



# Corporate Services Scrutiny Panel Report

## Review of Jersey's Overseas Aid



Presented to the States on 30<sup>th</sup> May 2007





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# 1. Conclusions

The States' policy for upgrading the Island's Overseas Aid budget (Section 4.1)

## Options for future funding for overseas aid

The Sub-Panel recognises the Island is on the brink of major fiscal reform, which creates uncertainties with regard to our taxation income, and appreciates that it is therefore not possible to move quickly towards the 0.7% of GNI target.

The Sub-Panel applauds the Council of Ministers' continued commitment to increasing the level of overseas aid even in a period of fiscal upheaval and budget restrictions.<sup>[1]</sup> Nevertheless, the Sub-Panel shares the concerns expressed in numerous submissions received during its Review, about a lack of commitment to achieving the universally accepted goal.

Thus we believe that as an absolute minimum the initial focus of our overseas aid contributions should follow an extension of the existing funding formula of 2.4% of all States revenues that could be determined taxes or duties and which are not hypothecated in any way (see Table 7).

At the same time the Island should embrace the aim of reaching the 0.7% target within a specific and reasonable timeframe, as the Island would be making a commitment which would make it easier to graduate our annual increases in overseas aid from today to the target year.

## How would we fund an increase in our overseas aid contribution?

Whilst it is beyond the scope of the Sub-Panel's Review to advise on how an increase in our overseas aid contributions would be funded, the Sub-Panel endorses the formation of a group set up to see how the Island could aim to reach the 0.7% of GNI target. This group should be led by the Commission, and consist of representatives from the Treasury as well as including suitably experienced local volunteers.

The group could examine in some depth how other countries such as Luxembourg and Ireland have achieved their current levels of aid and to analyse in greater detail the question of Jersey's particular economic characteristics and to come up with firm proposals which take into account the budget realities of Jersey's present and future economy.

The JOAC's policies and procedures for the distribution of its aid budget (Section 4.2)

## Distribution of grant aid

The Sub-Panel supports the Jersey Overseas Aid Commission's approach of working with established NGO's, rather than providing direct grants to governments.

### **Scoring system?**

The Sub-Panel is concerned by the confusion expressed surrounding the Jersey Overseas Aid Commission's selection process for the distribution of its budget. There would be benefit in the Commission providing greater clarity on this issue, with a view to producing a standardised system which should be made public to ease the application process, and also provide comprehensive feedback to agencies unsuccessful in securing funding from the Commission.

### **Administration costs**

The Sub-Panel is supportive of the Jersey Overseas Aid Commission's aim to maintain low administration costs. However, if the States were to adopt a target to increase the Island's overseas aid contributions in line with 0.7% of GNI, it would be necessary for the Commission to increase its emphasis on the auditing of projects funded by the Commission, to ensure funds have been allocated and spent accordingly.

### **Local charities**

The Sub-Panel is concerned about the level of confusion and uncertainty surrounding this aspect of the Jersey Overseas Aid Commission's policies. Greater clarity in this respect would remove any feeling that currently exists in terms of the belief that the Commission chooses how to allocate funding based on "personalities", as was asserted in a number of submissions to the Sub-Panel.

### **Three year funding**

The Sub-Panel applauds the Jersey Overseas Aid Commission's recent introduction of funding for three year projects.

### **Disaster & emergency relief funding**

The Sub-Panel supports the decision from the Jersey Overseas Aid Commission not to follow the recommendation of the Policies and Procedures review in this instance, as despite the arguments in favour of delivering aid through OCHA, this would be out of step with the rest of the Commission's policies. The submissions received from agencies supports the Commission's stance that they are able to fund emergency causes quickly.

### **Community work projects**

One of the major benefits of the Community Work Projects is the fact that they help to raise awareness of development issues amongst Islanders. In the long-term, the projects have immeasurable consequences, given the number of people who explained that they have dedicated large proportions

of their time to working in and for developing countries since first undertaking a Community Work Project with the Jersey Overseas Aid Commission.

The Sub-Panel acknowledges it might be more cost effective to send money to employ local labour, but in choosing to use a small proportion of its budget in this way the Commission is seeking to broaden its aims beyond providing mere financial support. The Community Work Projects enable Islanders to develop a sense of partnership with a community, which would not be achieved through simply sending money to the different communities.

