

STATES OF JERSEY



ESTABLISHMENT AND FUNDING OF THE FISCAL STIMULUS FUND (P.128/2020): AMENDMENT

Lodged au Greffe on 2nd November 2020
by Deputy K.F. Morel of St. Lawrence

STATES GREFFE

ESTABLISHMENT AND FUNDING OF THE FISCAL STIMULUS FUND
(P.128/2020): AMENDMENT

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After paragraph (b) insert the following new paragraphs –

- “(c) to agree that expressions of interest must include a summary of the economic benefits that each project will deliver to the Island, including detail as to which business sectors will derive most value, and the age and gender of the people most likely to benefit economically from the project; and that this summary should be provided at Stage Two (the development of the full business case) and be provided to the Fiscal Stimulus Oversight Group and the Corporate Services Scrutiny Panel for their consideration; and
- (d) to agree that following agreement of the prioritisation of projects by the Minister for Treasury and Resources, the detailed economic benefit report should be published so that Islanders can understand how each project will bring benefits to the economy.”

DEPUTY K.F. MOREL OF ST. LAWRENCE

Note: After this amendment, the proposition would read as follows –

THE STATES are asked to decide whether they are of opinion –

- (a) to establish a States Fund to be known as the Fiscal Stimulus Fund in accordance with Article 6 of the Public Finances (Jersey) Law 2019 with terms of reference as set out in the Appendix to the Report;
- (b) to agree that the Minister for Treasury and Resources should obtain financing of £50 million to establish the Fiscal Stimulus Fund in accordance with Article 6(3) of the Public Finances (Jersey) Law 2019 using the Revolving Credit Facility entered into by the Minister for Treasury and Resources under Ministerial Decision MD-TR-2020-0051;
- (c) to agree that expressions of interest must include a summary of the economic benefits that each project will deliver to the Island, including detail as to which business sectors will derive most value, and the age and gender of the people most likely to benefit economically from the project; and that this summary should be provided at Stage Two (the development of the full business case) and be provided to the Fiscal Stimulus Oversight Group and the Corporate Services Scrutiny Panel for their consideration; and
- (d) to agree that following agreement of the prioritisation of projects by the Minister for Treasury and Resources, the detailed economic benefit

report should be published so that Islanders can understand how each project will bring benefits to the economy.

REPORT

Since the concept of the Fiscal Stimulus Fund was first proposed by Ministers in statements to the public, I have consistently questioned whether those projects that the funds are provided to will bring benefits to as wide a section as possible of the economy and whether they will bring benefits to both women and men.

The reasons for this questioning are simple. Fiscal Stimulus tends to favour capital projects because of the requirement to be temporary. In turn, capital projects tend to favour the construction and technology sectors, neither of which are known for their gender balance.

This proposition is aimed solely at ensuring that the breadth of economic benefits brought by prospective recipients of fiscal stimulus funding are monitored and understood by the Minister making the final decisions and the public, who will be the people repaying the loan facility that is providing the £50 million of funding.

If adopted, the amendment will ensure that the Fiscal Stimulus Oversight Group (FSOG) and the Corporate Services Scrutiny Panel (CSSP) are able to assess the proposed projects in terms of the breadth of their economic benefits and the scale of economic benefits for women and men. Importantly, this amendment doesn't slow down or prevent the five-stage process that the Treasury Minister has proposed, it merely seeks to ensure a certain level of information is provided within that process.

After the Minister has made her decisions with regard to selecting the projects that will receive funding and will be prioritised, the economic and gender information that was provided to FSOG and CSSP as a result of this amendment and which formed part of the full business cases, will then be published for all Islanders to see. In this manner, we will all gain a clear understanding of the ways in which the Fiscal Stimulus funding is working to benefit us as a whole community.

This approach to monitoring the allocation of fiscal stimulus funding is supported by the OECD's approach to economic stimulus and recovery planning in response to Covid-19. Among its 'policy options to ensure policy responses account for gender', are the following¹:

- Gender budgeting can help ensure that a gender perspective is applied to measures included in the fiscal stimulus package, and allow governments to understand the collective impact of the package on gender equality objectives.
- Ensuring that all policy and structural adjustments to support sustainable recovery go through robust gender and intersectional analysis.

The Icelandic Government has taken the need for gender balancing in stimulus planning into account and is cited by the OECD as an example of good practice:

“In designing the fiscal response to the current crisis, the Icelandic Government is asking line ministries to describe how potential investments might benefit women and men differently. This allows the Government to take this information into account in the

¹ <https://www.oecd.org/coronavirus/policy-responses/women-at-the-core-of-the-fight-against-covid-19-crisis-553a8269/#boxsection-d1e1732>

decision making process and better-understand the collective impact of the overall package on gender equality objectives.”²

This amendment will not achieve all that the Government needs to do in order to ensure a full economically and socially balanced approach to Fiscal Stimulus but it will ensure that all Islanders are able to understand how the Minister’s choices are intended to perform in relation to economic breadth and gender balance.

Financial and manpower implications

There are no manpower or financial implications as the required information will be provided as part of the business case development.

² <https://www.oecd.org/coronavirus/policy-responses/women-at-the-core-of-the-fight-against-covid-19-crisis-553a8269/#boxsection-d1e1732>