile ranging from 6 to 25 years.

To finance the 525.5 M€ investment for the financial year 2019, several borrowings were entered into for a total amount of 228.7 M€. This includes 5 bond issues in a total amount of 85 M€ (one with HSBC, one with CA-CIB and three with GFI-Limited), seven loans entered into with La Banque Postale for an amount of 80 M€, two loans of 10 and 15 M€ with Crédit Coopératif and a loan of 20 M€ with Société Générale. The Département also borrowed 30 M€ from Société Générale which was not released until 2020 and was used to finance the beginning of the financial year.

In 2019, in an effort to diversify its sources of funds, the Département negotiated a financing partnership of 150 M€ with the European Investment Bank (EIB), resulting in the release of a first tranche of 10 M€ in the 2019 financial year.

Finally, the *Conseil Départemental* voted in principle on a Neu CP programme, in an amount of 100 M€, increased to 250 M€ at the vote in the public session held on 14 April 2020. This will help to smooth cash flow management.

Capital income excluding debt totalled 34.5 M€.

Given the working capital fund at the beginning of the year (68 M€), an amount of 38 M€ was withdrawn to balance the finances for 2019, with a final self-financing ratio of 56.5%.

The year-end working capital fund was 31 M€.

Therefore the departmental budget financing structure breaks down as follows:

. **Sources**:

. net savings:	224.7 M€ (42.8%)
. borrowing:	228.7 M€ (43.4%)
. capital income:	34.5 M€ (6.6%)
. levy on surplus carried forward:	37.6 M€ (7.2%)

. **Uses**:

. investment excluding debt:	525.5 M€

5.2 Clarifications on the 2018 administrative account

Upon arrival in 2015, the Executive defined a financial and budgetary road map, whose principles and objectives are regularly confirmed in budgetary guidelines:

- realisation of commitments made following the General Assembly of Provence;
- stability of built land property tax rates;
- maintaining gross budgetary savings of 200 M€;
- achieving an annual investment target of around 450 M€, whilst capping new annual borrowing at 250 M€;
- debt characteristics comparable to the average for similar départements.

The following observations are made in respect of the 2019 results:

(a) A continued high level of investment

The Département accelerated its capital expenditure with 525.5 M€ (421.7 M€ in 2018). This ramp-up is in line with the mobility programme, which aims to smooth travel while favouring soft modes of travel. After the recovery that began in 2018, this increase in investment is seen across all Départements, albeit at a lower level (+13.5% in 2019. Source: Report of the "Observatoire des finances et de la gestion pubique locales", July 2020).

The mobility plan mentioned above and conducted in partnership with the Métropole Aix-Marseille-Provence in the interest of coherency, will enable the Marseille metro to be modernized offering an alternative to using cars in the city centre.

Beyond the regulatory aspects, education is one of the Executive′s priorities and 2019 has witnessed the continuing of the ″Charlemagne″plan launched in 2017, providing 2.5 billion euros to improve apprenticeships for students over the 2017-2027 period. Almost 66 M€ has been earmarked for schools in 2019, including 16 M€ to digitize schools.

The plan to combat sub-standard housing, including 10 key measures promoting access to decent and secure housing is continuing, also in liaison with the Métropole. The Département will have devoted almost 17 M€ in 2019 to housing policy as a whole, compared to 13 M€ in 2018 (excluding loan guarantees granted, which enable sponsors' housing programmes to be completed).

(b) Preserving satisfactory savings

Savings made were 273.9 M€ compared to 284.8 M€ in 2018.

This is linked to the increase in compulsory social assistance spending, which accounts for more than half of the decline (76 M€).

This amount permits self-financing of capital spending (56%) whilst guaranteeing a satisfactory surplus to be carried forward (31 M€) providing room for manoeuvre for future years.

(c) Maintaining a healthy situation

As of 31/12/2019, outstanding debt represents €507/inhabitant with solvency at 3.9 years. These results are consistent with the national averages cited above and the weight of investment.

Solvency is also well below the cap set in the public finance programming Law 2018/2022, which was fixed at 10 years for *Départements*. For the record, this cap is one of the criteria for assessing the debt repayment capacity of local authorities, as set by law.

(d) Possible *Conseil Départemental*/Métropole Aix-Marseille-Provence merger

The *Département* and AMP wished to define, out of a concern for efficiency and coherency, the main areas of cooperation in terms of mobility, sustainable development and also housing.

Irrespective of the institutional framework that would govern any such merger, the programmes thus developed provide a response, at an appropriate scale, to major development challenges.

At this stage, and given the unprecedented background of the health crisis, and its impact on local authorities, as well as ongoing consideration of local experimentation (draft "3D" law for Decentralisation, Differentiation and Deconcentration), it is unlikely that this matter will be considered a priority in future financial years.

(e) Short and medium-term outlook

The health crisis and its immediate consequences for local authorities, in particular the Départements (cyclical revenue and counter-cyclical expenditure), have profoundly changed the situation.

While it is difficult to make reliable predictions, caution is needed now more than ever.

The Government has assigned local authorities a major role in the resumption of economic activity and public investment (16 April and 25 May 2020, Jean-René Cazeneuve, Chairman of the delegation to local authorities and decentralisation and member of parliament for the Gers, believed that local authorities "should not constitute an adjustment variable but a privileged vector for economic recovery after the coronavirus health crisis" and that "it was a very good thing that local authorities were taking on a bit of debt for this recovery plan".

The *Cour des Comptes* in its report of June 2020 noted that the financial situation of the départements was favourable but fragile. This fragility needs to be highlighted at a time when the tax reform aimed at transferring TFPB to *communes* has been confirmed. Revenues that will in return be paid to the départements (VAT portion) will be sensitive to the economic environment although they have offered the advantage of a certain dynamism in recent financial years. They will increase the volatility of some of the Départements' revenues. The latter could also evolve with the ongoing thought process on production taxes (future of the CVAE, in particular).

It will also be necessary to monitor the terms of the new generation of contracts introduced under the public finance programming law 2018/2022, which regulates local authority operating expenditure by capping increases at 1.2%.

More generally, an eye will have to be kept on the institutional structure of the country (right to experimentation, organisation of devolved government services, new transfers of powers) and on the anticipated contribution of local authorities to improving the public finances.

6. PRIMARY BUDGET 2020

6.1 Background

Pursuant to Order n°2020-330 of 25 March 2020, the primary budget (PB) 2020 was adopted by the Département Assembly on 24 July 2020, at which session the budgetary guidelines debate was also organised.

The general financial background surrounding the preparation of the Département's PB 2020 is marked by:

- **An unprecedented health crisis**

The health crisis caused by the Covid-19 epidemic has had an immediate impact in terms of health, but also social and economic impacts. The Departmental Council, like other départements, has faced an increase in its expenditure, particularly social, and a simultaneous decline in its revenues (particularly DMTO).

The Departmental Council of the Bouches-du-Rhône which guarantees solidarity (human, generational, territorial), immediately took stock of the health crisis by adopting two types of measures:

- immediate measures to ensure the Département's operational readiness and to guarantee public service continuity, to fight the epidemic with concrete steps, to boost national solidarity momentum, to facilitate the work of front line professionals, to enable everyone (families, institutional partners, local authorities, businesses, not-for-profit organisations) to meet a critical challenge in terms of resources and action,

- structural measures, in the short, medium and long-term, aimed at continuing to fight the epidemic (virus resurgence scenario), supporting the economic recovery, maintaining jobs and transforming public spaces, in accordance with the local authority's sustainable development objectives, and in line with public policies or long-term programmes put in place as from 2015 (mobility, aid for communes, developing heritage, agenda 21…).

In the interests of efficiency and leveraging the efforts made, all of these actions have been defined and implemented in close association with all the professionals or local actors involved.

The total expenditure incurred in this regard amounts to nearly 100 M€.

The health crisis caused by the Covid-19 epidemic and its impacts and consequences in terms of health, but also social and economic, have had an immediate impact on local authorities, in particular departmental Councils, faced simultaneously with an increase in their social expenditure (RSA benefits) and a decrease in their revenue (DMTO).

There is a great deal of uncertainty about the speed and sustainability of the economic recovery, although the latest figures from the Banque de France (BDF) and INSEE are somewhat less pessimistic than those of Bercy (the BDF recorded a 9% drop in activity in June compared to the 12% announced and INSEE expects a decline in activity of 9% in 2020 as against the forecast 11%). The business climate, calculated by INSEE, rose again in July to 85 points (but remains below its long-term average of 100).

With regard to the départements' revenues, the effect on DMTO is expected as early as 2020 but for the time being the real estate market is holding up well, with a decrease in borrowing rates which had increased during the lockdown and the decrease should be less than initially anticipated (a fall of 30% was expected, which could ultimately be limited to 5 or 10%). The effect on CVAE is expected to be perceptible in 2021 and 2022 given its calculation method.

Expenditure on RSA benefits have increased with changes in the management of the scheme during the health state of emergency, but professional integration policies, considered essential against a background of great economic uncertainty, have been confirmed. However, these expenditures will be conditional on changes in unemployment levels and the number of jobs created or lost.

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The Government has assigned a major role to local authorities in reviving business activity and public investment. As was pointed out in para. 2.5. of the section "Administrative Account 2019", on 16 April and 25 May 2020, Jean-René Cazeneuve, Chairman of the delegation to local authorities and decentralization and member of Parliament for the Gers, stated that local authorities "should not constitute an adjustment variable but a privileged vector for economic recovery after the coronavirus health crisis" and that "it was a very good thing that local authorities were taking on a certain amount of debt for this recovery plan".

- **New rules on local finances**

The public finance planning law for the years 2018/2022 introduced significant changes in the resources available to local authorities.

The most significant for départements concerns the three-year financial pact offered, in principle, by the State, and two consequential constraints on operating expenses (increase cap of 1.2% per year, including inflation, adjustable under certain conditions) and debt, with solvency henceforth also capped.

Although the scope of the cap is adjustable depending on the nature of the expenditure, the rate target includes corrective mechanisms for overruns, which are penalised by the levying of an equivalent amount from tax revenue (this levy being reduced to 75% for local authorities that have signed a contract).

Regarding debt, the solvency ceiling is 10 years for départements.

Like most départements, the Departmental Council of the Bouches-du-Rhône has refused to commit to this approach, which was deemed unsuitable given the social constraints weighing on départements' budgets and the uncontrollable expenses they have to bear, and incompatible with the emphasis on pro-active policies supporting the elderly, education or territorial appeal.

This measure does not take into account the management efforts made in the past, which make any new room for manoeuvre difficult, nor the funding levels of local authorities, nor the contribution they bring to policies of national priority (health, higher education; security).

It also fails to take into account the true burden of local authorities on the national debt or deficit (the outstanding debt of local authorities in 2019 represents 7.2% of GDP).

With regard to Bouches-du-Rhône, discussions with the Government have resulted in a reduction of the levy imposed for the 2018 financial year to 2.1 M€.

For the 2019 financial year, new discussions are under way.

For 2020, the "health emergency" law n°2020-290 of 23 March 2020 has suspended the implementation of the scheme.

The 2020 budget plans for an increase in operating expenditure of 7.2% (+153 M€), largely due to the health crisis. It is linked to social expenditure constraints (+96 M€) and to payroll (+16 M€) with the continued implementation of RIFSEEP. Spending on children is also rising sharply with the ramping-up of unaccompanied minors (1,074 at 31/12/2019 compared to 857 at the end of 2018) and also the removal of children into care.

With regard to debt, at the end of 2019, the Département's solvency was at 3.9 years with a per capita debt of 507 €.

The new generation of contracts under the 2018/2022 programming Act was due to be introduced in the spring of 2020. The health crisis has disrupted the legislative timetable and this topic is expected to be addressed in the next 2021 Finance Act. At this stage, no indication has been given as to its form and content.

- **Changes in local taxation**

The financing law n°2019-1479 for 2020 provides for the transfer to the communes of the real estate tax on built property (TFPB) received by départements in return for the abolition of the housing tax (TH). This measure, which will take effect in 2021, will be offset by the allocation to départements of a portion of national VAT. This tax, which is relatively dynamic, is sensitive to the economic environment.

Changes to production taxes are also under consideration. This may culminate in CVAE (business value-added value contribution) being abolished and replaced with a portion of VAT revenue.

- **Compliance with principles laid down by the Executive**

Despite its extraordinary nature as a result of the health crisis, preparation of the PB has been guided by the following principles:

- gross savings adapted to the functioning of the local authority in times of crisis,
- programme authorisation (PA) amounts enabling both the continuation of dynamic investments and technical and budgetary control over their implementation,
- borrowing capacity in line with planned investments and consistent with that of comparable départements,
- stability of tax revenues.

- **Confirmation of the Executive's priorities**

Once again, although the crisis impacts on some policies, the local authority' priorities are re-affirmed.

The substantive work accomplished during the General Assembly of Provence in 2015 concluded with 4 major objectives:

- the promotion of active solidarity,
- preservation and showcasing of heritage,
- leveraging growth to stimulate employment,
- the building of infrastructure of the future.

Since, these priorities are pursued gradually through better targeted policies (social integration with a focus on access to employment, education in the Charlemagne Plan, young people through the encouragement and promotion of personal and collective engagement or the youth Impact scheme, which supports young people entering the jobs market, and the disabled through the Handiprovence plan, the fight against sub-standard housing, engagement in the poverty Plan), innovative actions (back-to-school kit, Provence school map, departmental plan for employment 2020/2021, job booster scheme, employment forum, "Provence jobs" scheme, electric vehicle purchase contribution, Provence Eco Renov scheme, Departmental Youth Council, departmental prize for research in Provence, agri-local platform promoting short-circuit trade), novel events (year of gastronomy), new facilities (Provence youth and sports centre, retirement homes, tourism incubator, specialist unaccompanied minor welcome centres) or key structural projects (mobility plan, environmental agenda).

