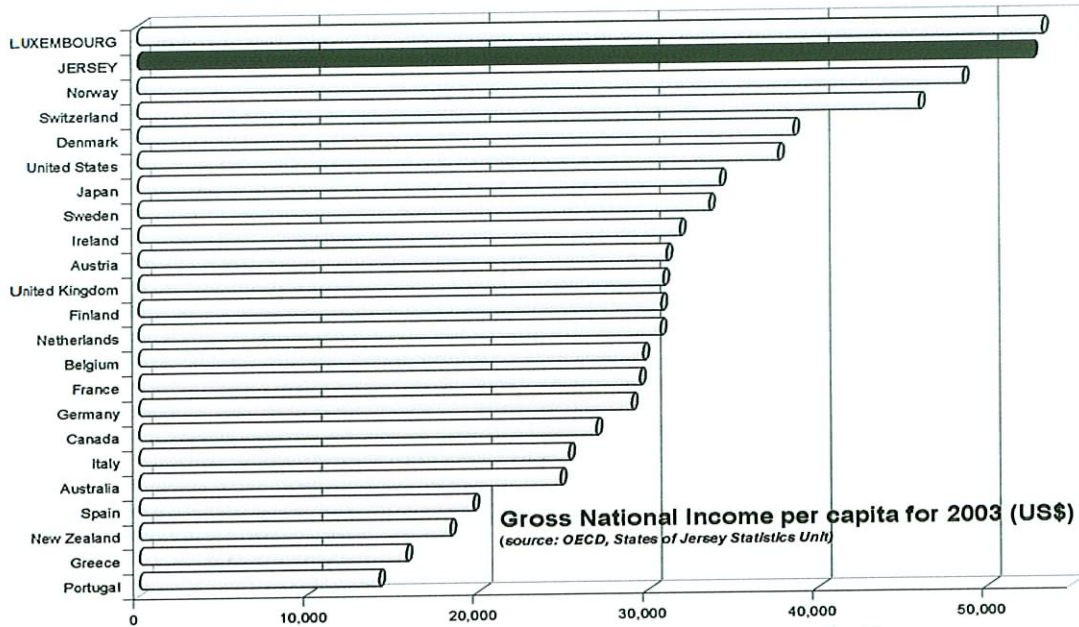
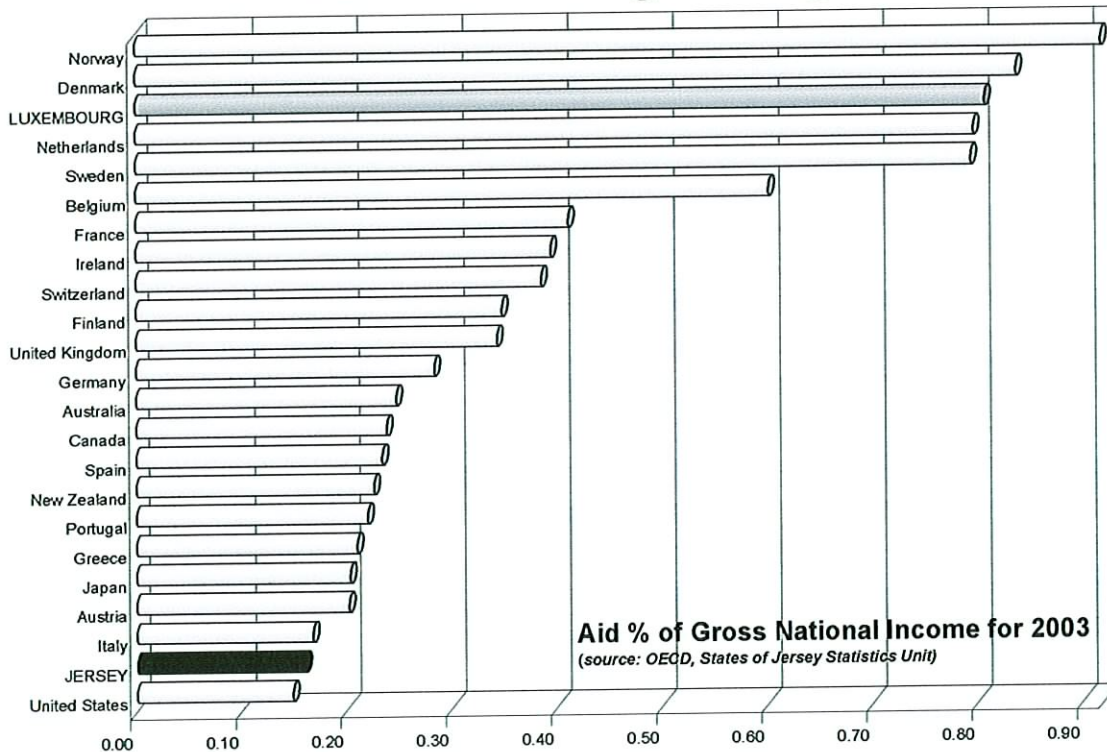


Scrutiny Panel- Review of Jersey Overseas Aid



Are we doing enough?



Submission by:
Kevin Daly
Founder Trustee
Help An African Schoolchild



Review of Jersey Overseas Aid

Why should Jersey Increase its Overseas Aid contribution?

These are a few reasons why Jersey should increase its Overseas Aid budget.

