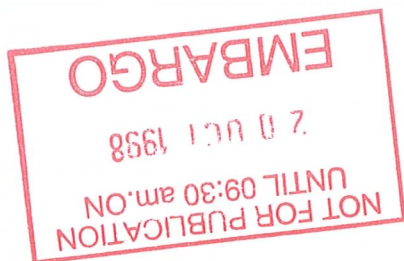


OVERSEAS AID COMMITTEE: FUNDING

**Lodged au Greffe on 20th October 1998
by the Overseas Aid Committee**



STATES OF JERSEY

STATES GREFFE

PROPOSITION

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

to receive the report, dated 25th September 1998, of the Overseas Aid Committee; and

- (a) to agree that funding for the Overseas Aid Committee should be increased as follows -

<i>Year</i>	<i>Percentage of taxation revenue</i>
1999	1.00 per cent
2000	1.05 per cent
2001	1.10 per cent
2002	1.15 per cent
2003	1.20 per cent

- (b) to agree to review the funding of Overseas Aid in 2003;
- (c) to approve the appointment of the equivalent of one full-time administrator, the duties of which would be fulfilled by a maximum of three part-time administrators.

OVERSEAS AID COMMITTEE

- NOTES:** 1. The Finance and Economics Committee supports the linking of the level of aid to be provided to the Island's taxation income, which will provide for an incremental annual increase of 0.05 per cent until the year 2003 in accordance with proposals previously discussed with the Overseas Aid Committee. After that date, funding will need to be subject to a review as the fortunes and priorities of the Island could change over time.
2. The Establishment Committee supports the request, when, in accordance with States policy, compensatory savings have been identified and effected elsewhere in the public sector.

REPORT

Foreword

This report and proposition sets out the Overseas Aid Committee's policies to support people in the less developed countries of the world. The work of the Overseas Aid Committee cannot succeed without the political support of the States. Over the last 27 years, the States and the people of Jersey have continually demonstrated their willingness to provide time and money to support the less fortunate. During 1998, £2,835,000 has been made available by the States to the Overseas Aid Committee, with over 57 Islanders having engaged or about to engage on overseas community work projects. The Overseas Aid Committee proposes to build on that support by developing a clear case for an increase in funding and enhancing the processes and frameworks through which those funds are used.

1. Introduction

The Overseas Aid Committee has produced this report after a period of extensive analysis of its operations. The Policies and Procedure Review, which was undertaken in the latter part of 1997 and the early part of 1998, has largely compiled the report. The Policies and Procedures Review engaged in consultation with aid agencies, Islanders, local charities, work project participants, the Committee and its honorary officers.

2. Purpose

- (a) This Committee's strategy is driven by a clear mission whereby the States are committed to joining with others in reducing poverty in poorer countries by making a sustained contribution, which is proportional to our means.
- (b) In particular the States will contribute to -
 - (i) basic health care;
 - (ii) medical care;

- (iii) effective education;
 - (iv) safe drinking water and food security;
 - (v) emergency and humanitarian needs;
 - (vi) working towards the elimination of child labour and abuse.
- (c) The States will pursue this by -
- (i) working closely with the private and voluntary sectors;
 - (ii) ensuring the consistency of policies affecting poorer countries;
 - (iii) using resources efficiently and effectively.

3. **Globalisation and poverty**

- (a) Jersey is part of an increasingly integrated global society. The trend towards globalisation has presented many opportunities and this is reflected in the continued and sustained growth of the Island's financial services sector. However, many of the world's poorest countries are least able to take advantage of the opportunities created by globalisation. This can lead to an increase in inequalities between and within countries. Those who benefit from globalisation need to put in place policies to help the poor. The scale of the problem is illustrated by the following -
- (i) There are 1.3 billion people who continue to live in extreme poverty, seeking to eke out an existence on less than the equivalent of US\$1 or 60 pence per day.
 - (ii) Over 1.2 billion people lack access to safe drinking water.