➢ **More distant prospect of a merger between the Département des Bouches-du-Rhône/Métropole Aix-Marseille-Provence**

The prospect of a merger between the Département des Bouches-du-Rhône and the Métropole Aix-Marseille-Provence was already contemplated in the law n°2017-257 dated 28 February 2017, on the status of Paris and the metropolitan development of greater Paris. It was then mentioned several times by the President of the Republic himself, as part of the planned merger between Départements and Métropoles.

However, any form of imposed merger seems to have been abandoned by the Government.

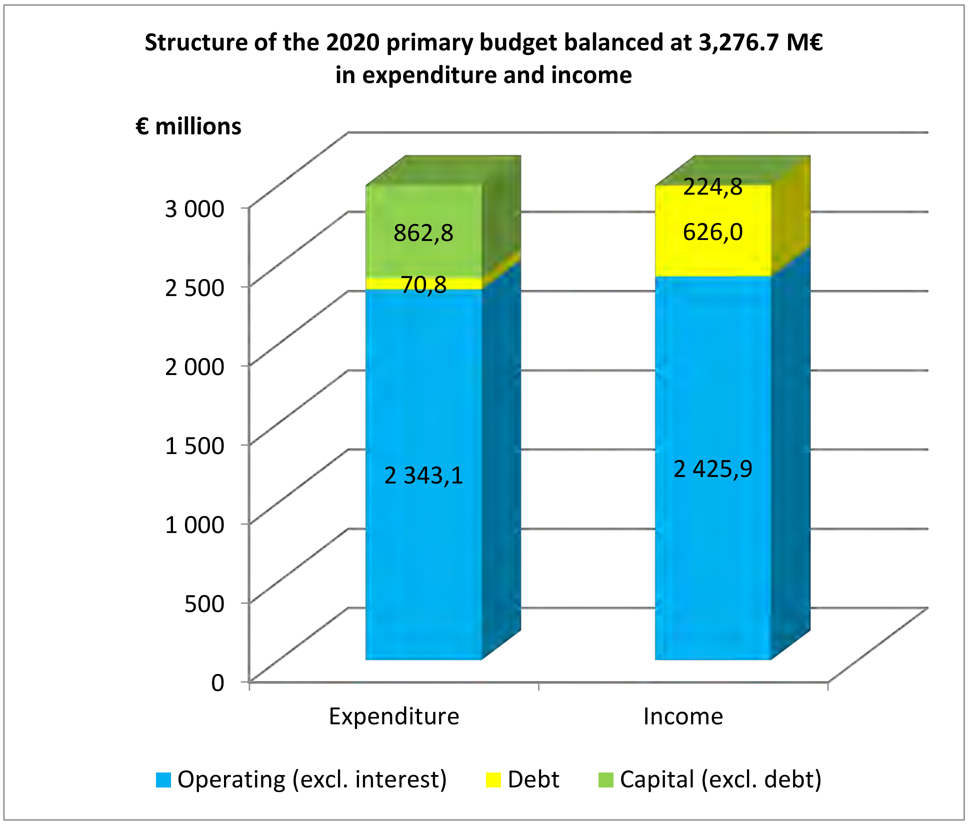
Thus, with regard to the Bouches-du-Rhône, at this stage, no official timetable has been set or even any indication given as to the legal form of the possible future entity.

It is unlikely that, against a background of acute crisis and ongoing consideration of the proposed "3D" Bill (decentralisation, differentiation, deconcentration), this topic will become a priority.

In line with the desire of President Martine VASSAL (President of the Métropole since 20 September 2018 and re-elected to this post on 9 July 2020) to reason in terms of structural projects and overall regional development, the major plans announced by the Département are also part of a metropolitan logic. This is the case, for example, of the environmental plan which rolls out the local authority's Agenda 21 (1 Bn€ over 5 years), but also the programme to combat sub-standard housing, mobility or the joint plan for the preparation of the European 2021/2027 programme.

6.2 Analysis of the PB 2020.

The PB 2020 is balanced in expenditure and income (including actual transactions and accounting adjustments) at 3,276.7 M€ of which 933.6 M€ in the capital section.



The main budgetary blocks are as follows:

Item	PB 2019	SB 2019	PB 2020	Change PB/PB (%)
Operating income	2,339,385.2	2,414,809.0	2,425,893.5	3.7%
Operating expenditure	2,141,466.8	2,215,944.6	2,343,071.8	9.4%
Gross savings	**197,918.3**	**198,864.4**	**82,821.7**	**-58.2%**
Debt principal	52,000.0	52,000.0	70,800.0	36.2%
Net savings	**145,918.3**	**146,864.4**	**12,021.7**	**-91.8%**
Capital income	511,629.0	666,773.8	850,775.1	66.3%
- proportion of debt	464,288.9	477,678.2	626,013.6	34.8%
- proportion excl. debt	47,340.1	189,095.6	224,761.5	374.8%
Investment capacity	**657,547.3**	**865,638.2**	**933,596.8**	**42.0%**
Capital expenditure	**657,547.3**	**865,638.2**	**933,596.8**	**42.0%**
Programme authorisations	**589,193.9**	**621,859.8**	**601,998.1**	**2.2%**

General budget– actual credits – in € thousands

Furthermore, the figures in the Département's four ancillary budgets are as follows:

Medico-psycho-pedagogical centre	184.9	2,564.6	**2,749.4**	Social Security session rate
Department for childrens' and family homes	3,365.4	22,594.3	**25,959.7**	mainly by general budget endowment
Departmental ports	2,704.4	756.2	**3,460.6**	fees and allowances from general budget
Departmental analysis laboratory	1,118.3	6,345.7	**7,464.0**	invoicing of services and general budget compensation
Expenditure - ancillary budgets	**7,373.0**	**32,260.8**	**39,633.8**	
Expenditure - general budgets	933,596.8	2,343,071.8	**3,276,668.6**	
Total general expenditure	**940,969.8**	**2,375,332.6**	###########	

Ancillary budget and general budget expenditure– actual credits– in € thousands.

Only the general budget is included in the tables below.

- **Actual operating income approved in the PB 2020 (in M€)**

Budget headings	Actual operating income	2,373.0
731 direct taxes	**Direct taxation**	**699.7**
	Built property land tax (TFBP)	401.5
	Company added-value contribution (CVAE)	135.3
	CVA compensation award	95.6
	National individual resources guarantee fund (FNGIR)	37.7
	Flat-rate tax on utility companies (IFER)	9.0
	TFBP management expenses	20.6
73 duties and taxes	**Indirect taxation**	**1,078.0**
	Land transfer duties	430.0
	Supplementary tourist tax	1.2
	Special tax on insurance contracts	222.5
	Planning tax	14.0
	Domestic energy production consumption tax (TICPE)	370.6
	DMTO equalisation fund allocation	19.0
	End-user electricity consumption tax	20.8
74 grants, subsidies and allowances	**Endowments and contributions**	**487.7**
	Global operating endowment (DGF)	300.4
	General decentralisation endowment (DGD)	11.9
	Compensatory allowances	52.1
	of which DCRTP	*41.0*
	of which compensatory allowances	*11.1*
	departmental social integration fund (FMDI)	12.5
	Other State contributions	5.9
	Contribution to CNSA (APA)	69.7
	Contribution to CNSA (PCH)	20.5
	Contribution to CNSA (MDPH)	1.8
	FCTVA	1.1
	Other contributions	11.7
Other income	**Other income**	**107.6**
	Estate, services and ordinary management income	2.4
	Recovery of social care costs and overpayments	88.5
	Financial income	2.8
	Reversal of provisions	0.9
	Extraordinary income	13.1

- **Definitive capital income (excluding borrowings) approved in the PB 2020 (in M€)**

Budgetary headings	Actual capital income excluding borrowing	224.8
10 article 10222	Value-added tax compensation fund (FCTVA)	22.0
13 article 1332	Departmental schools equipment allowance (DDEC)	7.9
13 article 1331 puis 1336	Departmental investment support endowment (ex DGE)	0.9
13 article 1345	Speed camera revenue	0.5
Autres 13	Subsidies and allowances	6.8
24	Proceeds of real estate disposals	19.1
27	Financial income	0.3
45	Transactions for third parties (accounting adjustments)	75.0
1068	Allocation of income	92.2

➢ Actual expenditure by function

- Operating expenditure (excluding unrealised items)

OPERATING EXPENDITURE	PB 2019	PB 2020	CHANGE
TOTAL ACTUAL OPERATING EXPENDITURE	**2,141.5**	**2,294.7**	**7.2%**
INDIVISIBLE ITEMS	90.7	108.8	19.9%
Debt	*16.8*	*15.1*	*-10.1%*
Individual items-other	*74.0*	*93.8*	*26.8%*
GENERAL ADMINISTRATION	157.7	183.0	16.1%
Indivisible staff costs	*91.4*	*100.3*	*9.7%*
General administration-other	*66.3*	*82.8*	*24.9%*
DECENTRALISED COOPERATION, EUROPEAN AND INTERNATIONAL PROJECTS	2.0	2.0	-0.3%
SECURITY	77.4	79.3	2.4%
Fire and rescue	*76.1*	*78.2*	*2.7%*
Security-other	*1.3*	*1.1*	*-14.3%*
EDUCATION	130.6	136.7	4.7%
Secondary schools	*122.0*	*127.6*	*4.6%*
Higher education	*0.4*	*0.4*	*-3.4%*
Education-other	*8.2*	*8.7*	*5.5%*
CULTURE, SOCIETIES, YOUTH, SPORT AND LEISURE	70.9	69.7	-1.7%
Youth and sport	*32.4*	*30.5*	*-6.0%*
Culture	*18.2*	*18.4*	*1.1%*
Culture, social life, leisure and others (common services)	*20.3*	*20.8*	*2.8%*
MEDICO-SOCIAL PREVENTION	38.3	50.2	31.0%
SOCIAL CARE	1,459.9	1,547.6	6.0%
Family and childhood	*221.2*	*268.1*	*21.2%*
Disabled persons	*291.3*	*305.0*	*4.7%*
Older people	*130.4*	*133.0*	*2.0%*
Dependent persons (APA)	*177.1*	*181.0*	*2.2%*
RSA	*540.6*	*557.7*	*3.2%*
Social care-other	*99.3*	*102.9*	*3.6%*
NETWORKS AND INFRASTRUCTURE	39.5	39.4	-0.1%
Roads and highways	*27.3*	*27.1*	*-0.9%*
Networks and infrastructure-other	*12.2*	*12.4*	*1.6%*
PLANNING AND ENVIRONMENT	24.5	24.7	0.9%
Urban planning and development	*4.4*	*4.3*	*-0.3%*
Housing	*0.8*	*0.8*	*-5.1%*
Environment	*10.2*	*10.4*	*2.0%*
Planning and development-other	*9.1*	*9.2*	*0.7%*
TRANSPORT	34.0	33.9	-0.2%
Public passenger transport	*33.9*	*31.9*	*-5.9%*
Transport-other	*0.1*	*2.0*	*NS*
DEVELOPMENT	15.8	19.2	21.0%
Agriculture and fishing	*6.2*	*8.4*	*35.4%*
Tourism development	*4.5*	*4.7*	*4.7%*
Development-other	*5.1*	*6.0*	*18.0%*

Figures expressed in € millions

- Actual capital expenditure (excluding unrealised items)

CAPITAL EXPENDITURE	PB 2019	PB 2020	CHANGE
TOTAL ACTUAL CAPITAL EXPENDITURE	**709.5**	**811.4**	**14.4%**
INDIVISIBLE ITEMS	53.7	152.6	184.3%
Debt	*52.0*	*70.8*	*36.2%*
Indivisible items-other	*1.7*	*81.8*	*4770.9%*
GENERAL ADMINISTRATION	56.9	54.7	-3.8%
SECURITY	22.3	16.8	-24.6%
Fire and rescue	*14.7*	*13.1*	*-10.4%*
Security-other	*7.7*	*3.7*	*-51.7%*
EDUCATION	123.1	119.3	-3.1%
Secondary schools	*115.6*	*113.0*	*-2.3%*
Higher education	*7.5*	*6.3*	*-15.2%*
CULTURE, SOCIETIES, YOUTH, SPORT AND LEISURE	7.3	9.3	27.0%
Youth and sport	*2.4*	*2.1*	*-12.4%*
Culture, social life, youth, sport and leisure-other	*4.9*	*7.2*	*46.5%*
MEDICO SOCIAL PREVENTION	11.9	12.0	1.0%
SOCIAL CARE	24.6	16.2	-34.2%
Family and children	*1.0*	*0.6*	*-42.3%*
Disabled persons	*1.0*	*1.0*	*0.0%*
Older people	*1.0*	*2.5*	*158.1%*
RSA	*0.1*	*0.1*	*0.0%*
Social care-other	*21.6*	*12.0*	*-44.3%*
NETWORKS AND INFRASTRUCTURE	124.0	136.9	10.4%
Roads and highways	*96.7*	*76.8*	*-20.7%*
Networks and infrastructure-other	*27.3*	*60.2*	*120.8%*
PLANNING AND ENVIRONMENT	176.5	204.4	15.8%
Urban planning and development	*129.6*	*153.4*	*18.4%*
Housing	*22.6*	*19.8*	*-12.5%*
Environment	*24.0*	*30.9*	*28.6%*
Planning and environment-other	*0.2*	*0.3*	*25.0%*
TRANSPORT	101.6	78.2	-23.0%
Public passenger transport	*86.7*	*75.8*	*-12.5%*
Transport-other	*14.9*	*2.4*	*-83.9%*
DEVELOPMENT	7.8	11.0	41.0%
Agriculture and fishing	*4.3*	*4.5*	*4.2%*
Tourism development	*0.4*	*0.5*	*14.4%*
Development-other	*3.1*	*6.0*	*96.3%*

Figures expressed in € millions

Debt (in M€)

- Finance costs (in M€)

		PB 2020
66	**Finance costs**	**15.3**
66111	Interest paid in fine	15.3
66112	Interest accrued not yet due	-0.3
6615	Interest on current accounts and deposits in credit	0.1
668	Other finance costs	0.2

- Changes in debt (en M€)

In revenue:

		BP 2020
16	**Borrowing and equivalent debt**	**596.0**

In expenditure:

16	**Debt of the département**	**70.8**
1641	Borrowing in Euro	50.8
16311	Bond issue redeemable at term	20.0

	Change in département's outstanding debt	393.5

I – Income position

Operating and capital income amounted to 2,373 M€ and 57.6 M€ respectively (excluding accounting adjustments, retained income, unrealised items).