- Firstly, as a wealthy island we are **morally and ethically** obliged to do so!
- Because we contribute one of the lowest amounts of percentage of Gross National Income in the world to Overseas Aid
- Because we have one of the highest Gross Domestic Product in the world (were 3rd highest).
- Because we have one of the highest Gross National Income in the world.
- This means that Jersey has one of the wealthiest economies in the world.
- Jersey's wants to become a financial centre with international credibility therefore we must act like one and have an aid budget that is similar to other financial centres.
- Jersey's economy has been built with the help of many foreign nationals, French, Irish, Italians, Portuguese, Poles & Kenyans) therefore we should give some of the wealth created by these countries nationals back to some of the poorest countries in the world
- Jersey should be aiming to achieve a level comparable with other countries that have similar Gross National Income per capita
- Jersey has dragged its feet too long and hasn't even set a reasonable timeframe in which to achieve the recommended United Nations level of 0.7% of GNI
- It an embarrassment as a Jerseyman to see how little we give compared to our wealth

As an introductory note I would like to point out to the Scrutiny Panel which is reviewing Jersey Overseas Aid that in 1998 Jersey's government changed the basis on which it calculates its Overseas Aid budget - from GDP (Gross Domestic Product) to a percentage of the total taxation revenue.

This decision has had an important impact. While Jersey's overseas aid contribution has risen year on year in cash terms its contribution measured against Jersey growing wealth has fallen away.

If you were to look at the recent Overseas Aid donations figures one would get the impression that they are rising year on year.

Year	£(million)		% tax			%GNI
2001	4.8	source: Jersey in Figs 2005 p59	1.10	source: P179/2002	source: 2005 GNI data	0.17%
2002	4.7	source: Jersey in Figs 2005 p59	1.15	source: P179/2002	source: 2005 GNI data	0.16%
2003	4.6	source: Jersey in Figs 2005 p59	1.20	source: P179/2002	source: 2005 GNI data	0.16%
2004	5.2	source: Jersey in Figs 2005 p59	1.25	source: P179/2002	source: 2005 GNI data	0.17%

2005	5.6	source: Jersey in Figs 2005 p59	1.30	source: P179/2002	source: 2005 GNI data	0.18%
2006			1.35	source: P179/2002		0.18%
2007			1.40	source: P179/2002		0.19%
2008			1.45	source: P179/2002		0.20%

Table1

If one looks at Jersey Overseas Aid budget for 2005 one will see that this was £5.6 million. However, if Jersey had not changed the way it calculated its Overseas Aid contribution and had stuck with using GDP this would be much higher.

In the early nineties Jersey Overseas Aid budget contribution was 0.213% of GDP (the highest it's ever been). **At this rate Jersey's Overseas Aid donation would now be in excess of £10,000,000.**

This means that in real terms since 1998 we have been making less of a contribution to Overseas Aid.

I thought that this was an important fact that you should be made aware of.

(a) The States policy for upgrading the Islands Overseas in line with GNI.

In 2002 in a document to be presented to the States the Jersey Overseas Aid Committee asked the question '**Are we doing enough?**' and recognised that Jersey was way behind some of its competitors, like Luxembourg, in meeting international targets for aid:

'The United Nations target is 0.7 per cent of gross national income ("GNI"). The current funding is well below the benchmark set by the United Nations. In 1999, the most recent figures available, the Island's GNI was £1.845 million and the Overseas Aid Committee's budget was £3,320,000, just 0.18% of the Island's GNI. To meet the United Nations target the funding of the Overseas Aid Committee would have to have been £12,915,000. One of our major competitors; Luxembourg, already commits 0.8% of its GNP to aid which demonstrates unequivocally that **we too could realistically embrace such a target if we so choose.**'

The amazing thing about this extract is that the Overseas Aid Committee of the time recognises the example set by Luxembourg and states that '**we too could realistically embrace such a target if we so choose.**' This whole paragraph, however, and its reference to the UN target, was actually withdrawn from the final document which went to the States for approval. The first document was lodged au Greffe on the 24th September and subsequently withdrawn and the revised document presented on the 8th October (see appendix for both document – highlighted are the passages in question.

One must ask the question was political influence put on the President of Jersey Overseas Aid to withdraw the original submission?

Instead of taking a bold, confident approach towards the UN target, the Committee actually went on in its report to recommend *downgrading* the target which the States had previously agreed in 1998 for increasing Jersey Overseas Aid contribution. The States had committed in 1998 itself to reaching a contribution of 2.4% of taxation by 2008. But it now agreed to a **much more limited target of just 1.45% by 2008**. This would be achieved by an annual increase in the contribution of 0.05% a year. The original target of 2.4% became just an aspiration to be achieved '*as soon as possible after 2008*'. **At the current rate of progress this will take almost 40 years.**