### **Material grants to Jersey charities working overseas**

The Sub-Panel acknowledges that the Jersey Overseas Aid Commission may have concerns in increasing the limit for material grants, given the level of audit and recording of local charities in comparison to national agencies. However, it is strongly believed that the restriction imposed on local charities in terms of only being able to apply for one material grant for one village or community is unnecessarily constraining, and may mean projects are left uncompleted due to a lack of funds.

### **£ for £ grants to Jersey charities working overseas**

There are significant opportunities for the Jersey Overseas Aid Commission to enter into meaningful partnerships with local charities, which would help to raise awareness in the Island of development issues, and would also help to increase Islander's "ownership" of projects undertaken in developing countries. The Sub-Panel acknowledges that this change in policy may increase the Commission's current administration costs; however it is believed that this would be money well spent, given the benefits that would arise from such partnerships.

### **Targeted funding**

The approach taken by various aid agencies which target overseas aid funding to specific jurisdictions has the advantage of improving the relationship between the donor country and the recipients, and may also make it easier to assess any impact from the assistance over time. The Sub-Panel acknowledges that developing this type of relationship requires time and continuity.

The methods for measuring the effective utilisation of the JOAC's aid budget by recipients (Section 4.3)

### **Reporting requirements for NGO's and local charities**

It is apparent that there is a relationship of trust between the recipient NGO's and the Jersey Overseas Aid Commission, as evidenced by the return of unused funds to the Commission when circumstances have changed in a project.



However, there would be great benefit in the Commission carrying out an audit of one project funded through grant aid each year. This would not necessarily include a field visit, but it should be made clear that this is a part of the Commission's activities, and that any project could be subject to this. This could either be undertaken by suitably qualified members of the Commission, or somebody could be employed to undertake this task specifically. The Sub-Panel believes that this would incur relatively little cost, and that it would be funds well spent as it would indicate that the Commission was taking accountability seriously, particularly as the Island increases its overseas aid budget.

### **Community work projects**

Whilst the responsibility of maintaining the community work project must ultimately lie with the recipient community, if the Commission is going to use its finding in a responsible and professional manner, there would be great benefit in securing the assistance of a volunteer who would be able to assess the impact projects have had on a community; evaluate potential projects; and establish contacts with local organisers. This could be achieved at very little cost through the Commission simply covering the volunteers' expenses.

## **The Island's Overseas Aid contributions in comparison with other jurisdictions (Section 4.4)**

### **Statistics presented by the Jersey Overseas Aid Commission**

The 0.7% of GNI formulated by the United Nations is the internationally recognised target for measuring a jurisdiction's contribution to overseas aid. The Sub-Panel believes that the Jersey Overseas Aid Commission should therefore aim to present the Island's contribution to overseas aid as a percentage of GNI, to ensure the statistics are readily comparable with other jurisdictions, and in line with the policy agreed by the States to measure the Island's overseas aid contribution as a percentage of GNI.<sup>[2]</sup>

### **Political will?**

The Sub-Panel strongly believes that it is a fundamental function of the Jersey Overseas Aid Commission to actively do all they can to encourage the States to increase the Island's overseas aid contributions, rather than focusing on and accepting the difficulties faced in increasing the budget.

### **International comparisons**

Jersey's overseas aid contributions are considerably greater than other similar jurisdictions such as Guernsey and the Isle of Man. However, irrespective of the method used to measure the Island's contributions, it seems that Jersey lags far behind other National jurisdictions.

## **Additional issues which arose during the course of the Review (Section 5)**

### **Raising awareness in the community (Section 5.1)**

There is a huge interest in overseas aid development issues amongst Islanders and local charities, and there are great opportunities to build on these. However, with the exception of the community work projects, the Commission does not appear to address these opportunities.

There would be great benefit in the Commission extending its work to include functions such as opportunities to advance education and awareness in the community, and providing greater feedback to the public on the work being done by the Commission. It is accepted that it would be an additional expenditure; however this function would also complement the Sub-Panel's earlier recommendation for the Commission to implement partnership approaches with local charities.