A – Operating income [70]

With an increase of 39.1 M€ (excl. provisions), operating income increased by almost 1.7% (+2.3% in 2019). The most important items remain indirect taxation (1,059 M€, excluding equalisation funds), direct taxation (641.4 M€ excluding FNGIR - national individual resources guarantee fund - and management expenses) and endowments and grants (549.5 M€).

- Indirect taxation

This item has increased by 14.4 M€ in 2020. Transfer duties for valuable consideration (DMTO) have increased from 425 M€ to 430 M€ (+5 M€ to take account of the crisis; an

[70] The description and analysis of operating income takes into account reclassifications traditionally effected by the Département in the interests of transparency and accuracy: accordingly, they must be read as excluding provisions; equalisation funds are extracted from indirect taxation and direct taxation does not include the FNGIR.

amount of 460 M€ was realised in 2019). The PB 2020 forecast can be described as prudent. However, some of these proceeds will have to be transferred to the equalisation fund, unified in 2020. The other revenues (629 M€) (TICPE, TSCA, TCFE, development tax …) take into account 2019 execution and the effects of the crisis.

- Direct taxation

Income from direct taxation is estimated at 641.4 M€, based on Government notifications.

The 2020 rate of increase of the real estate tax on built property (TFPB) was assessed at +2.7%, i.e. an overall revenue of more than 401 M€ (+10.1 M€ received in 2019 in PB 2020). It includes first of all a material change of 1.5 points, more dynamic than in 2019. It also includes a flat-rate discounting of the tax base of 1.2 points, based on an automatic calculation set out in the 2017 finance law taking inflation indices into account (2.2 points in 2019). These changes are made without an increase in the tax rate which will remain at 15.05%. Income from the business value added contribution (CVAE) is estimated to be almost 135.3 M€ (+0.9% compared to the amount notified in 2019 and +4M€ from PB to PB). These figures are based on the definitive notifications from the Government. The CVAE portion paid by the PACA *Conseil Régional* represents 95.6 M€ (fixed amount), in line with the conclusions of the local transferred revenues and expenditure evaluation committee (CLECRT). Finally IFER revenue (9 M€) has been readjusted by +1% compared to the latest notification received.

- State and CNSA support

This item has been provisionally assessed at around 549 M€ pending notifications from the Government and the National Solidarity Fund for Autonomy (CNSA). State funding is estimated at around 455 M€.

DGF represents 300.4 M€ (-1.2 M€ compared to the 2019 notification) and the general decentralisation endowment (DGD), 11.9 M€ (consistently stable over the last several years). As regards DGF, changes had been announced, which could lead to a trimming of the fixed element, together with an adjustment of the equalisation portion. This matter has not progressed for now.

The professional tax reform compensation endowment (DCRTP) amounts to 41 M€ (renewal), in accordance with the 2020 Finance Act. The other tax compensatory allowances (11.1 M€), which have now been notified, have decreased by 8.5% on average.

Other State funding items have been renewed based on 2019 figures or available data (FMDI, FNGIR, DCP, equalisation funds received). As regards CNSA funding (94.1 M€), this has been calculated by reference to the 2019 rate of increase and provisional data supplied by the *Caisse*.

Other revenues relate to the solidarity sector (94.6 M€), the various public policies of the Département (19.5 M€) and reversals of provisions (0.9 M€). Dividends represent an amount of 2.8 M€ and two extraordinary income items associated with the health crisis are planned (3.4 M€ from the Government to purchase masks, which has already been received, and an ESF grant estimated at 2 or 3 M€).

Operating income-structure

Item	PB 2019	Structure	PB 2020	Structure	Change PB/PB
Indirect taxation	1,045	44.7%	1,059	44.6%	1.4%
Direct taxation	629	26.9%	641	27.0%	1.9%
Endowments and contributi	550	23.5%	549	23.1%	-0.2%
Other income	116	5.0%	123	5.2%	6.4%
Total	**2,340**	**100.0%**	**2,373**	**100.0%**	**1.4%**
Of which provisions	6	0.3%	1	0.0%	-86.5%
Total excluding provisions	**2,333**	**99.7%**	**2,372**	**100.0%**	**1.7%**

B – capital income

Capital income has risen by almost 10 M€ compared to the PB 2019.

This growth relates to the increase in FCTVA (22 M€ or +2.7 M€) in line with the sharp acceleration of capital expenditure (+25%).

Income from asset disposals is estimated at 19 M€ (+9 M€). Despite its unpredictable nature (it depends on the outcome of complex procedures), this revenue represents a not insignificant amount year-on-year (8.4 M€ in 2019 against a forecast of 10 M€).

Capital income excluding debt-structure

Item	PB 2019	Structure	PB 2020	Structure	Change PB/PB
FCTVA	19	40.8%	22	38.2%	14.0%
DDEC	8	16.7%	8	13.8%	0.0%
DSID (ex DGE)	1	1.6%	1	1.5%	17.3%
Grants received	9	18.9%	7	12.2%	-21.4%
Asset disposals	10	21.2%	19	33.2%	90.7%
Other income	0	0.9%	1	1.1%	56.0%
Total	**47**	**100.0%**	**58**	**100.0%**	**21.6%**

in millions of euros. Excl. adjustment entries 13D and Terra13.

II – Expenditure position

Operating and capital expenditure amounted respectively to 2.294.7 M€ and 811.7 M€. Programme authorisations (PA) represent 457.6 M€.

Capital expenditure includes an entry of 75 M€ (provision balanced in both expenditure and income) to regularise part of the mandated operations of two development companies 13D and Terra 13 which were wound-up after commencement of a dissolution and universal transfer of assets procedure.

In addition to the PA included in the PB, are the early openings of credits, voted for at the second budget amendment decision (DM2) in 2019 in an amount of 144.4 M€. The total is therefore 602 M€ (589.2 M€ in the PB 2019).

A – Operating expenditure

In 2020, operating expenditure has increased by 7.2%, i.e. 153.2 M€, all transactions included.

The health crisis explains one third of the increase in expenses (more than 50 M€, net of redeployments).

Social spending always represents the largest expenditure item. Although its weight in the budget remains consistent (63%), it has increased in amount, to 1,444.5 M€ (+7.1% / +95.5 M€).

Social and professional integration policy[71] accounts for a budget of 545 M€. This amount includes active solidarity revenue allowance (RSA) which totals 490 M€ (+3.8% from AA to PB) to take account of the effects of the crisis. Assisted contracts are estimated at 11 M€ (the amount executed in 2019) and integration initiatives at 35.6 M€, an increase in order to strengthen policies implemented against a weakening background for people and businesses.

The budget for the policy for the elderly (301.3 M€) has increased by 5.9 M€ (+2%). Personal autonomy support (APA) expenditure (175.8 M€) increased by +2.1% between 2018 and 2019 (PB/PB), under the twin impact of beneficiaries and tariffs. Accommodation policy accounted for 113.4 M€, or +2.2%.

The disabled persons policy budget (303.1 M€) increased by 4.7% (+13.6 M€). Handicap compensation benefit (PCH) amounted to 111.6 M€, still sharply increasing (+7.7% PB/PB), with the number of recipients regularly continuing to grow (8,749 recipients at 31/12/2019 compared to 8,201 at 30/09/2018). Social accommodation required 161.8 M€ and handicapped schoolchildren’s transport, 7.2 M€.

Finally, health and children policies required a budget of 295 M€ (+25.3% et +59.6 M€): this will contribute to financing some of the measures taken as an immediate response to the crisis, including the purchase of personal protection equipment. The children’s budget (260.7 M€) increased by almost 47 M€ from PB to PB: the unaccompanied minors budget alone represented 51.5 M€ (+10.3 M€ from AA to PB), with no slowdown yet in the arrival of minors in the Bouches-du-Rhône although there was an apparent stabilisation elsewhere in 2019. The Bouches-du-Rhône is the third département in France behind Paris and the Nord in terms of the number of minors in care, and one with the least favourable allocation coefficient of all French départements, after the Nord (source: Justice Ministry report on unaccompanied minors, May 2020). Social accommodation excluding unaccompanied minors is also under great stress, with an increase of 15.2% (+18 M€).

Finally, the Département has committed to the property plan and implemented all of the measures set forth (initiatives undertaken by the local authority amount to 3.8 M€).

[71] All of the figures presented in this paragraph are the totals for each public policy referred to.

Individual solidarity allowance (AIS)

Item	AA 2016	AA 2017	AA 2018	AA 2019	PB2020
RSA	452.1	454.8	468.6	472.1	490.0
Change	0.5%	0.6%	3.0%	0.7%	3.8%
APA	154.8	159.9	167.0	170.7	175.8
Change	-0.1%	3.3%	4.4%	2.2%	3.0%
PCH	85.6	90.3	96.7	105.9	111.6
Change	12.0%	5.5%	7.0%	9.5%	5.4%
Total	**692.6**	**705.1**	**732.3**	**748.8**	**777.4**
Change	**1.7%**	**1.8%**	**3.9%**	**2.2%**	**3.8%**

in millions of euros

The other public policies represent a budget of 250.8 M€, an increase of 2.6% (+6.3 M€), in particular for education policy (+3 M€), the environment/security (+2 M€) and sport (+1 M€).

General resources amount to 445.3 M€ (+7.9% / +32.7 M€). These are compromised by human resources (HR) (+4.7% / +7.7 M€) which account for almost half of the increase (responsibility for assisted contracts abolished by the Government, regulatory career progression, measures taken during the health crisis to protect personnel).

The other structural expenses represent 81.3 M€ (+16.3 M€). The increase relates to the strengthening of actions in support of priority persons or objectives in the Département: deployment of old peoples' homes, schemes to promote sustainable development, schools map. It is also due to measures taken in view of the crisis and on the assumption of a resurgence of the epidemic (restructuring of premises).

Non-functional expenditure represents 154.1 M€, an increase of 18.8 M€ from PB to PB. These expenditures have been driven upwards mainly by the "2019 financial recovery" provision and prospective equalisation fund repayments.

Operating expenditure-structure

Item	PB 2019	Structure	PB 2020	Structure	Change PB/PB	
Solidarity	1,349	58.8%	1,445	63.0%	96	7.1%
Education, construction, environment and security	144	6.3%	148	6.4%	4	2.7%
Local life and culture	74	3.2%	73	3.2%	- 1	-1.8%
Planning, networks, infrastructure and employment	26	1.1%	29	1.3%	3	10.8%
Sub- total 1: policies	**1,594**	**69.4%**	**1,695**	**73.9%**	**102**	**6.4%**
General resources	413	18.0%	445	19.4%	33	7.9%
Sub- total 2: policies and resources	**2,006**	**87.4%**	**2,141**	**93.3%**	**134**	**6.7%**
Excluding policies	135	5.9%	154	6.7%	19	13.9%
Overall total	**2,141**	**93.3%**	**2,295**	**100.0%**	**153**	**7.2%**

en millions d'euros

B – Capital expenditure

Capital expenditure (811.4 M€) is split between 70.8 M€ in debt repayment and 740.6 M€ investment excluding debt (of 75 M€ provision for extraordinary accounting adjustments relating to winding-up procedures for two development companies 13D and Terra13), or 665.6 M€ of credits excluding debt and adjustments (657.5 M€ in the PB 2019). The net amount of programme authorisations (PA) totals 602 M€. In accordance with the budgetary guidelines, this amount will be adjusted during the year 2020 (additions, reductions, cancellations, lapse of 2019 and previous programme authorisations).

Consistent with previous financial years and the local authority's priorities, the following policies should be highlighted: support for communes (180 M€), planning and development (127.3 M€), mobility (123 M€), education (113.4 M€), housing and town policy (21.6 M€) and environment and security (19.9 M€).

Support for communes (180 M€) is permanently adapting to current challenges, with special support for the Olympic Games 2024, pursuing the electric vehicles scheme and the two programmes referred to above, aimed at mitigating or avoiding the anticipated consequences of the health crisis.

Mobility remains a core priority and on top of the 123 M€ in payment credits, an additional 107.8 M€ in a new programme authorisations are earmarked in the interests of long-term understanding of this policy. Improvements to and securing of the road network represents 75.8 M€.

The priority given to education is also confirmed with 113.4 M€ in payment credits that will enable an investment of 27.2 M€ in digitising schools.

Housing/town policy represents an amount of 21.6 M€ under which the "*Provence éco rénov*" programme will be pursued with the aim of improving the home energy performance (in France, **homes account for almost half of the consumption of all energy and generate 20% of greenhouse gases. Source:** ADEME 2019 report).

Planned solidarity expenditure (3.3 M€) will be used to finance the humanisation of accommodation establishments, and expenditure for public health, whose vulnerability has been underlined by the crisis, will strengthen the support given to the APHM (Assistance Publique des Hôpitaux de Marseille) with 57.5 M€ in PA.

Finally, general resources (71 M€) will ensure the quality of the services provided to the general public (in particular through building acquisitions and maintenance) and of daily staff operations.