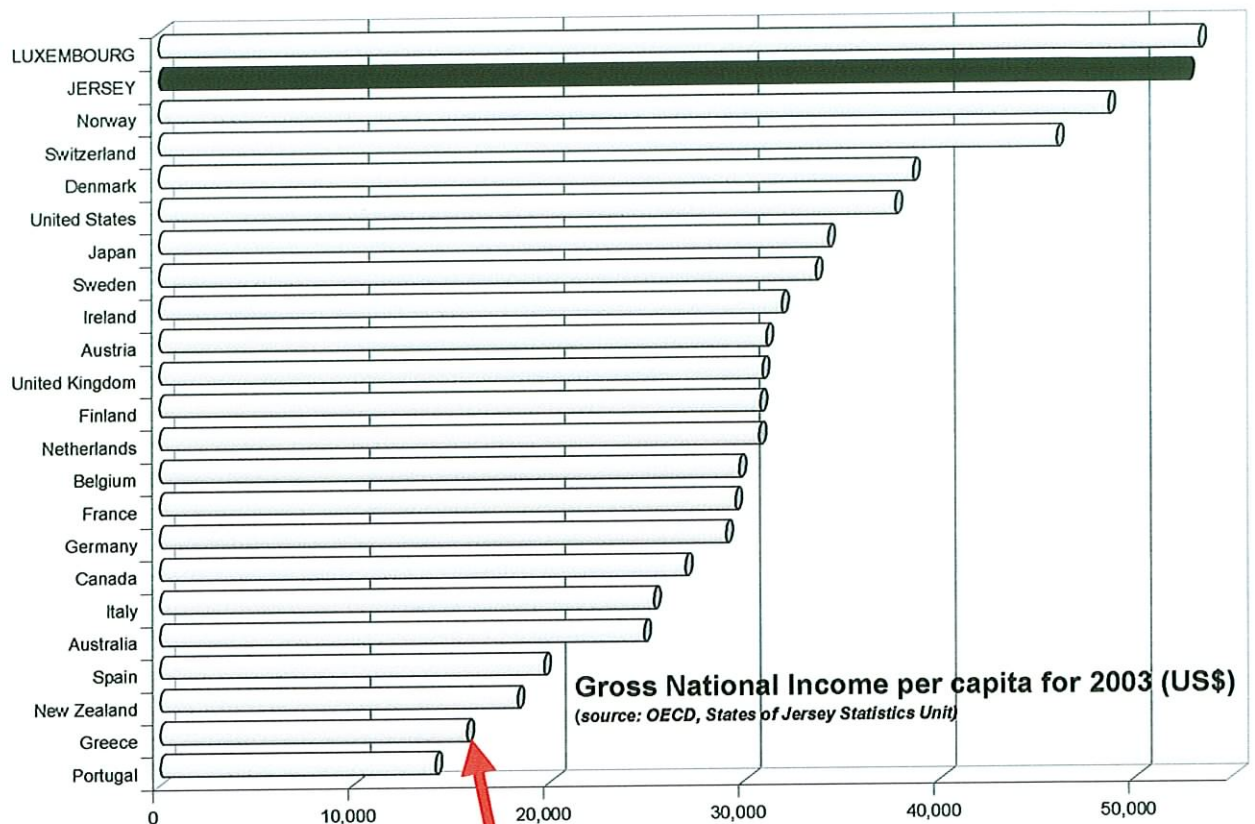
<i>Year</i>	<i>Percentage of taxation revenue</i>
2004	1.25 per cent
2005	1.30 per cent
2006	1.35 per cent
2007	1.40 per cent
2008	1.45 per cent

Luxembourg's figure has now risen to 0.87. Switzerland, another finance centre, donates 0.44% of GNI. This shows that Jersey's target is so low in comparison to other financial centres. **In terms of GNI Jersey ranks as one of the lowest donors in the world.**

The problem is that there is ***no political will*** to do any thing to try and reach a target which is near any other comparable country. When you have the President and Vice President of Overseas Aid thinking that we can't contribute more then there is not much hope. Deputy Huet continually makes the excuse that we are a small island and can't be compared to other countries. Of course we can be compared; it's all about GDP AND GNI. If you look at the GDP then we are one of the richest communities in the world and therefore should be able to increase our level of aid contribution.

We have one of the highest GDP's and GNI's in the world but contribute one of the lowest percentages of GNI in the world to Overseas Aid. Surely anyone with a modicum of common sense can see that this in not right.

Study both the tables below and you can see the point I'm making.



Just look at this table and you will see how pathetic our Overseas Aid spending is compared to other countries. Even Greece and Portugal donate more of their GNI than we do! These are countries whose Gross National income is so much lower than ours! Jersey GNI is approximately \$54,000 per head of capita compared to Greece and Portugal which is only \$14,000.

Both Greece and Portugal give more in percentage of GNI then we do and their Gross National Income is three times less!

If we wanted to make comparisons we should really be comparing ourselves with either Luxembourg or Switzerland who have comparable GNI per capita and both are also financial centres.

Country	GNI PER CAPITA	% GNI Aid
Jersey	\$54,000	0.18
Luxembourg	\$56,000	0.87
Switzerland	\$46,000	0.44

We are so far behind these other countries that we can easily afford to donate more.