### **International NGO's with local branches in Jersey (Section 5.3)**

The Sub-Panel was surprised by the lack of information available in the Island about projects being funded through NGO's with local branches. The Sub-Panel believes that there is an opportunity to promote greater awareness of the Island's contributions to overseas aid development projects and also help to increase ownership of these activities.

### **Access to information (Section 5.4)**

It is noted that documents of the Jersey Overseas Aid Commission are available from the States Bookshop. However, the Commission should improve on its practice in this area, by uploading all relevant literature to its website, including reports from volunteers on projects; minutes of its meetings and annual reports. This would greatly improve access for members of the public and individuals wishing to make applications to the Commission for funding, and therefore help to improve transparency.

### **Defining charities (Section 5.5)**

The Sub-Panel endorses the conclusion of the Corporate Services Scrutiny Panel for the Goods and Services Tax Review, which supported the Island introducing a Charities Commission. This would mean that any local charities receiving funding from the Jersey Overseas Aid Commission would need to be registered with the Charities Commission, thereby helping to ensure that funds are being allocated appropriately.

### **Financial accountability of the Jersey Overseas Aid Commission (Section 5.6)**

The Sub-Panel is concerned that this situation needs to be resolved as soon as possible. It is not appropriate for large sums of public money to fall outside the normal methods for ensuring accurate financial responsibility and accountability.



## **2. Recommendations**

The States' policy for upgrading the Island's Overseas Aid budget (Section 4.1)

### **Measuring our overseas aid contribution**

The Sub-Panel strongly endorses the extension of the existing funding formula of 2.4% of all States Revenues that could be determined taxes or duties which are not hypothecated in any way (see Table 7). Reviews of this funding formula then need to be conducted at regular intervals to demonstrate how the mechanism has performed against targets when GNI figures are available.

### **Increasing our overseas aid contribution**

The Sub-Panel strongly recommends that the Commission formally request the States to adopt a definite time frame with interim targets and commit to contributing 0.7% of GNI to overseas aid. Any increase in overseas aid should be a real increase in funding, on top of any inflationary increases per year.

### **How would we fund an increase in our overseas aid contribution?**

The Jersey Overseas Aid Commission should progress the formation of a group, set up to establish how the Island could aim to reach the 0.7% of GNI target. The formation of this group should be progressed as soon as practicably possible, and as well as being led by the Commission, it should consist of representatives from the Treasury and suitably experienced local volunteers.

The JOAC's policies and procedures for the distribution of its aid budget (Section 4.2)

### **Scoring system?**

The Jersey Overseas Aid Commission should introduce a more formal and transparent system against which agencies applying for funding will be assessed.

### **Administration costs**

As the States overseas aid budget increases, the Jersey Overseas Aid Commission should consider directing a greater proportion of its budget to administration and auditing costs, to ensure funds have been allocated and spent accordingly.

### **Local charities**

The Jersey Overseas Aid Commission should clearly standardise the process for local charities to follow in order for them to progress onto the main list of agencies able to apply for a proportion of the

Commission's grant aid budget.

### **Three year funding**

The Sub-Panel would strongly encourage the Jersey Overseas Aid Commission to review the experience of the extended funding for projects as soon as possible, with a view to expanding the process in terms of more multi-annual projects.

### **Disaster & emergency relief funding**

The Sub-Panel recommends that the Jersey Overseas Aid Commission continues with its current policy for the distribution of its funding for emergency aid, rather than the funding being channelled through OCHA; however it is recommended that the Commission provides greater clarity on the criteria used for the distribution of disaster and emergency relief funding grants.

### **Community work projects**

The Sub-Panel strongly supports the policy of sending community work projects, and recommends that the Commission should continue with this aspect of its funding.

### **Material grants to Jersey charities working overseas**

The Sub-Panel strongly recommends that the Jersey Overseas Aid Commission should review its policy on material grants to local charities, with a view to reconsidering this restriction.

### **£ for £ grants to Jersey charities working overseas**

The Sub-Panel is strongly of the view that the Jersey Overseas Aid Commission should revisit its policy on £ for £ grants to local charities as a matter of priority, with a view to implementing partnership approaches with local charities.