Capital expenditure-structure									
	Credits						PA		
Item	**PB 2019**	**Struc.**	**PB 2020**	**Struc.**	**Change PB/PB**		**PB 2019**	**PB 2020 (1)**	**Change PB/PB**
Solidarity	15	2.1%	16	2.1%	1	8.3%	3	63	61
Education, construction, environment and security	137	19.3%	133	18.0%	- 4	-3.1%	79	94	15
Local life and culture	178	25.0%	211	28.7%	33	18.8%	276	235	- 41
Planning, networks, infrastructure and employment	238	33.5%	233	31.6%	- 5	-2.1%	155	165	10
Sub- total 1: policies	**567**	**80.0%**	**593**	**80.5%**	**25**	**4.5%**	**512**	**557**	**45**
General resources	89	12.5%	71	9.7%	- 17	-19.5%	77	45	- 33
Sub- total 2: policies and resources	**656**	**92.5%**	**664**	**90.2%**	**8**	**1.2%**	**589**	**602**	**13**
Excluding public policies	53	7.5%	72	9.8%	19	35.3%	**-**	**-**	-
Overall total	**710**	**100.0%**	**736**	**100.0%**	**27**	**3.8%**	**589**	**602**	**13**

in millions of euros - excl. Treize Développement / Terra 13 operations in 2020 (75 M€) (1) incl. DM2 2019 : 144.4 M€

Following budgetary amending decision n°2 (DM2) 2019, total outstanding programme authorisations amounted to 5.8 Bn€. With the PA in the PB 2020, the stock will be increased to 6.4 Bn€. Given the mid-year adjustments and consumption forecasts, the amount remaining to be financed should stabilise at 2.1 Bn€ by the end of 2020, namely around 5 years of investment (this last figure is constant with respect to 2019).

Projected programme authorisations

Item	2019	2020	2021	2022	2023
Amount remaining to be financed (beginning of year)	**1,887**	**1,996**	**2,146**	**2,196.0**	**2,246.0**
AP opened	624	600	550	550.0	500.0
AP payment credits consumed	515	450	500	500.0	500.0
Amount remaining to be financed (year-end)	**1,996**	**2,146**	**2,196**	**2,246.0**	**2,246.0**
Remaining life (years)	3.9	4.8	4.4	4.5	4.5

in millions of euros

III – Budget balance position

In 2020, from PB to PB, gross savings were close to 80 M€, all transactions included.

A – From gross savings to net savings

Gross savings (GS) in the strict sense (surplus of operating revenue over expenditure) amount to 82.8 M€, compared to 198.9 M€ in the SB 2019. Net savings (NS) (GS less debt principal repayments) represent 12 M€ in 2020.

At the end of 2019, the Département’s outstanding debt was 1,039.1 M€, or 3.9 years of solvency. For the record, the national average in 2019 for all départements ws 3.4 years (excluding Corsica and CTU Guyane and Martinique). The debt ceiling specified in the public finances programming law 2018 – 2022 is 10 years for départements. Having regard to receipts (290 M€) and disbursements (almost 70 M€) planned for 2020, the debt stock should reach a maximum of 1.3 Bn€ by the end of 2020, or approximately 8 years of solvency.

USE OF DEBT					
Data (in M€)	**2019**	**2020**	**2021**	**2022**	**2023**
Debt stock as at 01/01/N	860	1.039	1.271	1.557	1.841
New debt	229	301	370	386	383
Debt repayments	49	69	84	101	110
Debt stock as at 31/12/N	**1.039**	**1.271**	**1.557**	**1.841**	**2.115**
Indebtedness per capita (in euros)	**507**	**620**	**760**	**898**	**1.031**
Solvency (in years)	3.9	8.1	9.4	11.2	11.5

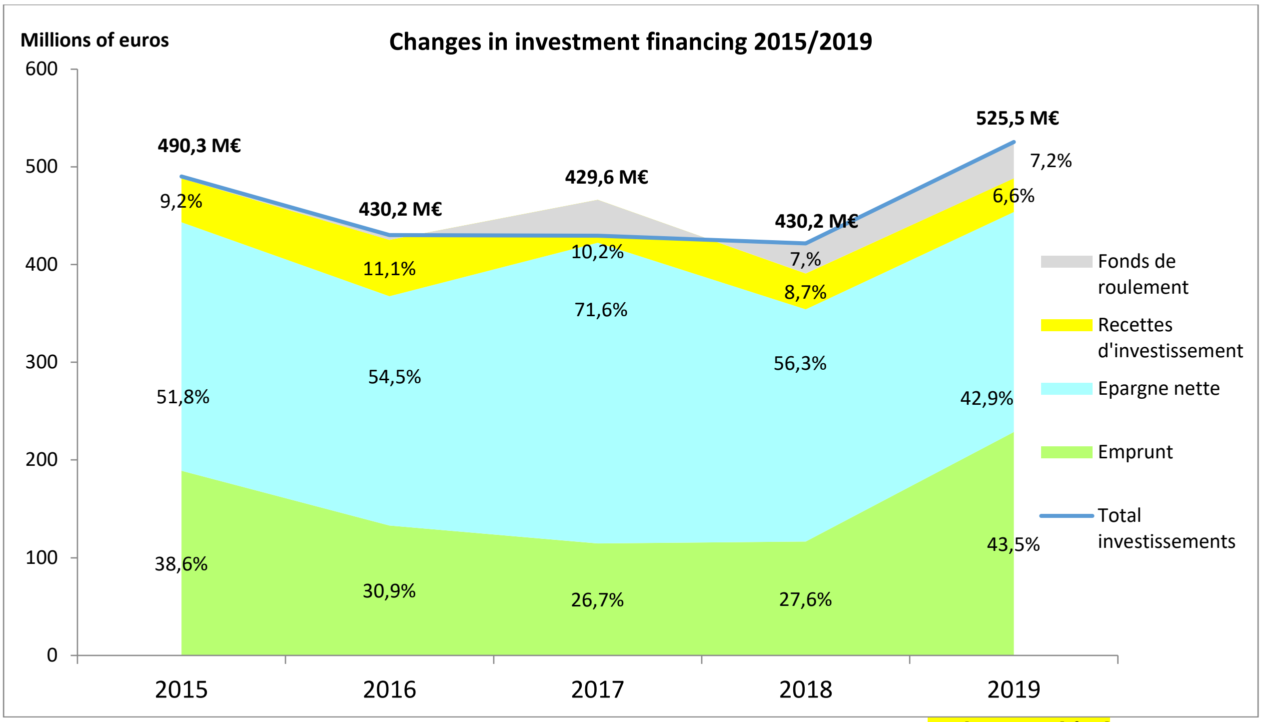
B – Investment capacity and balancing loan

By adding to net savings the amount of capital income (57.6 M€) and allocation of income (92.2 M€), the Département generates an investment capacity of 161.8 M€. With a balancing loan of 626 M€, it will be able to finance investments of up to 787.8 M€ (including 665.6 M€ in current credits). For the record, the balancing loan in the PB 2019 amounted to 464.3 M€. An amount of 228.65 M€[72] was utilised, which is less than 50%.

Having regard to the above, the financing structure in the PB 2020 is therefore as follows: net savings of 12 M€ (1.9%), capital income excluding debt of 57.6 M€ (8.6%) and borrowings in an amount of 595.7 M€ (89.5%).

In terms of borrowing, the Département utilised 30 M€ in bank loans entered into in 2019 but released in March 2020. It should also be able to rely on the second tranche of the partnership formed with the European Investment Bank (EIB) in 2019. In an amount of 150 M€ and earmarked for the Charlemagne Plan, this arrangement provides for the release of annual loan tranches marking the progress of the projects included in the scope of the contract. A first tranche of 10 M€ was made available in 2019. Two other partnership projects with the EIB are under consideration, one relating to mobility, the other relating to Covid-19 expenditure.

[72] 85 M€ of bond issues, balance of the multi-year agreement entered into with the Banque des Territoires (ex-CDC) for 8.65 M€, 10 M€ secured from the European Investment Bank and 125 M€ in bank loans with terms of between 10 and 20 years.



Working capital fund
Capital income
Net savings
Borrowings
Total investment

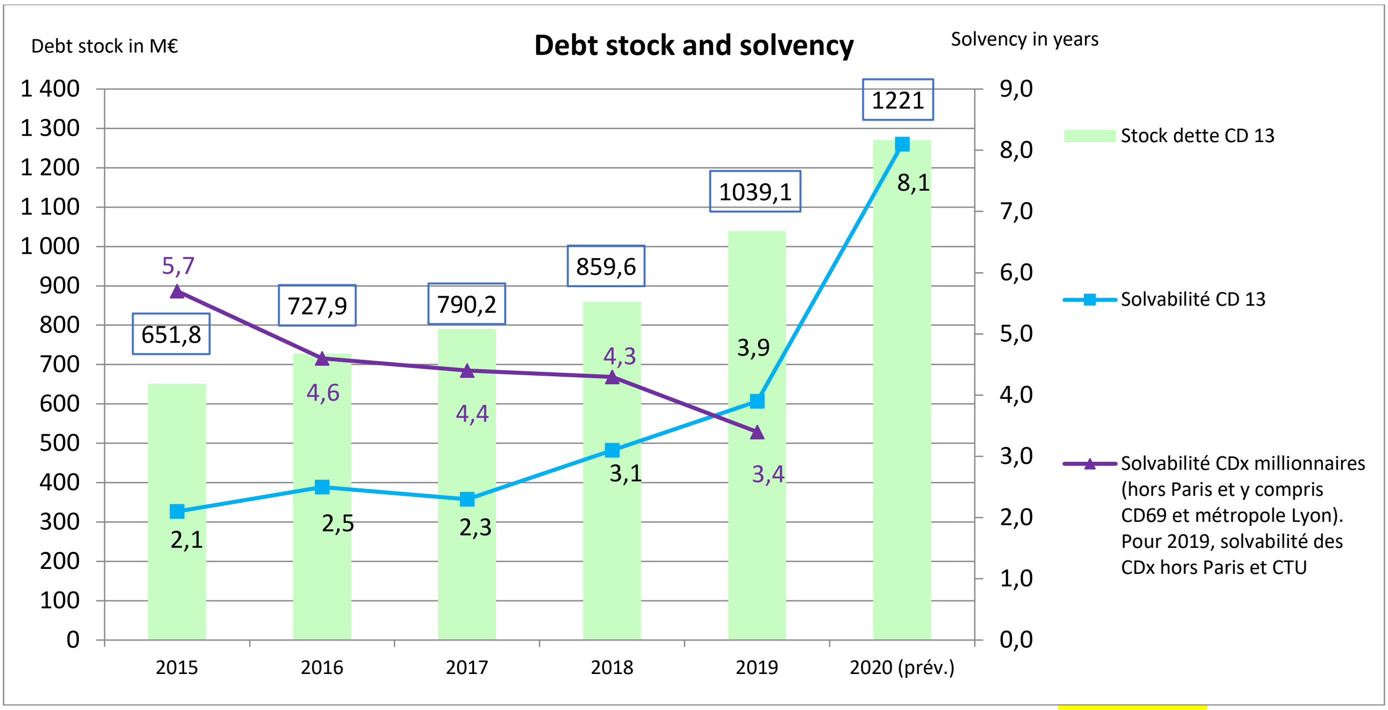
For the record, in the 2017 financial year, the working capital fund was increased by 36.7 M€.

C – Debt and cash flow

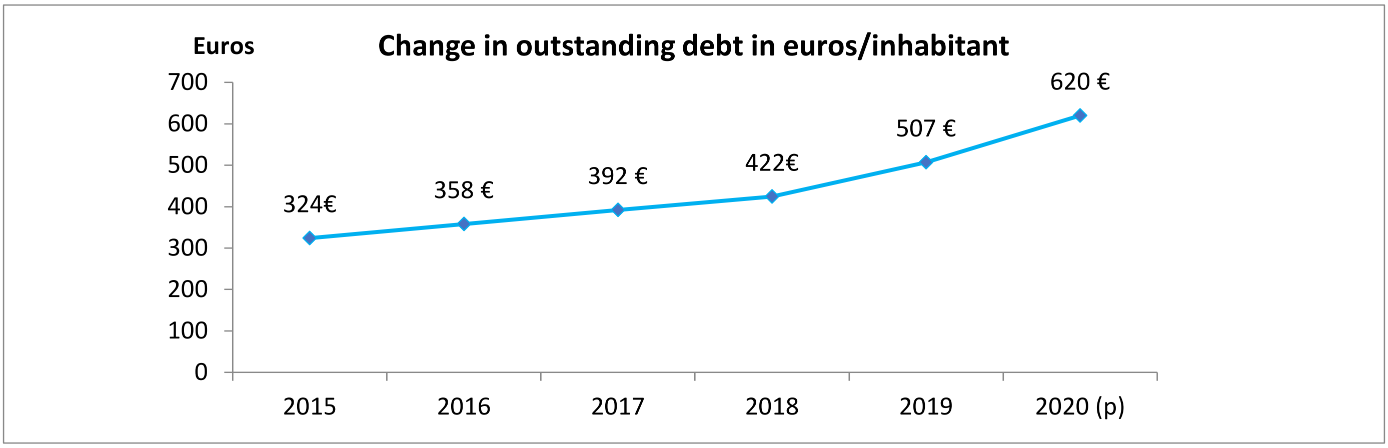
Changes in outstanding debt are in line with investments but remain under control

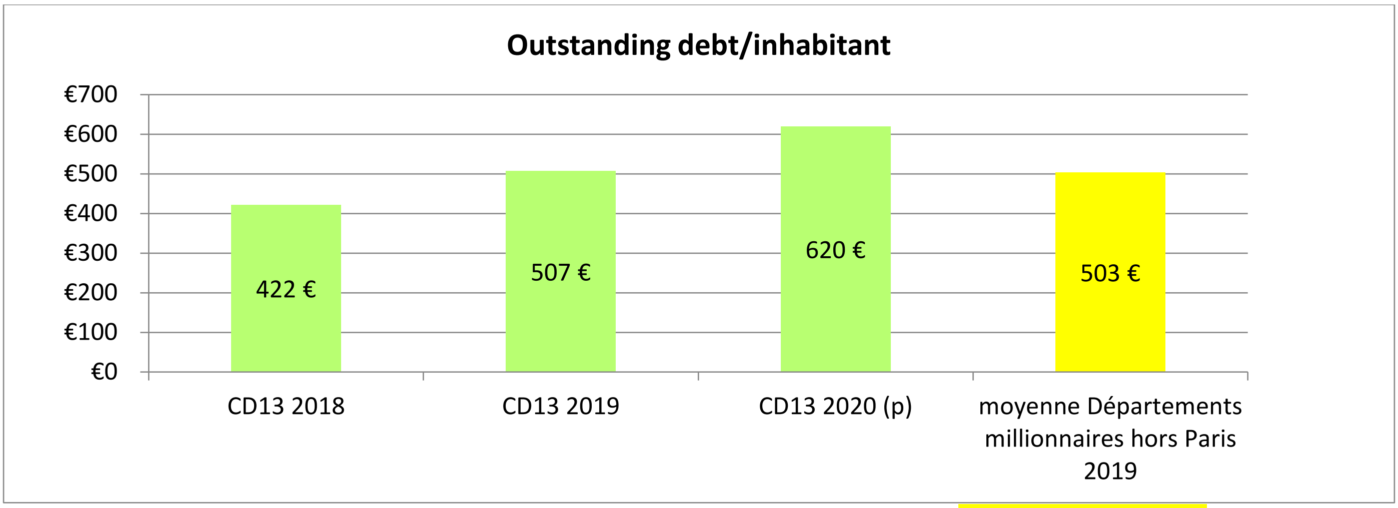
By the end of 2020, outstanding debt will be approaching 1,221 M€, which gives a solvency of 8.1 years, which should be compared to the ceiling set under the public finance programming Act 2018/2022 (10 years for Départements). Per capita debt will be 620 €.