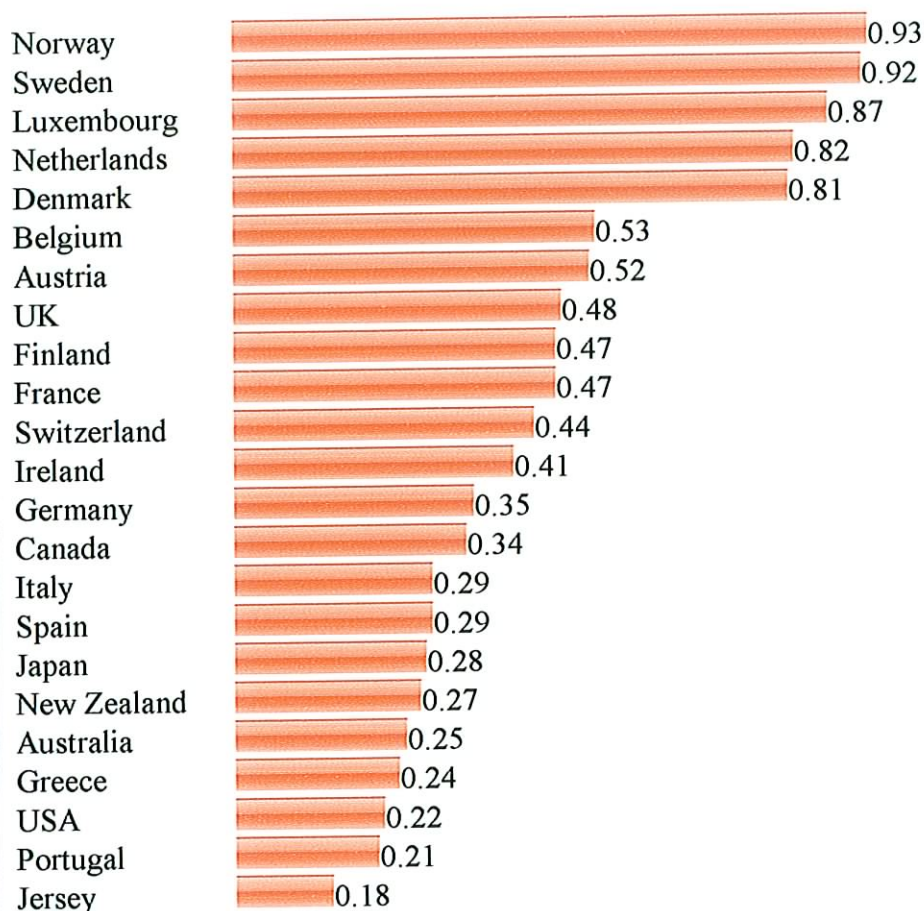
Both Luxembourg and Switzerland contribute far more: Switzerland over double our contribution, Luxembourg over 5 times our contribution and both have comparable GNI per capita.

Aid as percentage of GNI:

Net ODA in 2005 as percent of GNI

Country

Source: *Aid flows top USD 100 billion in 2005, OECD, April 2006 (preliminary data)*



Another interesting point that should be considered is that both these countries have armed forces and a defence budget that has to be paid for. On average, if you look at the statistics, most governments in the EU allow 2.3% of their GNI to a defence budget. Jersey doesn't have a defence force which we need to pay for. We have only the TA which costs approximately £4 million a year. If we, like other governments, were to spend 2.3% of our GNI on defence, this would cost Jersey £42.000.000.

Therefore, we should be able to direct some of the finance that is saved by not having to support a defence capability to Overseas Aid.

Most European countries have agreed to a timetable in which to reach the recommended level of 0.7 of GNI as outlined by the United Nations within a 10 year time frame.

Jersey Overseas Aid in their 2002 proposal outlined that they would increase the overseas aid budget by 0.05 yearly

Year	£(million)		% tax	%GNI
2001	4.8	source: Jersey in Figs 2005 p59	1.10	0.17%
2002	4.7	source: Jersey in Figs 2005 p59	1.15	0.16%
2003	4.6	source: Jersey in Figs 2005 p59	1.20	0.16%
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2006			1.35	0.18%
2007			1.40	0.19%
2008			1.45	0.20%

If this policy of increasing the % TAX by 0.05 % annually continues ***it would take us 53 years to reach the United Nations recommended level of 0.7% of GNI.***

This timetable needs a radical re-think. We are so far behind other countries in what we donate of our % GNI that a new timetable has to be rethought and adopted.

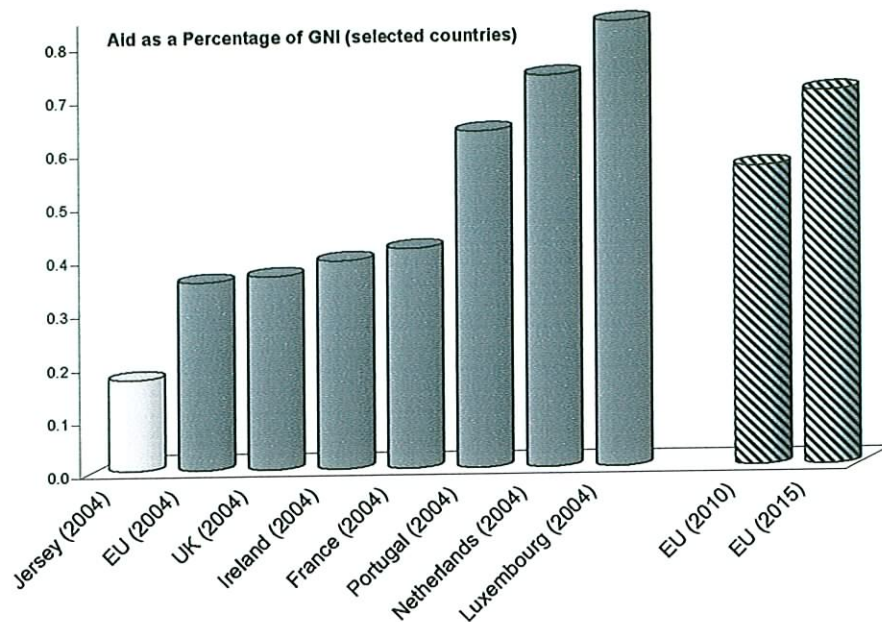
This is a scandalous set of circumstances as we are able, due to our income of GNI per capita, to reach this target in less time. We should be aiming to reach it like most other jurisdictions within a 10 to 15 year time scale! Just look below and you can see what other countries timescale are for reaching that level.