### **Targeted funding**

The Sub-Panel recommends that the Jersey Overseas Aid Commission should consider allocating aid more selectively to certain countries, with a view to potentially increasing the impact and ownership of the Island's overseas aid contributions.

The methods for measuring the effective utilisation of the JOAC's aid budget by recipients (Section 4.3)

### **Reporting requirements for NGO's and local charities**

The Jersey Overseas Aid Commission should consider the possibility of using the Island's links with the Commonwealth Parliamentary Association to assist with the monitoring of projects funded by the Commission.

The Sub-Panel recommends that the Jersey Overseas Aid Commission carry out an audit of one project funded through grant aid each year.

### **Community work projects**

The Jersey Overseas Aid Commission should consider how further feedback might be obtained on completed projects, for example through engaging the assistance of an experienced volunteer to visit the communities in developing countries, with the view to providing feedback on projects that have been undertaken, and to advise the Commission on potential projects that could be undertaken in the future.

## **The Island's Overseas Aid contributions in comparison with other jurisdictions (Section 4.4)**

### **Statistics presented by the Jersey Overseas Aid Commission**

The Jersey Overseas Aid Commission should adopt the policy agreed by the States<sup>[3]</sup> and present the Island's overseas aid contributions as a percentage of our GNI in order to monitor the levels of contribution against internationally recognised standards.

### **International comparisons**

The Sub-Panel reasserts its earlier recommendations for the States to adopt a definite timeframe for the Island to reach the internationally recognised target of contributing 0.7% of GNI to overseas aid.

The Sub-Panel also reasserts its recommendation for the Jersey Overseas Aid Commission to progress the formation of a group set up to see how the Island could achieve the target of 0.7% of GNI.

## **Additional issues which arose during the course of the Review (Section 5)**

### **Raising awareness in the community (Section 5.1)**

The Sub-Panel strongly recommends that the Commission should positively expand its role in terms of public relations and place a far greater emphasis on raising awareness amongst Islanders of overseas aid development issues.

### **The constitution of the Jersey Overseas Aid Commission (Section 5.2)**

The Sub-Panel wishes it to be noted that it has no criticism of the Jersey Overseas Aid Commission as it is currently constituted. However, it is recommended that in future there would be benefit in the Commission seeking to engage some Commissioners with expertise and knowledge of overseas aid development issues.

#### **International NGO's with local branches in Jersey (Section 5.3)**

The Sub-Panel strongly recommends that the Jersey Overseas Aid Commission provides greater feedback to Islanders about the work of projects being funded through NGO's with local branches.

#### **Access to information (Section 5.4)**

The Commission's website should be overhauled as a matter of priority, with the ultimate aim of it becoming the main source of information for members of the public.

#### **Defining charities (Section 5.5)**

The Sub-Panel endorses the Jersey Law Commission's consultation paper, and recommends that the proposal for a Charities Commission should be progressed with some urgency.

#### **Financial accountability of the Jersey Overseas Aid Commission (Section 5.6)**

The Sub-Panel recommends that the Council of Ministers approve the way forward as identified in the Treasury and Resources briefing paper, and that the necessary steps be taken to progress this issue as a matter of urgency.

## **Panel Membership**

The Corporate Services Scrutiny Panel is constituted as follows –

Deputy P. J. D. Ryan, Chairman  
Senator J. L. Perchard, Vice Chairman  
Connétable J. Le Sueur Gallichan  
Connétable D. J. Murphy  
Deputy C. H. Egré

Officer support: Mr M. Haden and Miss S. Power

For the purposes of this Review the Panel formed a Sub-Panel, which was constituted as follows –

Senator J. L. Perchard, Sub-Panel Chairman  
Connétable J. Le Sueur Gallichan  
Connétable D. J. Murphy  
Connétable S. A. Yates

## **Terms of Reference**

The Sub-Panel agreed the following terms of reference for its Review –

To Review:

- (a) the States' policy for upgrading the Island's Overseas Aid budget
- (b) the JOAC's policies and procedures for the distribution of its grant aid budget
- (c) the methods for measuring the effective utilisation of the JOAC's aid budget by recipients
- (d) the Island's Overseas Aid contributions in comparison with other jurisdictions





## **The Panel's Adviser**

The Panel engaged Ms A. Thomson, BA, Ph.D to assist it with this Review. Ms Thomson is a principal consultant with Oxford Policy Management's Economic Policy Programme, and the focal point for its evaluation work.