In the financial year 2020 an amount of 70.8 M€ in principal will be repaid and 15.6 M€ in interest will be paid, which is an annual total of 86.4 M€.



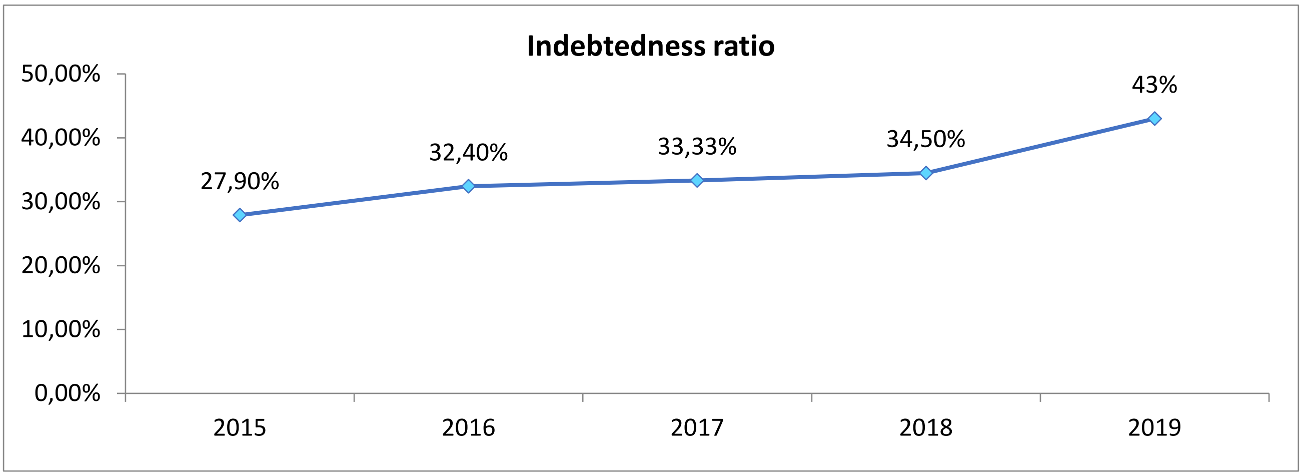
Debt stock CD13
Solvency CD13
Solvency millionaire CDx
(excluding Paris and including CD 69 and Lyon Métropole).
For 2019, solvency of CDx excluding Paris and CTU)

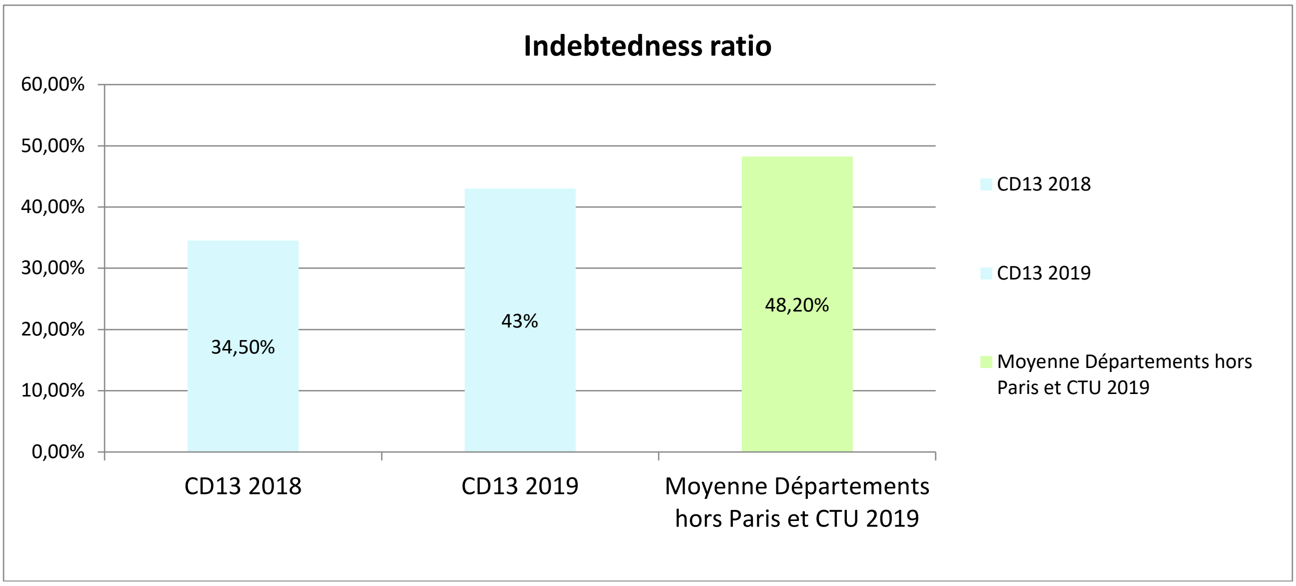




Average million+ population départements excl. Paris 2019

The indebtedness ratio, which is the ratio of outstanding debt to actual operating income, measures the debt burden of a local authority compared to its wealth.





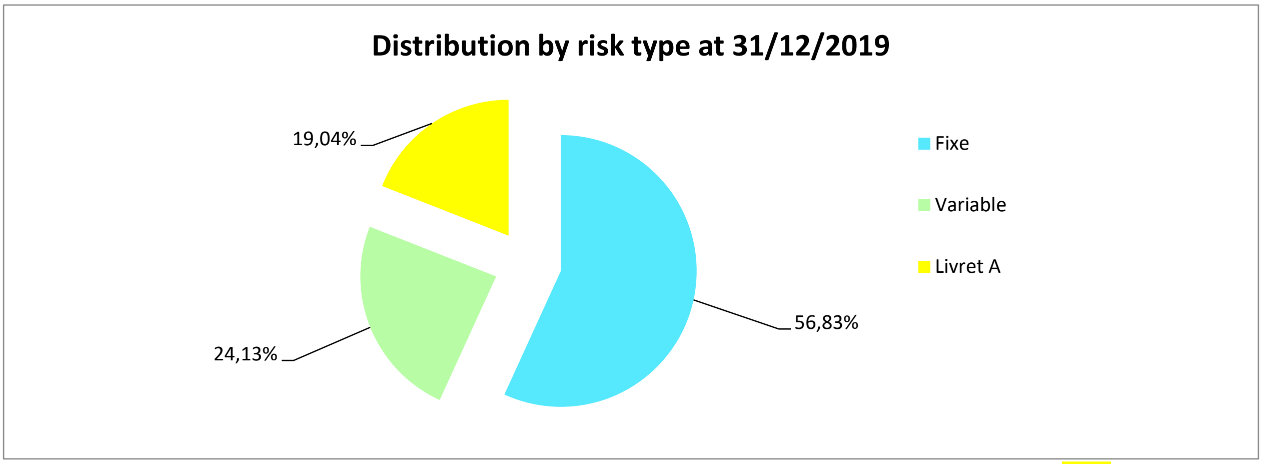
Average départements excluding Paris and CTU 2019

Indebtedness with very low risk exposure

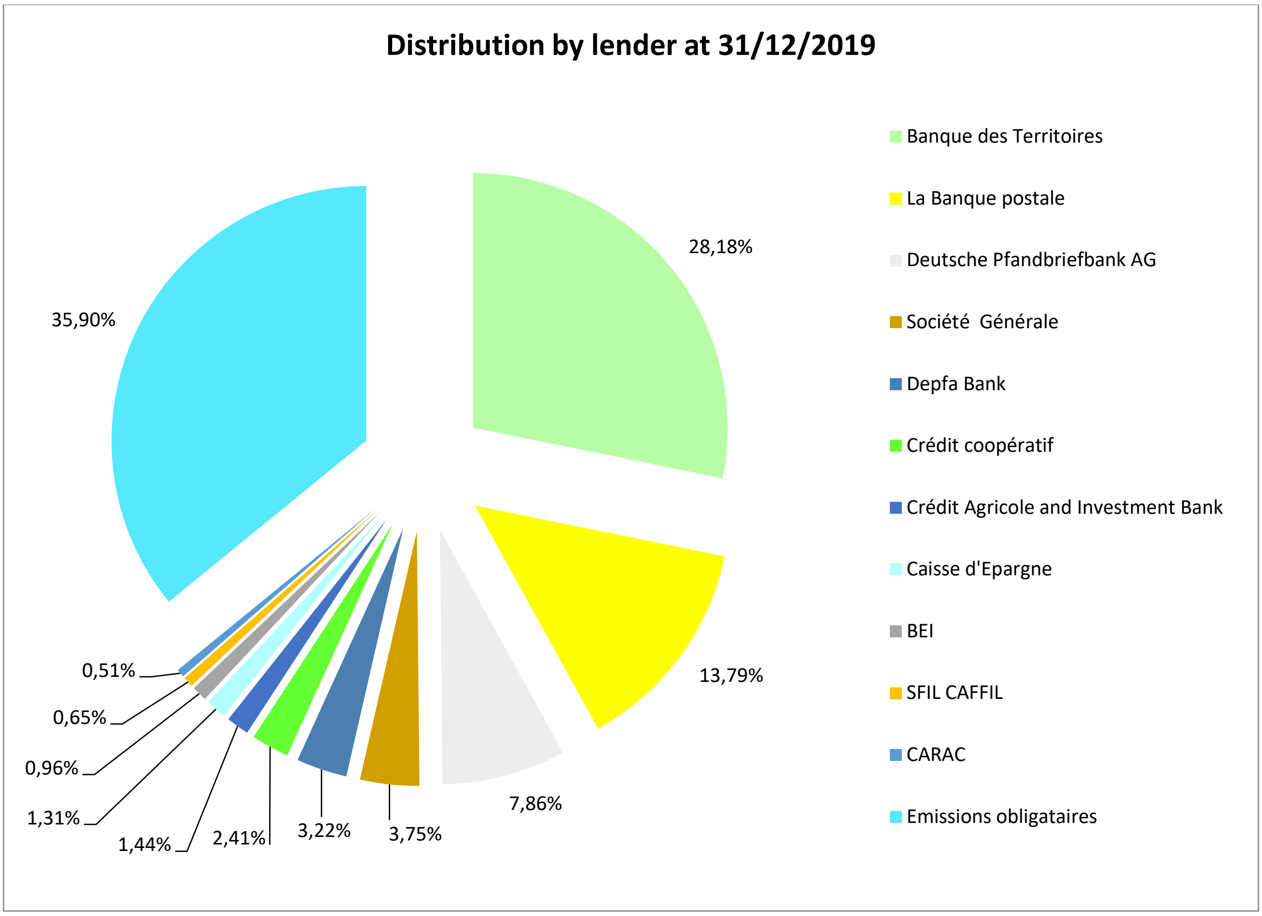
As at 31/12/2019, outstanding debt was balanced between fixed rate (56.8%) and variable rate (43.2%).

As at 31/12/2019, this indebtedness comprises 80 contracts all classified 1-A, in other words the lowest risk category in the "Gissler" scale (1: Eurozone indices, A: plain vanilla fixed rate; plain vanilla floating rate; fixed-to-floating rate or *vice versa*).

In the interests of diversifying its external sources of funds, the Département in 2019 obtained a loan of 150 M€ from the European Investment Bank as part of its financing for the Charlemagne Plan. This loan, released in annual tranches as the projects progress, covers the years 2019/2023.