Recently, fifteen EU member states have pledged to spend 0.7% of GNI on ODA. Denmark, Luxembourg and the Netherlands, Norway and Sweden have already reached or exceeded this target.

Ireland has made a commitment to fulfil the target by 2012, Belgium by 2010, France and Spain by 2012, the UK by 2013, and Germany by 2015. In total this amounts to 0.56 per cent of EU GNI by 2010. So the gap, if Jersey does not change, its policy is going to widen by 2015.

Jersey needs to set a realistic target comparable to these other countries.

This graph shows the EU position in 2010 and 2015 compared to Jersey's.



Jersey has to try and address its position and reduce the time scale in which they will achieve the United Nations recommended level. As a Jerseyman I find the level of our contribution an embarrassment. Just look at the graph and you will realise how far we are falling behind in our aid contribution.

We must try to set a shorter timescale in order to achieve the United Nations target. We should try to achieve this within the next 15 years at the latest.

This could be achieved by Jersey Government within a 15 year timeframe if they initiated the following:

Proposal that could be implemented

Double immediately our % tax contribution to aid overseas for 2007 from 1.4% to 2.8% of taxable income, which would increase our % GNI to 0.38.

This would, take us nearer to the European average %GNI. Then for the next 15 years increase our % GNI annually by 0.02%

$$(0.02\% \times 15 \text{ years}) = 0.3\% \text{ GNI} + 0.38\% \text{ GNI (2007 tax contribution doubled)}$$

$$= 0.68\% \text{ of GNI}$$

Therefore by the year 2023 we would have reached the recommended United Nations Level of 0.7% of GNI.

If you look at Ireland's Overseas Aid contribution it has risen significantly in recent years because *they have enlightened politicians who think that we should be doing more and contributing more to alleviate poverty in this world.*

Ireland is a model of what we should be trying to achieve. In Ireland they have the political will unlike Jersey which is so insular in its thinking but wants to become an international finance centre with a good reputation. If we wish to achieve this we have to adopt an international perspective regards to our Overseas Aid contribution.

Below is a reference from the Irish Government Overseas Aid website:

The Irish Aid programme has expanded by more than 400% in the last ten years (€142m to €734m). In September 2005, speaking at the UN General Assembly, the Taoiseach announced that Ireland **would reach the UN official aid spending target of 0.7% of GNI by 2012**, reaching the interim target of 0.5% of GNI by 2007. At present anticipated growth rates, official aid spending in 2012 could be of the order of €1.5 billion

To quote their Minister of State Lenihan

“These figures show that Ireland will be in the first group of aid donors to reach the 0.7% target for overseas aid before 2015.”

The Minister of State made his comments in response to the new figures at the OECD’s annual Ministerial meeting in Paris. The 2005 figures show that Ireland spent **0.41% of Gross National Income (GNI)** on Overseas Development Aid.

The Minister noted that:

“Based on current GNI estimates for 2006, Ireland’s official aid spending is likely to reach 0.5% of GNI this year, a year ahead of our own interim target of 0.5% in 2007.”

“These increases have been managed while preserving the quality for which Ireland’s aid programme has become known. Ireland is regarded by other donors, multilateral organisations and by non-governmental agencies as having one of the most effective and poverty focused aid programmes in the world.”

Where are our ministers enlightening quotes?

We are well able to match Ireland in our Overseas Aid contribution proportionately - if only we had the same political will as they have!

Unfortunately we haven’t and those Ministers who at election time said we should be increasing our Overseas Aid budget - Ministers Cohen and Ozouf - have remained remarkably silent on this issue since they were elected to office!

I have outlined how we as a progressive and affluent government can and are able to make a far more valuable contribution to our Overseas Budget than we are presently doing. **We also have to rethink the timescale in which this can be achieved.**

Other governments have committed themselves to doing this, so now it is our time to.

If we don't then we as an affluent society are failing in our moral and ethical responsibility to help those less fortunate in the world by not making a financial contribution that is comparable to countries that have the same GNI as ours

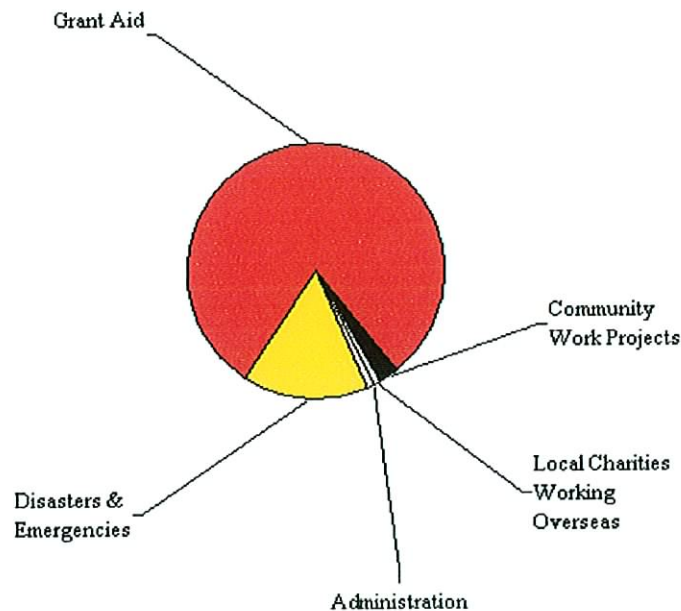
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(b) JOAC'S policies and procedures for the distribution of its Grant Aid Budget.