Ms Thomson is an economist specialising in pro-poor analysis, and has had over twenty-five years experience working on issues of poverty, food security and livelihoods, including providing consultancy advice to a Strategic Review of Irish Aid's engagement with the UN programmes and funds.

Mrs Thomson has worked as a consultant in numerous countries throughout the world, including Palestine; Nepal; Tanzania; Sierra Leone; Uganda; Kenya and Zambia. Given her extensive experience in this field, the Panel was therefore delighted when it secured her services as an expert adviser for this Review.



## Glossary of terms

**CPA** – Commonwealth Parliamentary Association

**DAC** – Development Assistance Committee. The principal body through which the OECD study issues related to cooperation with developing countries.

**GDP** – Gross Domestic Product. Total market value of the goods and services produced by a nation's economy during a specific period of time.

**GNI** – Gross National Income (previously known as Gross National Product). One measure of the overall size of the economy – comprises the total value of goods and services produced within a country (its GDP), together with its income received from other countries, less similar payments made to other countries.

**GNP** – Gross National Product. The market value of all the final goods and services produced by a national economy.

**JOAC** – Jersey Overseas Aid Commission

**JSBS** – Jersey Side by Side

**MDG** – Millennium Development Goals

**NGO** – Non-governmental organisation

**OCHA** – Office of the Co-ordinator of Humanitarian Assistance

**ODA** – Official Development Assistance. This is a category of development aid which applies to aid from the members of the Development Assistance Committee (DAC) of the OECD to developing countries.

**OECD** – Organisation for Economic Co-operation and Development. A forum where the governments of 30 market democracies work together to address the economic, social and governance challenges of globalisation as well as to exploit its opportunities.



### **3. Introduction**

#### **3.1 *Rationale behind the current Review***

The Panel received a topic proposal from Mr Daly, founder Trustee of Help an African Schoolchild Trust, on the 27<sup>th</sup> September 2006, requesting for a Scrutiny Review to be conducted into the Island's Overseas Aid budget, and specifically to investigate whether any States policies exist in terms of working towards contributing the United Nations recommended level of 0.7% of GNI to overseas aid.

The Panel noted that the last review of the Island's Overseas Aid Policies and Procedures had been conducted by an independent review group in 1998. Given the time that had passed since this review, the Panel agreed at its meeting on the 26<sup>th</sup> October 2006 that it would be beneficial to conduct a review into the Island's overseas aid contributions, and the Jersey Overseas Aid Commissions policies and procedures.

#### **3.2 *Background Research***

##### **The Jersey Overseas Aid Commission**

On the 16<sup>th</sup> March 2005 the States adopted the Jersey Overseas Aid Commission (Jersey) Law 2005, which formed the Jersey Overseas Aid Commission (JOAC) from 2006 and beyond. The Commission replaced the Jersey Overseas Aid Committee. The Commission consists of 3 States Commissioners, one of which is the Chairman, and 3 Non-States Commissioners.

##### **Background to overseas aid funding**

The Overseas Aid Committee began in 1968 with an initial budget of £14,000 following a proposition from then Senator C. G. Farley (*see Appendix 1 for a summary of the Island's contributions to Overseas Aid since 1968*). Overseas Aid funding is currently agreed by the States every four years.

On the 3<sup>rd</sup> November 1998 the States adopted a proposition from the then Overseas Aid Committee<sup>[4]</sup>, which proposed for funding for the Committee to be increased by 0.5% of the States of Jersey total tax revenues per year, and for the funding to be reviewed again in 2003. This proposition re-stated the long-term policy objective that the annual level of funding should be 2.4% of the Island's taxation revenue, and that the States should aspire to reach this objective in the year 2008.

On the 23<sup>rd</sup> October 2002 the States once again confirmed their long-term policy objective that the annual level of funding to the Overseas Aid Committee should be 2.4% of the States of Jersey total

taxation revenue, and agreed to reach this objective as soon as possible after 2008. In line with a further proposition from the then Overseas Aid Committee<sup>[5]</sup> the level of funding was once again increased by 0.5%, and the States agreed to review the matter further in 2008.