- (iii) Over 750 million people lack access to health services.
 - (iv) Over 150 million children under the age of five are malnourished.
 - (v) Over 500 million people are not expected to reach 40 years of age.
 - (vi) Over 840 million adults are illiterate.
- (b) It is a testimony to the human spirit that people survive at all in such circumstances. Men and women continue to display courage, energy, dynamism, creativity, strength and determination in order to survive on a daily basis. For example, in agricultural communities there is a closely knit fabric of relationships, rights, responsibilities, customs and traditions which create the conditions which allow people to work together in order to survive in the most difficult of circumstances.
- (c) If such people are given the necessary and appropriate forms of support, they will in the long run be able to help themselves and at the same time be able to contribute to the maintenance of the world's scarce resources.

4. **Are we doing enough?**

- (a) In 1998, the States has made £2,835,000 available to support the work of the Overseas Aid Committee. These funds are currently being used to relieve poverty in a variety of ways; these include -
- (i) grant aid of large and medium sized relief projects implemented through internationally recognised relief agencies;
 - (ii) emergency/disaster relief funding;

- (iii) community work projects, where teams of Jersey volunteers undertake a specific aid project.
- (b) Nevertheless, the current level of funding to support such activities is far below the United Nations' target of 0.7 per cent of Gross National Product. In 1996, the most recent figures available, the Island's Gross National Product (GNP) was estimated at £1,550 million and the Overseas Aid Committee budget was £2,612,000. As such, the Island's overseas aid contribution represented 0.17 per cent of GNP. In order to reach the UN target, States funding to the Overseas Aid Committee would need to be increased to £10,850,000.
- (c) There are some that argue that, given the scale of global poverty and pressing need for resources in Jersey, the current level of funding is proportional to the Island's means. However, many Islanders believe that there is a compelling case to increase significantly the level of overseas aid funding. Also, it is felt that an alternative criterion more appropriate to the Island's situation would make such funding more relevant and provide a greater link to its sources and level of revenue, i.e. taxation.
- (d) The Committee believes that -
- (i) it is our moral duty to care about other people and to help them help themselves;
 - (ii) it is our duty to our children and grandchildren to address issues of poverty which may in the long-term threaten global security;
 - (iii) it is our duty to provide an example of good governance for others to follow;
 - (iv) it is our duty to meet existing international obligations. Jersey is a signatory to Agenda 21 which commits Jersey to moving to a target which is comparable with that of other nation states.

After considerable consultation and deliberation the Committee has determined that our long-term target should be based on the level of taxation income rather than Gross National Product.

- (e) As we move into the 21st Century and attention is increasingly turning to the role of offshore financial centres, the need for the Island of Jersey to be seen to fulfil its moral obligations will become paramount.
- (f) The Committee recommends that -
 - (i) the States confirm the long-term policy objective that the annual level of funding to the Overseas Aid Committee should be 2.4 per cent of the States of Jersey total taxation revenue;
 - (ii) the States aspire to reaching this objective in the year 2008;
 - (iii) the States increase funding to the Overseas Aid Committee initially to one per cent of taxation revenue for 1999 and, thereafter, increasing each year for four years by 0.05 per cent.

5. **Grant aid**

- (a) The largest part of the Overseas Aid Committee budget is allocated to grant aid, with over £2,355,000 or 83 per cent of the budget being allocated to this budget heading in 1998. In 1997 the Overseas Aid Committee supported 50 aid agencies and 149 individual projects. The grants ranged from £1,500 to £50,000.
- (b) The key aspects of the current policy towards grant aid are -
 - (i) to fund small but essential projects which are complete in themselves;

- (ii) a maximum of £50,000 per individual application;
 - (iii) to look favourably on projects that provide clean water, contribute to improving health, food production or education;
 - (iv) not to fund recurrent costs, such as salaries;
 - (v) only to consider project applications where Jersey is the sole provider of finance;
 - (vi) to support larger projects by funding a specific part of the scheme.
- (c) The Policy and Procedures Review Group has suggested that the current policy places a significant administrative responsibility on the Overseas Aid Committee. In order to address this problem it is argued that the Overseas Aid Committee should consider block funding individual aid agencies where they can demonstrate adequate evidence of effectiveness and accountability.
- (d) Nevertheless, the Overseas Aid Committee believes that this approach would lead to a lessening of direct accountability, and as such would be unacceptable to the people of Jersey. On balance, the Overseas Aid Committee takes the view that existing policies are fundamentally sound. However, the Overseas Aid Committee believes that there is some merit in making existing policies more flexible, and in doing so bring greater assistance to those being aided.
- (e) The Committee intends that -
- (i) aid agencies be invited to submit applications for individual project grants which could cover a three-year period with monies to be allocated as the project progresses;