In general terms I think the JOAC policies for distributing the Overseas Aid budget is very good. JOAC use small, large and medium size NGO's for distributing their Grant Aid which is an excellent method. Each charity in turn submits project proposal and these are assessed and funded if the JOAC funding criteria is met.

They also fund community projects which accounts for approximately 2% of the budget. This is a great way for local people to get first hand experience of what it is like to live in a Third World country and to see the poverty first hand and at the same time see projects that JOAC are supporting and how these communities are benefiting from them.

Below is the funding for 2005



Net Expenditure 2005

Grant Aid to Agencies	4,461,518
Disasters and Emergencies	869,852
Community Work Projects	132,377
Local Charities Working Overseas	50,745
Administration	49,090
Balance 31 st December	<u>27,284</u>
	£5,590,866

I would like to make a number of constructive points with regard to JOAC distribution of grant aid budget.

In the last couple of years there has been far greater help being given to local charities, through the introduction of new procedures of applying for Aid and the 50/50 funding.

- In 2005 JOAC's grant aid budget supported 58 different charities. This maybe could be scaled down a little to supporting something like 40. Then they would be able to assist these fewer charities a little more. It would also be easier to assess the effective use of the grants more easily as you would have fewer charities to deal with.

I would like to see a little more of the Grant Aid budget going to local charities working on the ground in Third World Countries.

- Grant Aid to Agencies **£4,461,518**
Grant Aid to Local Charities Working Overseas **£50,745**
(look at the difference)
- Each local charity should be able to apply for up to £65,000 (maximum) worth of grant aid as can do their national counterparts.
- Presently, if you are a Jersey based charity you can only apply for grant aid up to £20,000 and for only 1 project. Whereas national charities can apply for up to 5 projects.

Other agencies can apply for much larger amounts. Here are a few examples

Care International	£ 168,000	For 3 different projects
Christian Aid	£120,000	For 4 different projects
Medicines Sans Frontier	£194,000	For 5 different projects
Oxfam	£260,000	For 5 different projects
Hands Around the World	£50,000	For 5 different projects

Quote from Jersey Overseas Aid website: this applies to locally based charities

'JOAC agrees to consider applications for the funding of materials *only* up to the amount of £20,000'

Whereas if you are English National based charity then this applies

'Projects submitted to the Commission should in general be capable of completion within 12 months from commencement. Each project should not exceed £65,000.

Surely, there should be more parity between what locally based charities can apply for and what national charities can apply for.

If you study the 2005 Grant Aid budget of JOAC you will see that of the projects supported:

91 projects were more than £20,000 the majority being over £35,000
whereas only 27 projects were below £20,000

The point I am trying to make is that JOAC should be more flexible in their grant funding to locally based charities. Locally based charities should be able to apply up to the same ceiling (£65,000) as National based charities as long as the project fits the JOAC criteria.

Many of the projects that our charity 'Help an African Schoolchild' is involved in exceed this £20,000 ceiling. A typical example – if you want to assist a rural school and build a 2 x1 classroom block and 2x1 teachers houses then this project would be approximately £27,000 that £7,000 more than JOAC budget ceiling.

In rurally based schools the government in both Zambia and Tanzania will provide the school with teachers and pay their salaries if there is a house for the teacher to live in. Therefore, when you think of helping a rural school both the classrooms and teachers' houses must be built at the same time.

A more flexible policy for Grant Aid to local charities for projects should be adopted

Taken from JOAC website

'**£ for £ Grants to Jersey Charities Working Overseas.** The Commission has set aside £50,000 of its budget in 2006 on the basis of matching specific fund raising on a £ for £ basis subject to a maximum of £3,500 per project to recognised Jersey Charities working overseas.'

The amount set aside should be a lot more at least £200,000 and the maximum ceiling should be increase to a minimum of £10,000.

The last 50/50 funding our charity received was for some boat engines but they cost in total £8,000 so JOAC generously awarded us the £3,500 maximum but we had to pick up the difference of (£1,000). I must state that we really appreciated the support given to us by the JOAC.

The present level of £3,500 is far to low.

All the above comments I have made are trying to contribute to a constructive debate on the grants given to locally based Charities by JOAC.

The increase of the ceiling for Grant Aid and the £ for £ matching would greatly assist all locally based Third World Charities and help them achieve a lot more in the countries they are working in.

Also the Jersey Overseas Aid website needs to be improved and used as a tool to let the population of Jersey know what their money is being spent on. Also the world can see what JOAC are doing with their funds and have successful the community projects are!

- **All the grant Aid application forms should be on there in Adobe format to download**
- **More photographic input of projects and community project reports should be put on the website**
- **All local charities should be made to send in photos and a report on the project to be put on the website**

(c) The methods for measuring the effective utilisation of the JOAC's aid budget by recipients.

With regards to the above statement I can only state the experience I have had when the JOAC have given us grant funding and £ for £ matching.