Fixed
Variable
Livret A

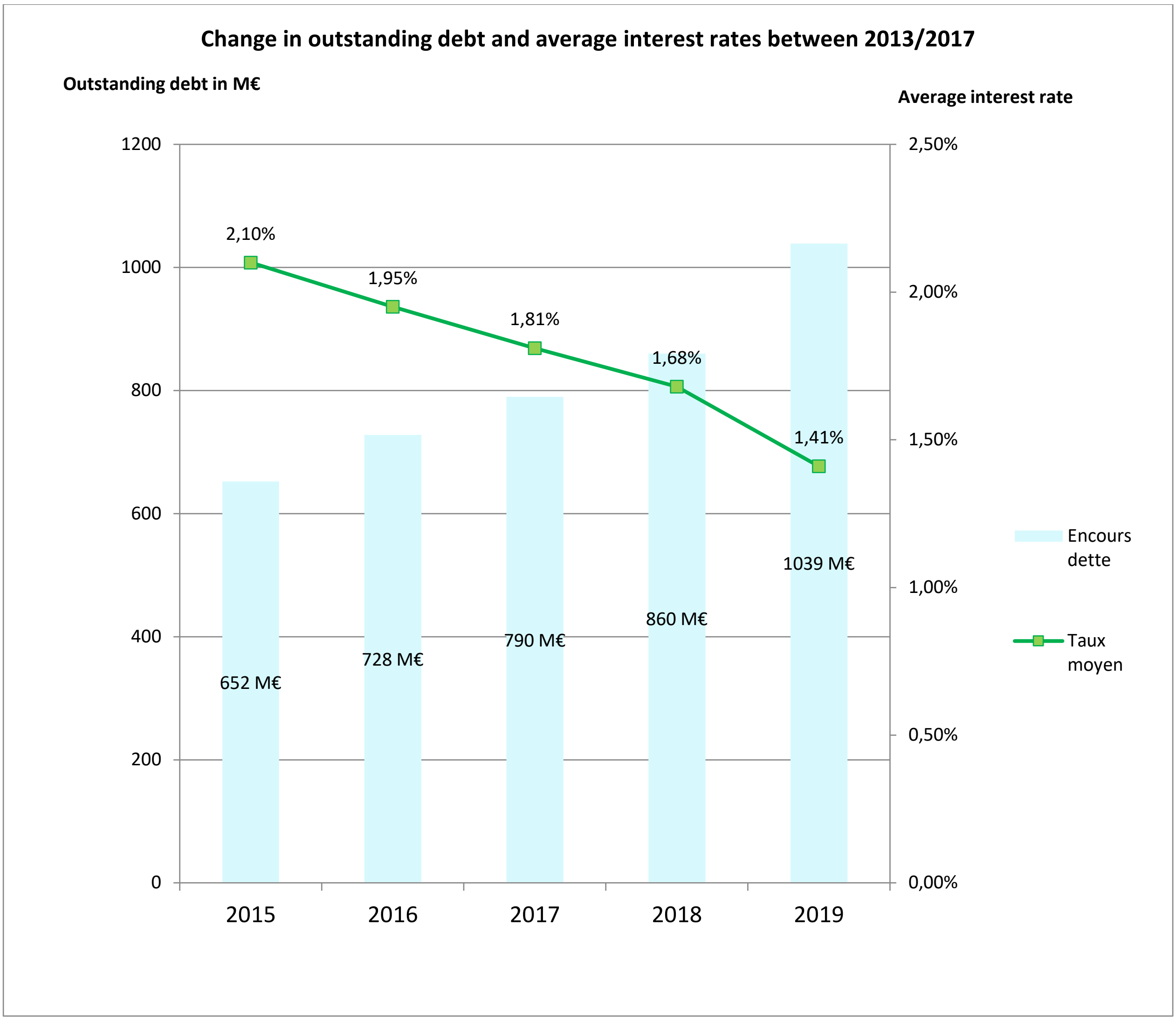


Emissions obligataires= Bond issues

A decreasing average rate

As at 31/12/2019, the average interest rate on outstanding debt is 1.41% (1.68% as at 31/12/2018).

The interest rate on the first tranche of the loan obtained from the European Investment Bank is currently 0%. The Issuer also has outstanding several zero rate facilities entered into with the *Banque des Territoires*.



Outstanding debt
Average rate

Debt repayment plan

The average residual debt maturity, expressed as a ratio in number of years, measures the remaining term of the outstanding loans weighed by the amounts outstanding under each loan.

The Département's average residual debt maturity is 13 years and 10 months as at 31 December 2019 (almost identical to that of 31/12/2018, 13 years and 8 months).

Cash flow management strategy

The Département prepares an annual cash flow plan and monitors cash flow on a weekly basis, in addition to a monthly cash flow status report. It has daily contact with the departmental Paymaster.

As of 1st January 2019, the cash balance was 197.1 M€ and 159.4 M€ as of 31 December 2019.

The Département currently has eight liquidity facilities for a total amount of 245 M€. These facilities were activated in March 2020 to ensure the Département's operational continuity during the crisis and pending the vote of the PB 2020.

On 18 October 2019, the Département Council approved the principle and launch of a Neu CP programme, in an amount of 100 M€, increased to 250 M€ at the public session held on 14 April 2020. This programme is in the process of preparation and should increase the Issuer's short-term financing flexibility.

Summary of the Issuer's indebtedness with a residual term of less than one year

The amounts of principal to be repaid in 2020 total 70.8 M€. One of the issues made by the Département finally matures in March 2020: it concerns a bond issue of 20 M€, arranged with Crédit Mutuel Arkéa.

Currency of the Issuer's debt

All of the Département's debt is denominated in euros.

D - Loan guarantees provided by the Département

The Council of the Département des Bouches-du-Rhône is a major participant in social housing policy within its territory through the financial support it provides to public and private organisations for all sorts of acquisition, construction or renovation projects.

It assists sponsors, such as the public housing offices (*Offices Publics de l'Habitat* - OPH) and in particular 13 Habitat, its operator, Housing Association private companies (*Sociétés Anonymes d'Habitat à Loyer Modéré* - SA d'HLM) or other organisations, providing them with the necessary guarantee for financing of their acquisition, construction or renovation of social housing or meeting the priorities of the Département's housing policy (technical advice from the relevant departments is systematically requested).

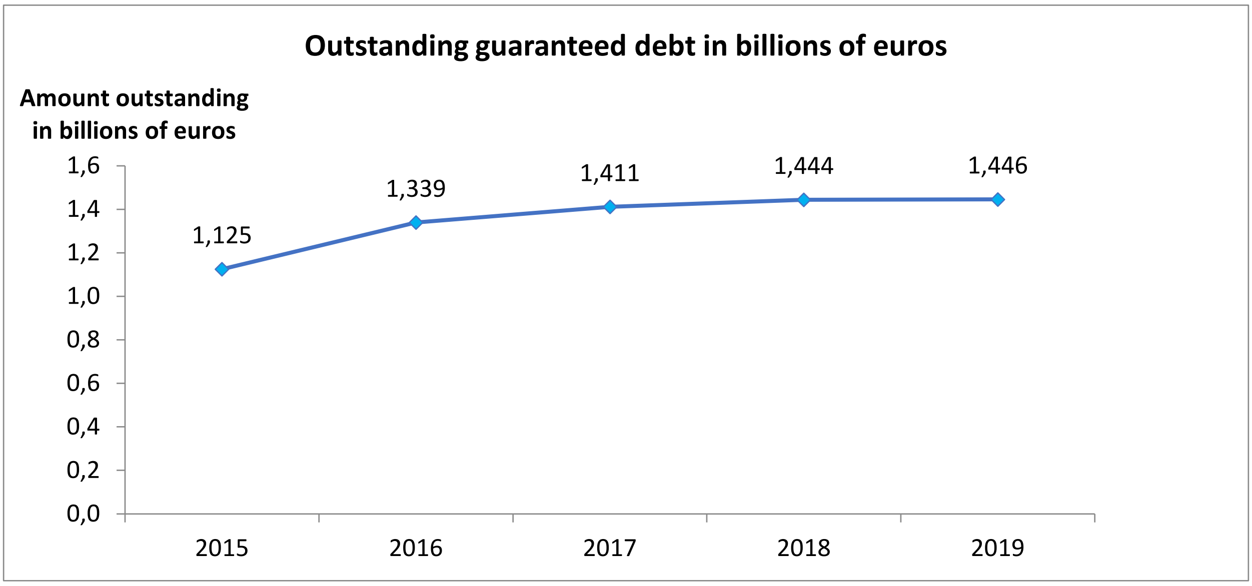
The Département's engagement enables these organisations to minimise the financing costs of these operations, whilst helping to develop the offer of rental properties to address the severe shortfall.

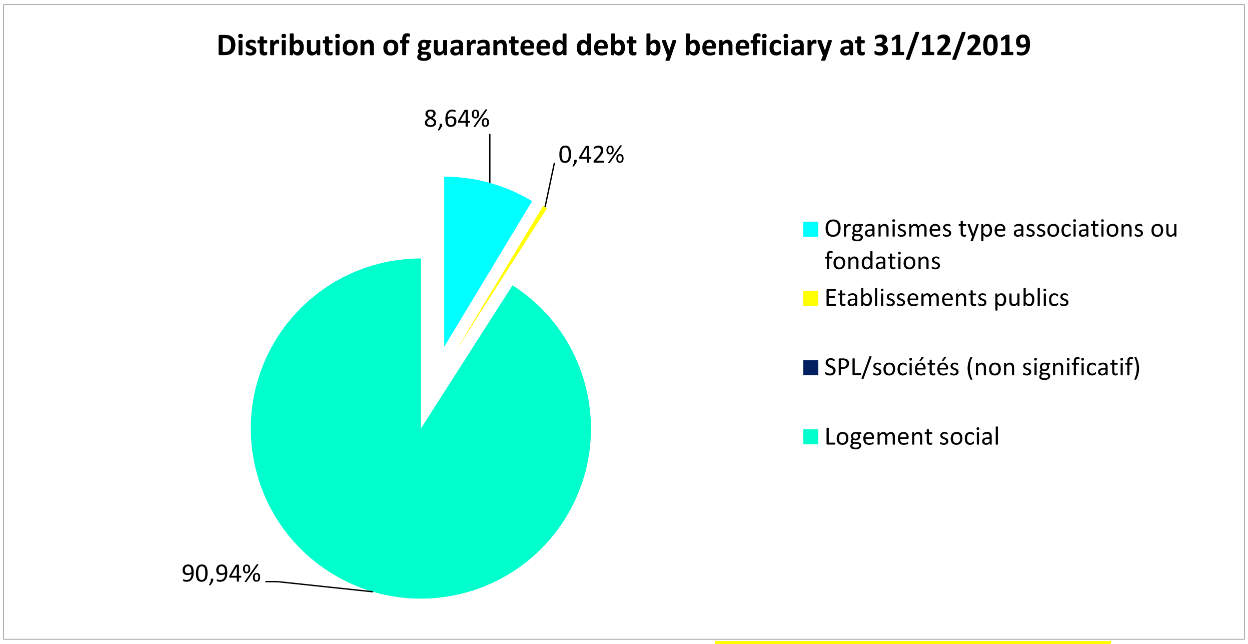
In direct relation to its powers in matters of solidarity and education, the Département also guarantees the financing of the construction or renovation of specialised centres (for children, the elderly, those with disabilities or health problems or for those needing social services support) or educational institutions (OGEC).

The Département Council's own structures are deliberately more restrictive than required under applicable regulations in terms of limiting the total amount of guaranteed loans not to be exceeded (30% of actual operating income compared to 50% under applicable regulations).

Each guaranteed organisation is subject to an annual financial analysis (based on its definitive accounts), following which it receives a score denoting its risk level.

As of 31 December 2019, the outstanding amount of guaranteed debt totalled 1,446 M€, including 90.9 % for social housing. The guaranteed debt of 13 Habitat amounts to 766 M€.





□ Bodies such as associations and foundations
□ Public institutions
□ SPL/companies (not significant)
□ Social housing

Setting aside of provisions

As a precaution, the Département has defined and implemented a provisions policy, pursuant to which it sets ratios (as to structure, management, debt, liquidity) which allows it to categorise different entities having analysed their accounts.

These ratios were updated and reviewed in 2018 with the help of the firm Michel KLOPFER, financial adviser to the local authority, out of a concern for accuracy and better suitability having regard to the type of entity guaranteed.

Each score (which defines the risk incurred) corresponds to a recommended percentage of provisioning, which the Département then sets aside in its budget.

The amount of provisions set aside for loan guarantees amounts to 11.8 M€ as of 1st January 2020.

SUBSCRIPTION AND SALE

Subject to the terms and conditions contained in a French language dealer agreement dated 15 September 2020 entered into between the Issuer, the Permanent Dealers and the Arranger (the **Dealer Agreement**), the Notes will be offered by the Issuer to the Permanent Dealers. However, the Issuer reserves the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between themselves in respect of Notes subscribed by such Dealer. If appropriate, the commissions in respect of an issue of Notes on a syndicated basis will be specified in the applicable Pricing Supplement. The Issuer has agreed to reimburse the Arranger for the expenses incurred by them in connection with the updating of the Programme and the Dealers for certain expenses in relation to their role under this Programme.

The Issuer has agreed to indemnify the Dealers against certain types of liability they may incur in connection with the offer and sale of Notes. The Dealers have undertaken to indemnify the Issuer against certain types of liability it may incur in connection with the offer and sale of Notes. The Dealer Agreement entitles the Dealers, under certain circumstances, to terminate any agreement they may enter into for the subscription of Notes prior to payment for such Notes being made to the Issuer.

1. GENERAL

These selling restrictions may be amended by mutual agreement between the Issuer and the Dealers in particular following any change to any applicable law, regulation or directive.

Each Dealer has undertaken to comply, to the fullest extent of the information in its possession, with all relevant laws, regulations and directives in each country in which it buys, offers, sells or delivers Notes or in which it holds or distributes the Offering Circular, any other offer document or any Pricing Supplement and neither the Issuer nor any of the other Dealers shall incur any liability in respect thereof.

2. UNITED STATES OF AMERICA

The Notes have not and will not be registered pursuant to the United States Securities Act of 1933 as amended (the **US Securities Act**) nor by any regulatory authority in respect of securities of any state or other jurisdiction of the United States of America. Subject to certain exceptions, Notes may not be offered or sold in the territory of the United States of America or, in the case of Materialised Notes, offered, sold or delivered in the territory of the United States of America. Each Dealer has undertaken and each new Dealer will be required to undertake, not to offer or sell any Note, or in the case of Materialised Notes, to deliver such Notes in the territory of the United States of America except in compliance with the Dealer Agreement.

Bearer Materialised Notes with a maturity of greater than one year are subject to US tax rules and may not be offered, sold or delivered in the territory of the United States of America or any of its possessions or to U.S. Persons, with the exception of certain transactions which are permitted under US tax laws. Terms used in this paragraph shall have the meaning given to them in the U.S. Internal Revenue Code of 1986 and regulations made thereunder.