- (ii) non capital costs to be funded where this directly contributes to improved value for money;
- (iii) the principle of co-funding of individual projects chiefly with non-governmental aid agencies be accepted;
- (iv) all applications for grant aid should clearly demonstrate evidence of local ownership of the project.

6. **Emergency response**

- (a) The Overseas Aid Committee currently allocates £180,000 per annum in order to respond to emergencies and disaster. The States of Jersey have authorised the Overseas Aid Committee to make up to £25,000 available in cases of emergency or disaster. The funding is made available to aid agencies who are working in the disaster aid field or through the Disaster Emergency Committee (DEC).
- (b) In 1997, funding was available for the following -
 - (i) Care International £25,000 - India;
 - (ii) HelpAge International £25,000 - East Bangaldesh;
 - (iii) Christian Aid £25,000 - East Bangladesh;
 - (iv) UNICEF £25,000 - Korea;
 - (v) British Red Cross £12,000 - Monserrat;
 - (vi) Opportunity International £12,700 - Philippines;
 - (vii) OXFAM £12,000 - West Bengal.
- (c) So far, in 1998, funding has been given for -

- (i) Opportunity International UK £15,000 - Somalia;
 - (ii) Care United Kingdom £15,000 - Philippines;
 - (iii) United Kingdom Foundation for the South Pacific £10,000 - Papua New Guinea;
 - (iv) British Red Cross £20,000 - Afghanistan;
 - (v) UNICEF £20,000 - Sudan;
 - (vi) Disaster Emergency Commission £20,000 - Sudan;
 - (vii) One World Action £15,000 - Bangladesh;
 - (viii) Christian Aid £25,000 - Georgia;
 - (ix) Oxfam £20,000 - Bangladesh.
- (d) The Policy and Procedures Review Group argued that, in order to ensure that aid is made quickly and effectively available to those in need, a cash sum be deposited with the UN Department of Humanitarian Affairs (DHA) Relief Co-ordination Branch. The Overseas Aid Committee would then contact the DHA to pledge funds as soon as an appropriate disaster occurs. However, the Overseas Aid Committee believes that the current procedures are efficient and effective and does not propose any change, particularly as making funds available through the DHA would involve a three per cent administration charge.
- (e) The Committee intends that -
- (i) funds continue to be allocated to disaster/emergency relief;

- (ii) up to ten per cent of the annual Overseas Aid Committee budget be made available for emergency aid/disaster relief;
- (iii) individual grants to aid agencies to be a maximum of one per cent of the annual Overseas Aid Committees budget;
- (iv) the current procedure of direct application for securing disaster aid funding remains;
- (v) a formal emergency aid policy statement be drawn up which includes criteria for accountability.

7. **Community work projects**

- (a) Since 1971, the Overseas Aid Committee has organised parties of volunteers from Jersey to work in developing countries for up to four weeks. Over the last 27 years, approximately a thousand Islanders have worked on such projects. The Overseas Aid Committee funds all the costs of travel, insurance, medical kits, vaccinations, food and accommodation. The Overseas Aid Committee also funds all the materials and supplies necessary in order to complete the projects. In addition, each participant normally contributes £350 towards their own travel expenses, and the volunteers engage in local fund raising activities to fund additional community support in the host country. In 1997, a total of approximately £13,000 was raised in this way.
- (b) In 1997, the Overseas Aid Committee allocated £300,000 or 11.1 per cent of the budget to community work projects, which funded projects in Kenya and Zambia, Uganda and Haiti. In 1998 the budget allocation is £295,000 or 10.3 per cent of the budget, and it is planned to support projects in Zambia, Romania, Kenya and Ecuador.