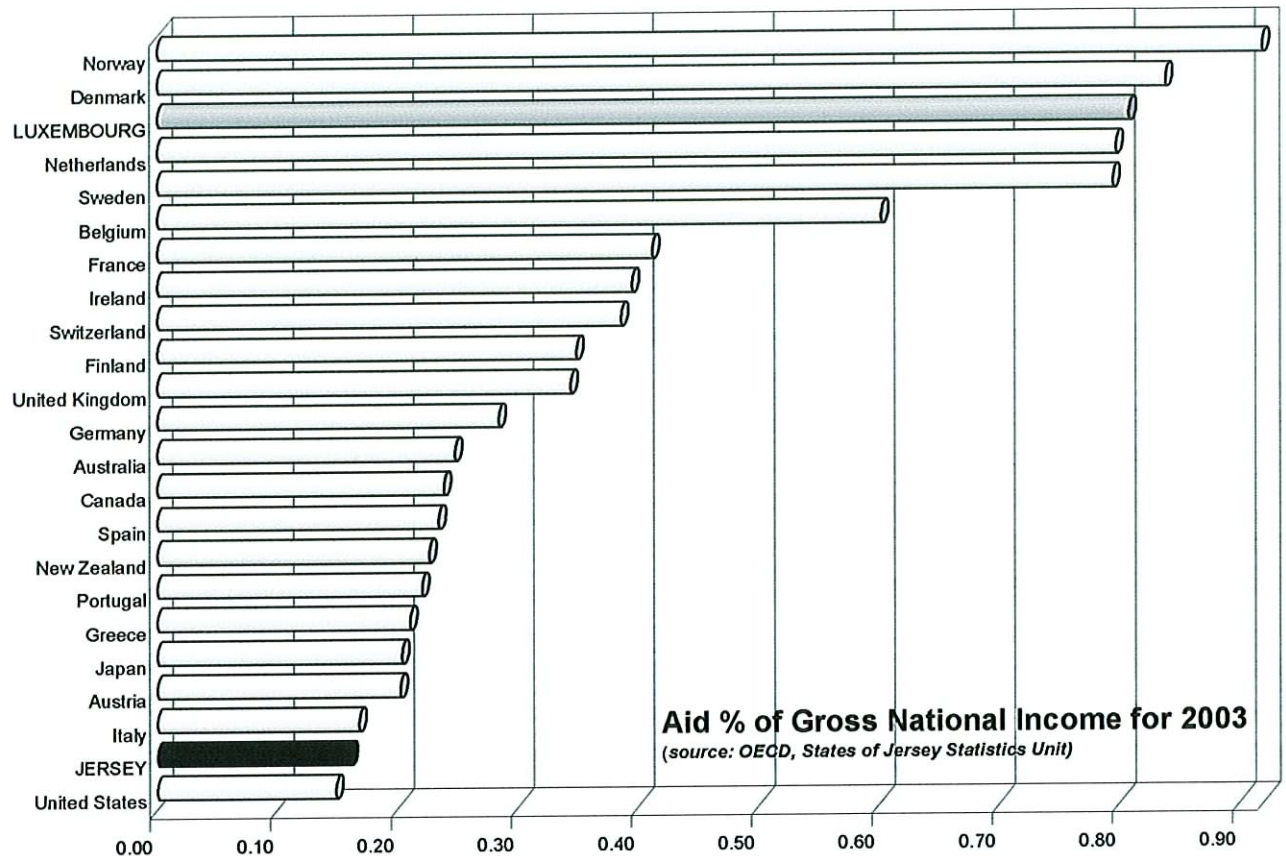
Prior to the giving of any money JOAC requires you to give them a breakdown of all the material costs for the project, in a budget statements. When completed you then give them feed back and support the feedback with photos of the project, during construction and the completed building plus supporting accounts. **This seems to work quite effectively.**

For the £ for £ funding we had to get a quote for the engines so that JOAC were aware of the costs prior to giving over any money. They also asked for a copy of a recent bank statement so that we could show that we were able to match the amount that they were giving us. We were also required to give feedback and photos of the engine and the receipts of purchase. **This also seemed to work effectively.**

I can't comment on the way that JOAC measure the effective utilisation of the grant awarded to other agencies. I don't know what these agencies have to do to satisfy JOAC grant aid committee that the funds given to them are used appropriately.

(d) The island's Overseas Aid contribution in comparison to other jurisdictions

Jersey's Overseas Aid contribution compared to other jurisdiction is dramatically low (see graph below). Jersey in 2003 was above the United States but since 2003 the United States have increased their Aid percentage to 0.22 and are now above Jersey. Hence Jersey would now be last (the country that donates the least) on this graph.



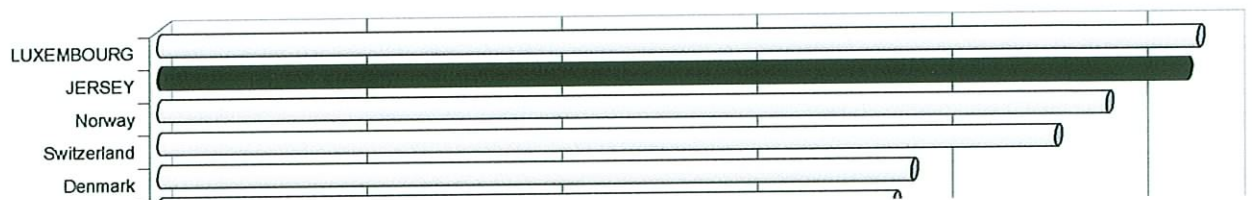
Former Overseas Aid president Ann Bailache in 2005 states *'that we still only manage to give a fraction of the level of countries at the top end of the table.'* Her quote is below

Mrs Bailhache continued "I am aware that ActionAid has recently called into question the quality of a significant part of the aid provided by donor countries. Jersey would get top marks for the quality of the aid we provide. However, even taking quality into account, we still only manage a fraction of the level of countries at the top of the aid league table. The Jersey Community Relations Trust is encouraging Islanders to send messages to the G8 leaders. In the same way now is the right time for people to let States Members know if they support an increase in Jersey's aid budget".