In addition, the offering or sale by any Dealer (whether or not participating in the offering) of any identifiable tranche of Notes within the United States of America within the first forty (40) calendar days after the commencement of the offering, may violate the registration requirements under the US Securities Act.

3. UNITED KINGDOM

Each Dealer has represented and agreed and each new Dealer will be required to represent and agree that:

(a) in relation to any Notes having a maturity of less than one year, (i) it is a person whose ordinary activities involve acquiring, holding, managing or selling financial products (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes to persons in the United Kingdom, other than to persons whose ordinary activities involve acquiring, holding, managing or selling financial products (as principal or agent) for the purposes of their business or to persons who may reasonably be expected to acquire, hold, manage or sell financial products (as principal or agent) for the purposes of their business, where the issue of the Notes would otherwise constitute a violation of Section 19 of the Financial Services and Markets Act 2000 (the **FSMA**);

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not and will not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

4. ITALY

The offering of Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) in accordance with Italian securities laws and, accordingly, the Notes may not be, and shall not be, offered, sold or delivered in the Republic of Italy, and no copy of this Offering Circular, or any other document relating to the Notes may be, nor shall be, distributed in the Republic of Italy, except in any circumstance falling outside the scope of, or benefitting from an exemption under, the regulations applicable to public offers in accordance with Article 1 of Regulation (EU) n°2017/1129 (the **Prospectus Regulation**), Article 34-*ter* of CONSOB Regulation n°11971 of 14 May 1999, as amended from time to time, and all applicable Italian laws.

Any offer, sale or delivery of Notes or any distribution of a copy of this Offering Circular or any other document relating to the Notes in the Republic of Italy in the circumstances described above must be:

(a) made by an investment firm, bank or financial intermediary authorised to conduct such activities in the Republic of Italy in accordance with the Financial Services Law, CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and legislative decree No. 385 of 1 September 1993, as amended from time to time (the **Banking Act**);

(b) in compliance with all other laws and regulations or requirements imposed by the CONSOB, the Bank of Italy (including all disclosure requirements, if applicable, under Article 129 of the Banking Act and the guidelines of the Bank of Italy, as amended from time to time) or by any other Italian authority.

5. FRANCE

Each of the Dealers and the Issuer has represented and agreed that it undertakes to comply with all current laws and regulations applicable in France in relation to the offering, placement or sale of Notes and the distribution in France of the Offering Circular and any other documents relating to the Notes.

FORM OF PRICING SUPPLEMENT

Set out below is the Form of Pricing Supplement which will be completed for each Tranche of Notes:

[**MiFID II Product Governance / Target Market: eligible counterparties and professional clients only** – Solely for the purposes of the process of approval of [the/each] manufacturer of the product, the target market assessment of the Notes, taking into account the 5 categories referred to in paragraph 18 of the Guidelines published by the European Securities and Markets Authority on 5 February 2018, led to the conclusion that: (i) the target market of the Notes concerns only eligible counterparties and professional clients as defined in MiFID II and (ii) all channels for distribution of the Notes to eligible counterparties or professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) must take into consideration the target market assessment of the manufacturer[s]. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment carried out by the manufacturer[s]) and determining appropriate distribution channels.]

Pricing Supplement dated [●]

DEPARTEMENT DES BOUCHES-DU-RHÔNES

Legal Entity Identifier (LEI): 969500DMKVFI7KGA5F92

€500,000,000

Euro Medium Term Note Programme

[Brief description and aggregate nominal amount of Notes]

SERIES No: [●]

TRANCHE No: [●]

Issue Price: [●] %

[Name(s) of Dealer(s)]

PART A

CONTRACTUAL TERMS

This document constitutes the Pricing Supplement in respect of the issue of notes described below (the **Notes**) and contains the final terms of the Notes. This Pricing Supplement completes the offering circular dated 15 September 2020 [and the supplement to the offering circular dated [●]] relating to the 500,000,000 Euro Medium Term Note Programme of the Issuer which [together] constitute[s] an offering circular (the **Offering Circular**) and must be read in conjunction therewith. Terms used below shall have the meaning given to them in the Offering Circular. The Notes shall be issued in accordance with the provisions of this Pricing Supplement together with the Offering Circular. The Issuer accepts responsibility for the information contained in this Pricing Supplement which, together with the Offering Circular, contain all material information in connection with the issue of the Notes. Full information on the Issuer and the offer of Notes is available solely on the combined basis of this Pricing Supplement and the Offering Circular. The Pricing Supplement and the Offering Circular are available on the dedicated page of the Issuer's website (https://www.departement13.fr/linstitution/ledepartement/lebudget/lempruntobligataire). [The Offering Circular is also available [on/at] [●].][73]

[The following language applies if the first Tranche of an issue which is being increased was issued under a prospectus or offering circular with an earlier date.]

Terms used below shall be deemed to have been defined for the purposes of the [2013 Conditions of the Notes / 2014 Conditions of the Notes / 2015 Conditions of the Notes / 2016 Conditions of the Notes/ 2018 Conditions of the Notes/ 2019 Conditions of the Notes] incorporated by reference in the offering circular dated 15 September 2020 [and in the supplemental offering circular dated [●] relating to the 500,000,000 Euro Medium Term Note Programme of the Issuer] which [together] constitute[s] an offering circular (the **Offering Circular**). This document constitutes the Pricing Supplement relating to the issue of the Notes hereinafter described and should be read together with the Offering Circular, with the exception of the Conditions of the Notes which are replaced by the [2013 Conditions of the Notes / 2014 Conditions of the Notes / 2015 Conditions of the Notes / 2016 Conditions of the Notes /2018 Conditions of the Notes/2019 Conditions of the Notes]. The Notes shall be issued in accordance with the conditions of this Pricing Supplement together with the Offering Circular. Full information on the Issuer and the offer of Notes is available solely on the combined basis of this Pricing Supplement and the Offering Circular. The Pricing Supplement and the Offering Circular are available on the dedicated page of the Issuer's website (https://www.departement13.fr/linstitution/ledepartement/lebudget/lempruntobligataire). [Furthermore, the Pricing Supplement and the Offering Circular are available [on/at] [●].][74]]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]

[73] If the Notes are admitted to trading on a Regulated Market other than Euronext Paris.
[74] If the Notes are admitted to trading on a Regulated Market other than Euronext Paris.

1.	**Issuer**:		Département des Bouches-du-Rhône
2.	(a)	Series:	[●]
	(a)	Tranche:	[●]
	(b)	Date on which the Notes will be consolidated and form a single Series:	[The Notes shall be consolidated (*assimilable)* and form a single Series with [*describe the relevant Series*] issued by the Issuer on [*insert the relevant date*] (the "**Existing Titles**") as of [*insert the relevant date*]. Once the Notes are admitted to trading, they shall be fully fungible with the Existing Notes, and shall form a single Series.] [Not Applicable]
3.	**Specified Currency**:		Euro (€)
4.	**Aggregate Nominal Amount**:		[●]
	(a)	Series:	[●]
	[(b)	Tranche:	[●]]
5.	**Issue Price**:		[●] % of the Aggregate Nominal Amount [plus accrued interest since [*insert the date*] (in case of fungible issues or first broken coupon, if any)
6.	**Specified Denomination(s)**:		[●] *(only one Denomination for Dematerialised Notes)*
7.	(a)	Issue Date:	[●]
	(a)	Interest Period Commencement Date:	[●] *[Specify /* Issue Date / Not Applicable]
8.	**Maturity Date**:		[*Specify the date or (for the Floating Rate Notes) the Coupon Payment Date of the relevant month and year or the nearest date from the Coupon Payment Date of the relevant month and year*]
9.	**Interest Basis**:		[Fixed Rate of [●] %] [EURIBOR or EONIA][TEC10] +/-[●] % of the Floating Rate] [Zero Coupon Note] (other details indicated below)
10.	**Redemption/Payment Basis**:		Subject to repurchase and cancellation or anticipated redemption, the Notes will be redeemed at the Maturity Date at [100]/[●] % of their nominal amount. [Redemption by Instalments]
11.	**Change of Interest Basis**:		**[**Applicable (*for the Fixed/Floating Rate Notes*)/Not Applicable**]** *(If applicable, specify details related to the conversion of the Fixed/Floating Rate interest under Article 4.4)*

12.	**Redemption at the option of the Issuer/Noteholders**:		[Redemption at the option of the Issuer]/[Redemption at the option of the Noteholders][Not applicable] [(*other details indicated below*)]
13.	(a)	Status of the Notes:	Senior
	(a)	Authorisation date for the issue of the Notes:	[●]
14.	**Distribution Method**:		[Syndicated/Non-syndicated]

PROVISIONS RELATED TO INTERESTS (IF ANY) TO BE PAID

15.	**Provisions related to the Fixed Rate Notes**:		[Applicable/Not Applicable] *(If this paragraph is not applicable, delete other sub-paragraphs)*
	(a)	Interest Rate:	[●] % per year [payable [annually/half-yearly/quarterly/monthly/other (*specify*)] at maturity]
	(b)	Coupon Payment Date(s):	[●] in each year [adjusted in accordance with [*specify Business Day Convention and any relevant Business Centre(s) for the "Business Day" definition*]/not adjusted
	(c)	Fixed Coupon Amount[(s)]:	[●] per Specified Denomination of [●]
	(d)	Broken Amount[(s)]:	[*Include information relating to the initial or final Broken Amount which are different to the Fixed Coupon Amount(s) and Interest Payment Date(s) to which they relate*][Not Applicable]
	(e)	Day Count Fraction (Article 4.1):	[Actual/365 / Actual/365-FBF / Actual/Actual-[ICMA/FBF] / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360 FBF / Actual 30A/360 (American Bond Basis).]
	(f)	Determination Date(s) (Article 4.1):	[●] in each year (*specify the regular Coupon payment dates, excluding the Issue Date and the Maturity Date in the case of a first or last long or short Coupon*.[Not Applicable] *N.B.: only applicable where the Day Count Fraction is Actual/Actual (ICMA) Basis).*
16.	**Provisions relating to Floating Rate Notes**:		[Applicable/Not Applicable] *(If this paragraph is not applicable, delete other sub-paragraphs).*
	(a)	Interest Period(s)/ Interest Accrual Period Date:	[●]
	(b)	Coupon Payment Date(s):	[●]
	(c)	First Coupon Payment Date:	[●]

(d)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] /[Not adjusted]
(e)	Business Center(s) (Article 4.1):	[●]
(f)	Manner in which the Interest Rate[s] is/[are] to be determined:	[Screen Rate Determination/FBF Determination]
(g)	Party responsible for calculating the Interest Rate(s) and Coupon Amount(s) (if other than the Calculation Agent):	[●][Not Applicable]
(h)	Screen Rate Determination (Article 4.30):	[Applicable/Not Applicable] (*If this sub-paragraph is not applicable, delete the remaining sub-paragraphs)*
	Relevant Rate:	[●]
	Screen Page:	[●]
	Relevant Time:	[●]
	Coupon Determination Date:	[[●] [TARGET] Business Days in [*specify the city*] for [*specify the currency*] before [the first day of each Interest Period/each Interest Payment Date]]
	Primary source for the Floating Rate:	[●](*Specify the relevant Screen Page or "Reference Banks"*)
	Reference Banks (if the primary source is "Reference Banks"):	[●](*Specify four entities/ Not Applicable*)
	Relevant Financial Centre:	[*The financial centre most closely connected with the Benchmark– specify, if other than Paris*]
	Benchmark:	*[EONIA, EURIBOR, TEC10]* (*if the Interest Rate is determined by linear interpolation in respect of a [first/last] [long/short] Interest Period, insert the relevant interest period(s) and the relevant rates used for the determination described herein)*
	Representative Amount:	[●]*(Specify if quotations published on a Screen Page or offered by Reference Banks must be given for a transaction of a specific amount)*
	Effective Date:	[●]*(Specify if quotations are not to be obtained with effect from commencement of Interest Period)*
	Specified Duration:	[●]*(Specify period for quotation if other than duration of Interest Period)*
(i)	FBF Determination (Article 4.3(c))	[Applicable/Not Applicable] (*If this sub-paragraph is not applicable, delete the remaining sub-paragraphs)*

		Floating Rate:	[●]
			(*if the Interest Rate is determined by linear interpolation in respect of a [first/last] [long/short] Interest Period, insert the relevant interest period(s) and the relevant rates used for the determination described herein)*
		Determination Date for Floating Rate:	[●]
		FBF Definitions:	[●]
	(j)	Margin(s):	[+/-] [●] % per annum/ Not Applicable]
	(k)	Minimum Interest Rate:	[0]/[●] % per annum[75]
	(l)	Maximum Interest Rate:	[●] % per annum/ Not Applicable]
	(m)	Day Count Fraction (Article 4.1):	[Actual/365 / Actual/365-FBF / Actual/Actual-[ICMA/FBF] / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360 FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Euro Bond Basis / 30E/360-FBF]
	(n)	Rate Multiplier:	[●]
17.	**Provisions relating to Zero Coupon Notes**:		[Applicable/Not Applicable]
			(*If this paragraph is not applicable, delete the remaining sub-paragraphs*)
	(a)	Amortisation Yield:	[●]% per annum
	(b)	Day Count Fraction:	[Actual/365 / Actual/365-FBF / Actual/Actual-[ICMA/FBF] / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360 FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Euro Bond Basis / 30E/360-FBF]

PROVISIONS RELATING TO REDEMPTION

18.	**Issuer Call**:		[Applicable/Not Applicable]
			(*If this paragraph is not applicable, delete the remaining sub-paragraphs*)
	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount(s) for each Note:	[●] per Note [of Specified Denomination [●]]
	(c)	If redeemable in part:	
		(i) Minimum redemption amount:	[●]
		(ii) Maximum redemption amount:	[●]

75 Interest payable on the Notes shall in all circumstances be equal to at least zero.

	(d)	Notice period:	[●]
19.	**Noteholder Put**:		[Applicable/Not Applicable] (*If this paragraph is not applicable, delete the remaining sub-paragraphs*)
	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount(s) for each Note:	[●] per Note [of Specified Denomination [●]]
	(c)	Notice period (Article 5.3):	[●]
20.	**Final Redemption Amount for each Note**:		[[●] per Note [of Specified Denomination of [●]]]
21.	**Instalment Amount**		[Applicable/Not Applicable] (*If this sub-paragraph is not applicable, delete the remaining sub-paragraphs)*
	(a)	Instalment Date(s):	[●]
	(b)	Instalment Amount(s) for each Note:	[●]
22.	**Early Redemption Amount**		
	(a)	Early Redemption Amount(s) for each Note paid on redemption for tax reasons (Article 5.6), for illegality (Article 5.9) or on Event of Default (Article 8):	[Pursuant to the Terms]/[●] per Note [of Specified Denomination [●]/(*for notes with Payment in Instalments*) the unamortised face value]
	(b)	Redemption for tax reasons on dates other than Interest Payment Dates (Article 5.6):	[Yes/No]
	(c)	Unmatured Coupons to be cancelled on early redemption (Materialised Notes only (Article 6.2(b)):	[Yes/No/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	**Form of the Notes**:		[Dematerialised Notes/Materialised Notes] *(Materialised Notes are issued in bearer form only) (Delete as appropriate)*
	(a)	Form of Dematerialised Notes:	[*In bearer form/ registered form/Not Applicable]*
	(b)	Registration Agent:	[Not Applicable/[●] (*if applicable name and information)*] (*N.B. a Registration Agent may be appointed in respect of Dematerialised Notes in pure registered form (au nominatif pur) only).*
	(c)	Temporary Global Certificate:	[Not Applicable/Temporary Global Certificate exchangeable for Physical Notes on [●] (the **Exchange Date**), forty calendar days after the issue date, unless postponed, as specified in the Temporary Global Certificate.]