- (c) It is the view of the Overseas Aid Committee that community work projects are critical in developing awareness in Jersey of development issues. They also play an important part in Islanders' own personal development. Furthermore, the importance and educational benefits of the cultural exchanges arising from the projects cannot be overstated. Accordingly, the Committee intends to continue to provide financial support for community work projects.
- (d) However, to ensure that community work projects provide a worthwhile experience for Jersey volunteers and the host community, and ultimately, to guarantee a long-lasting benefit to the host community, as recommended by the Review Group, the Overseas Aid Committee intends to -
- (i) build long-term relationships with those receiving assistance;
 - (ii) increase the emphasis on the role of the host community, and in particular the endorsement and ownership of projects;
 - (iii) place more importance on the engagement of participants from the local community;
 - (iv) ensure that aims and purpose of all projects are clearly established;
 - (v) standardise procedures for all community work projects;
 - (vi) increase training and preparation of community project leaders;
 - (vii) develop leader manuals;
 - (viii) further develop procedures for leader and volunteer evaluation of projects;

- (ix) introduce evaluation procedures for host communities;
- (x) extend debriefing of volunteers;
- (xi) consider increasing the financial contribution of volunteers;
- (xii) encourage the continued involvement of leaders and volunteers on their return to the Island.

8. **Organisation**

- (a) In discharging its duties the Overseas Aid Committee has sought to make use of voluntary efforts. The Overseas Aid Committee relies on the services of an Honorary Executive Officer. A Committee Clerk provides administrative support to the Committee, with the services of an administrative assistant who is employed two days a week. The States Treasury provide bookkeeping/accountancy support. The Overseas Aid Committee has a Community Work Projects Sub-Committee, comprising Committee members and individuals with relevant expertise. It oversees the Committee's work in this area.
- (b) Those involved in the work of the Overseas Aid Committee engage in the following -
 - (i) policy and planning;
 - (ii) selecting grant projects;
 - (iii) funding grant projects;
 - (iv) organising community work projects;
 - (v) fund raising;
 - (vi) leading projects and liaising with benefiting communities;

- (vii) reviewing and evaluating reports of agencies and work projects.
- (c) Currently, the administrative costs represent only 0.43 per cent of the total budget. It is the view of the Overseas Aid Committee that the current administrative structures are over-reliant on the goodwill of individuals and, as such, a different type and level of support is required.

Additional support would allow the Overseas Aid Committee to address the following -

- (i) the ongoing development of strategy and policy;
 - (ii) leadership, organisation and supervision of Community Work Projects;
 - (iii) building further community support for overseas aid;
 - (iv) improving measures to ensure the accountability of aid agencies.
- (d) In order to address these issues, the Committee intends to -
- (i) seek the appointment of the equivalent of one full-time administrator;
 - (ii) appoint a project officer to -
 - (a) oversee the further development policy and procedures;
 - (b) engage in educational and promotional work;
 - (c) oversee and support Community Work Projects;

- (iii) offer the project officer appointment as a secondment opportunity to a high potential managerial employee of the States of Jersey;
- (iv) establish a group of individuals drawn from education, business and the voluntary sector to promote awareness of understanding of development issues;
- (v) investigate the desirability of establishing an appropriate body to be responsible for community work projects.
- (vi) seek appropriate office space in existing States premises;

9. **Conclusion**

- (a) The provision of support to those in need is vitally important. Jersey has made a substantial contribution to this task over the last 27 years. There is, however, still much important work to do. The people of Jersey can play a significant role in the development of a global society. We have clearly benefited materially from the globalisation of the world economy and the wealth this has created. Consequently, it is vital that we make our contribution to ensure that the less fortunate are able to survive and prosper. This is consistent with the commitment made at the World Summit in Rio in 1992 and which will be made explicit when the sustainable development strategy is presented to the States early in 1999.
- (b) Jersey can make a difference. The Overseas Aid Committee is wholly committed to providing one way by which the people of Jersey will make that difference.