If you look at the above graph it is embarrassing to see how Jersey who has one of the richest economies in the world contributing such a low percentage of Aid from our Gross National Income.

Comparable economies to ours are those of Luxembourg, Norway and Switzerland. They have the equivalent: Gross National Income per capita

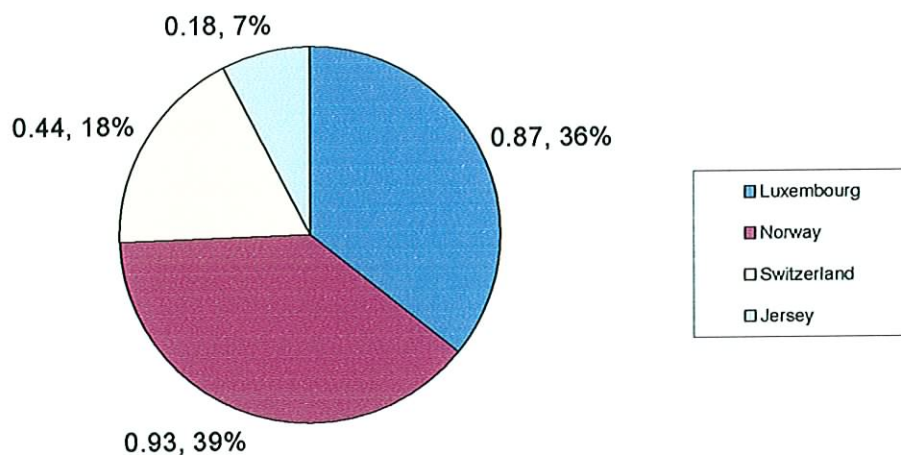
The Table below shows the Gross National Income per capita in 2003. Since then GNI per capita Jersey has increased considerably



Luxembourg \$ 54,000
Jersey \$53,000
Norway \$48,000
Switzerland \$46,000

Now study this chart and you can see the difference that Jersey gives in comparison to these other countries who have similar GNI per capita.

Percentage of Aid comparison



The decimal number is the amount each country gives in percentage of their gross national income and the % number is the amount of the pie chart.

From this we can see that Norway gives **5 and half times more than we donate**
 Luxembourg gives **5 times more than we donate**
 Switzerland gives **2 and a half times more than we donate**

This shows that Jersey is well able to contribute more. If these countries who have the equivalent Gross National Income per capita as we do and they donate 5 times and 2 and a half times as much as us in percentage terms then Jersey is well able to contribute more..

One must ask the question why we aren't doing more! **The main reason is become we have a blinkered and somewhat bunker mentality amongst our politicians. There is no political will or drive to do anything.**

In 2006 a petition of 4000 names of island resident we given to the Chief Minister saying that Jersey overseas aid donation should be increase and a time frame should be adopted in line with other jurisdictions. These 4000 names were gathered without much effort. It shows that there is a ground swell of people committed to helping those less fortunate than us and who think our aid contribution should be increased.

In October 2006 an open letter from prominent people in the community to Frank Walker & Terry Le Sueur was put in the local paper urging them to dramatically increase the aid budget beyond the existing 2008 target and to set a prudent date by when Jersey will reach 0.7. (See appendix for letter)

Below is an extract from it. The headline was:

Why triple overseas Aid?

BECAUSE 6,400 people are dying every day in Africa from AIDS. BECAUSE over 100 million children in the world don't get to go to primary school. BECAUSE every year 525,000 mothers die in childbirth. BECAUSE the debt crisis isn't over. BECAUSE we want to live in a more peaceful and secure world. BECAUSE now is the moment for an historic drive to tackle global poverty. BECAUSE it is true to our best traditions— Jersey's overseas aid commitment dates back to 1968. BECAUSE Jersey has the advantage of being one of the wealthiest countries in the world. BECAUSE of these things, and more, we urge you to dramatically increase the aid budget beyond the existing 2008

But has anything been done? You know the answer!

Having taken five States of Jersey Overseas Aid projects to Zambia & Tanzania and having founded with Vanessa Nash a charity 'Help an African Schoolchild' which has been running for over 12 years and who solely funds a centre for 'street and vulnerable' children in Northern Zambia. We are just unable to believe how Jersey can justify giving so little of its wealth to Overseas Aid, particularly as we have one of the wealthiest economies in the world.

It must be down to being 'islanders' who are very insular, as Guernsey is in the same boat as us and donates very little, a fraction less than Jersey does.

How can our politicians justify the disparity between the high Gross National Income per capita we have and the little of it that we donate. It is just unbelievable!

From my submission and from the Scrutiny Panel Review I hope that the outcome is a positive one and that:

The government will:

- **Decide to increase the overseas Aid contribution so that we at least reach the EU average. (0.38% GNI)**
- **And that a commitment to reaching the United Nation recommended level of 0.7 in a time frame similar to most of our European counterparts i.e. within a 10 - 15 year timeframe**

If the Scrutiny Panel want a more in depth view of this subject of the need to increase Jersey Overseas Aid funding then go to this website. It is well worth a visit.

<http://www.jerseyaid.org/index.html>

Submitted by:

**Kevin Daly
Founder Trustee
'Help an African Schoolchild'**