24.	**Financial Centre(s) (Article 6.6):**	[Not Applicable/*Specify*]. *(N.B. this relates to the date and place for payment and not the Interest Payment Dates referred to in paragraphs 15(ii) and 16(i).)*
25.	**Talons for future Coupons or Receipts to be attached to Physical Notes**:	[Yes/No/Not Applicable]. *(If yes, specify) (Only applicable to Materialised Notes.)*
26.	**Masse (Article 10):**	*(Specify details relating to the initial and alternate Representatives and their remuneration)* Name and contact details of the initial Representative are: [●] Name and contact details of the alternate Representative are: [●] The Representative of the Masse [shall receive a remuneration of €[●] per year with respect to its functions/shall not receive compensation with respect to its functions] [For as long as a single Noteholder holds the Notes, and in the absence of the appointment of a Representative, the relevant Noteholder will exercise all of the powers devolved to the *Masse* by the provisions of the *Code de Commerce*, as supplemented by the Terms and Conditions of the Notes. The Issuer will hold (or cause any authorised agent to hold) a register of all decisions adopted by the single Noteholder and will make it available, on request by any other Noteholder. A representative shall be appointed as soon as the Notes of a Series are held by more than one Noteholder (except where a Representative has already been appointed in the applicable Pricing Supplement).]
27.	**Other information:**	[●] *(insert any additional information)*

PURPOSE OF THE PRICING SUPPLEMENT

This Pricing Supplement comprises the pricing supplement required for issue [and] [admission to trading of the Notes on [Euronext Paris/other *(specify)*]] described herein pursuant to the €500,000,000 Euro Medium Term Note Programme of the departmental Council of the *Bouches-du-Rhône*.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. [(*Relevant third party information*) has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.][76]

Signed on behalf of the Issuer:

By: ....

Duly authorised

[76] To be included if information is provided by a third party.

PART B

OTHER INFORMATION

1. [RISK FACTORS

[Not applicable]/[*Insert any risk factor relating to the Issuer and/or the Notes*)]

2. ADMISSION TO TRADING

(a)	Admission to trading:	[An application for admission of the Notes to trading on [Euronext Paris/other *(specify)*] as from [●] has been made.] [An application for admission of the Notes to trading on [Euronext Paris/other *(specify)*] as from [●] shall be made by the Issuer (or on its behalf).] [Not Applicable] (*in the case of fungible issues, specify that the original Notes have already been admitted to trading.*)
(b)	Total estimated costs relating to admission to trading:	[[●]/Not Applicable]

3. RATINGS

Ratings:	The Programme has been assigned a AA- rating by Fitch Ratings (**Fitch**). Fitch is established in the United Kingdom and is registered in accordance with Regulation (EC) No. 1060/2009 relating to credit rating agencies as amended (the **CRA Regulation**). Fitch is included on the list of rating agencies published by the European Financial Markets Authority on its website (www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the CRA Regulation. Notes to be issued [have not been assigned any rating][have been assigned the following rating: [Fitch: [●]] [[Other]: [●]] *(The rating assigned to the Notes issued under the Programme must be specified above or, if an issue of Notes has been assigned a specific rating, such specific rating should be specified above.)* [*Give a brief explanation of the meaning of this rating, if already published by the rating agency that issued it.*]

4. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

The purpose of this section is to describe any interest, including any conflict of interest that may have a material impact on the issue of Notes, identifying each person concerned and the nature of such interest. This may be satisfied by inserting the following statement:

["Except commissions related to the issue of Notes paid to the Dealer(s), to the knowledge of the Issuer, no other person involved in the issue of Notes has any interest material to it. The dealer(s) and its/their affiliate(s) have engaged and may engage in investment banking and/or commercial banking transactions with the Issuer, and may perform other services for it in the ordinary course of business."]]

5. REASONS FOR THE OFFER AND USE OF PROCEEDS

[Reasons for the Offer:	[●]

6. [FIXED RATE NOTES ONLY - YIELD

Yield:	[●] The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7. [FLOATING RATE NOTES ONLY – HISTORICAL INTEREST RATES AND BENCHMARKS

Details of historical interest rates [EURIBOR, EONIA] achieved [Reuters].]

8. DISTRIBUTION

If it is syndicated, names of the Placement Syndicate Members:	[Not applicable/*give names*] (if this paragraph is not applicable, please delete the following subsections)
(a) Members responsible for the Regularisation Transactions (if any):	[Not applicable/*give names*]
(b) Date of the underwriting agreement:	[●]
If it is not syndicated, names of the Dealer:	[Not applicable/*give name*]
Sale restrictions – United States of America:	[Regulation S Compliance Category 1: Rules TEFRA C / Rules TEFRA D / Not applicable] (*Rules TEFRA are not applicable to the Dematerialised Notes*)

9. OPERATIONAL INFORMATION

(a)	ISIN Code:	[●]
(b)	Common Code:	[●]

(c)	Depositary:	
	(i) Euroclear France acting as Central Depositary:	[Yes/No]
	(ii) Common Depositary for Euroclear and Clearstream:	[Yes/No]
(d)	Any clearing system other than Euroclear France, Euroclear and Clearstream and the relevant identification numbers:	[Not Applicable/give name(s) and number(s)]
(e)	Delivery:	Delivery [against/free of payment]
(f)	Names and addresses of initial Paying Agents appointed for the Notes:	[●]
(g)	Names and addresses of additional Paying Agents appointed for the Notes:	[[●]/ Not Applicable]

GENERAL INFORMATION

1. The Issuer has obtained all consents, approvals and authorisations necessary in France in connection with the updating of the Programme. Any issue of Notes shall be authorised by a resolution of the departmental Council (*Conseil départemental*) of the Issuer. Pursuant to resolution No. 3 dated 14 April 2020, the departmental Council of the Issuer authorised its *Présidente* to raise financing of any nature, subject to compliance with certain conditions (in particular with respect to applicable rate or term), denominated in euros, notably bonds issue including under an EMTN programme until the commencement of the electoral campaign for the Issuer's departmental Council elections, subject to the applicable legal provisions, the amounts set forth in the budget and to enter into necessary acts, contracts and amendments in that respect.

   Except for events referred to in the section "Description of the Issuer", there has been no material change to (a) the fiscal and budgetary systems, (b) the gross public debt, (c) the trade balance and the balance of payments, (d) the foreign currency reserves, (e) the financial resources situation or (f) the income and expenditure, of the Issuer since 31 December 2019.

2. The Issuer is not involved in, nor are there any governmental, legal or arbitration proceedings pending or threatened, of which the Issuer is aware, which may have or have had a material effect on the financial position of the Issuer during the twelve months prior to the date of this Offering Circular.

3. An application for acceptance of the Notes for clearance through Euroclear France (66, rue de la Victoire – 75009 Paris – France), Euroclear (boulevard du Roi Albert II – 1210 Bruxelles – Belgique) and Clearstream (42 avenue JF Kennedy – 1885 Luxembourg – Grand- Duché de Luxembourg) may be made. The Common Code and ISIN number (International Securities Identification Number) or the identification number of any other relevant clearing system for each Series of Notes shall be specified in the applicable Pricing Supplement.

4. So long as any Notes issued under this Offering Circular remain outstanding, copies of the following documents shall be available, upon publication, free of charge, during normal office hours, at any days of the week (except Saturdays, Sundays and public holidays) at the specified offices of the Fiscal Agent and the Paying Agent(s):

   (a) the Fiscal Agency Agreement (which includes the form of accounting letter (*lettre comptable*), the Temporary Global Certificates, Physical Notes, Coupons, Receipts and Talons);

   (b) the two most recent initial budgets (as amended, if applicable, by any supplemental budget) and the published administrative accounts of the Issuer;

   (c) all Pricing Supplements relating to any Notes admitted to trading on Euronext Paris or any other regulated market of the EEA;

   (d) a copy of this Offering Circular and any supplement to this Offering Circular or any new offering circular;

   (e) the documents incorporated by reference into this Offering Circular; and

   (f) all reports, correspondence and other documents, appraisals and statements issued by any expert at the request of the Issuer, any extracts of which, or references to which, are contained in this Offering Circular relating to any issue of Notes.

5. The price and the amount of the Notes issued within the Programme shall be determined by the Issuer and each relevant Dealer at the time of the issue in accordance with the market conditions.

6. For any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes shall be specified in the applicable Pricing Supplement. The yield is calculated at the Issue Date of the Notes on the basis of the Issue Price. The specified yield shall be calculated as the yield to maturity as at the issue date of the notes and shall not be an indication of future yield.

7. In connection with the issue of each Tranche, one of the Dealers may act as stabilisation manager (the "**Stabilisation Manager**"). The entity acting as Stabilisation Manager shall be specified in the applicable Pricing Supplement. For the purposes of an issue, the Stabilisation Manager (or any person acting on behalf of the Stabilisation Manager) may over-allot Notes or take action with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail in the absence of such action (the "**Stabilisation Measures**"). However, such Stabilisation Measures may not necessarily be taken. Such Stabilisation Measures may only commence after the date on which the pricing supplement of the issue of the relevant Tranche have been made public and, once commenced, may end at any time and must end no later than the earlier of the following two dates: (a) 30 calendar days after the issue date of the relevant Tranche and (b) 60 calendar days after the date of allotment of the Notes of the relevant Tranche. Any Stabilisation Measures taken must comply with all applicable laws and regulations.

8. In this Offering Circular, unless otherwise provided or the context requires otherwise, any reference to "€", "Euro", "EUR" and "euro" refers to the lawful currency in the Member States that have adopted the single currency introduced in accordance with the Treaty establishing the European Economic Community as amended.

9. Each of the Dealers and their affiliates (including where a Dealer acts in its capacity as calculation agent) may or may in the future, in the normal course of their activities, engage in commercial dealings with or act as financial advisers to the Issuer, in relation to securities issued by the Issuer. In the normal course of their activities, each of the Dealers and their affiliates (including where a Dealer acts in its capacity as calculation agent) may or may in the future (i) engage in investment banking, trading or hedging activities including activities that may include prime brokerage business or entry into derivative transactions, (ii) act as underwriters in connection with the offering of securities issued by the Issuer or (iii) act as financial advisers to the Issuer. In the context of these transactions, each of the Dealers and their affiliates (including where a Dealer acts in its capacity as calculation agent) hold or may hold securities issued by the Issuer in which case they receive or will receive customary fees and commissions for these transactions. In addition, the Issuer and each of the Dealers (including where a Dealer acts in its capacity as calculation agent) may be engaged in transactions involving an index or derivatives based on or relating to the Notes, which could affect the market price, liquidity or value of Notes and could have an adverse effect on the interests of the Noteholders.

RESPONSIBILITY FOR THE OFFERING CIRCULAR

Person assuming responsibility for this Offering Circular

In the name of the Issuer

I confirm, having taken all reasonable care to ensure that such is the case, that the information contained in this Offering Circular is, to my knowledge, in accordance with the facts and omits nothing likely to affect its import.

Marseille, 15 September 2020

CONSEIL DEPARTEMENTAL DES BOUCHES-DU-RHÔNE

Hôtel du Département
52, avenue Saint-Just
13256 Marseille Cedex 20

Represented by: Didier REAULT

Vice-President of the Departmental Council of the Bouches-du-Rhône, General Rapporteur of the Budget

Issuer

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Hôtel du Département
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13256 Marseille Cedex 20

Arranger

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75008 Paris
France

Dealers

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92547 Montrouge
France

CREDIT MUTUEL ARKEA
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29480 Le Relecq Kerhuon
France

DEUTSCHE BANK AKTIENGESELLSCHAFT
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60325 Frankfurt
Germany

HSBC FRANCE
103, avenue des Champs Elysées
75008 Paris
France

NATIXIS
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75013 Paris
France

SOCIETE GENERALE
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75009 Paris
France

Fiscal Agent, Principal Paying Agent and Calculation Agent
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