The current funding formula runs up to and including 2008. The JOAC will therefore be required to present a Report and Proposition to the States, which could be considered as part of the 2008 Business Planning Process, to cover the funding for the Commission until 2012. The Chairman of the JOAC has written to the Minister for Treasury and Resources requesting for the 2008 budget to be increased to £7,000,000 with further guaranteed increases of £500,000 per annum until 2012, therefore securing funding for the Commission for the next five years. The Council of Ministers considered this request alongside a paper outlining alternative funding mechanisms at its meeting on the 8<sup>th</sup> February 2007, however mindful of the Scrutiny Panel's review the Council agreed that no decision should be made regarding the implementation of a new funding formula until the Panel had presented its findings.

The States are therefore currently working towards a target of 2.4% of Jersey's income from taxation. Currently our contribution to overseas aid is about half of this goal, and the target of achieving the 2.4% by 2008 has therefore slipped considerably.

## **Global commitments to overseas aid**

There are well established international commitments to increase overseas aid assistance, with the ultimate aim of increasing sustainability and working to eradicate poverty, and these commitments date back to the late 1960's. The following is a brief summary of these commitments.

### United Nations 0.70% target

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The Sub-Panel received numerous submissions throughout the Review which criticised the Island for not reaching the United Nations target of contributing 0.70% of our GNI (Gross National Income) to overseas aid. The 0.70% target was based upon a report delivered by the Pearson Commission in 1969 titled "Partners in Development". This report was the basis of work led by Former Canadian Prime Minister Lester B Pearson, who in 1968 formed a commission to review the previous 20 years of development assistance, assess the results, and make recommendations for the future. This report concluded that a much-increased flow of aid would be required if most developing countries were to aim for self-sustaining growth by the end of the century. The Commission set specific targets for total aid to amount to 1 percent of GNP, and official aid 0.70 percent of GNP (Gross National Product) by 1975.<sup>[6] [7]</sup>

On the 24<sup>th</sup> October 1970, the United Nations General Assembly adopted Resolution 2626 (XXV),

International Development Strategy for the Second United Nations Development Decade. This resolution stated:

*“Each economically advanced country will progressively increase its official development assistance to the developing countries and will exert its best efforts to reach a minimum net amount of 0.7 per cent of its gross national product at market prices by the middle of the Decade.”*<sup>[8]</sup>

This resolution therefore called for developed countries to reach this goal by 1975.

## Agenda 21

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Agenda 21 was established at the 1992 United Nations Conference on Environment and Development, or “Earth Summit,” in Rio de Janeiro, Brazil, and it is a blueprint for sustainability in the 21<sup>st</sup> century. It is a plan of action to be taken globally, nationally and locally by organisations of the UN, governments, and major groups in every area in which humans impact on the environment. Nations that have pledged to take part in Agenda 21 are monitored by the International Commission on Sustainable Development.<sup>[9]</sup>

As stated by the then Senator Pierre Horsfall in the report; *“Jersey into the Millennium – A Sustainable Future”*<sup>[10]</sup> Jersey is committed to the Rio principles as set out in the Island’s Environmental Charter, which was endorsed by the States in 1996.

The full implementation of Agenda 21, the Programme for Further Implementation of Agenda 21, and the Commitments to the Rio principles, were strongly reaffirmed at the World Summit on Sustainable Development (WSSD) or Earth Summit. The WSSD took place in Johannesburg, South Africa from the 26<sup>th</sup> August to the 4<sup>th</sup> September 2002, and it was convened by the United Nations to discuss sustainable development.

## The United Nations Millennium Development Goals

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The Millennium Development Goals (MDGs) were formulated in September 2000, at the United Nations Millennium Summit. The eight MDGs are a framework set by world leaders for combating poverty, hunger, disease, illiteracy, environmental degradation and discrimination against women by 2015. The MDGs provide a framework for the entire UN system to work coherently together towards a common end, and one of the eight goals involves halving extreme poverty and hunger.<sup>[11]</sup> A number of major aid donors have incorporated the MDGs into their aid strategies.

## G8 Summit 2005



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The 2005 G8 Summit took place in Perthshire, Scotland, on the 6<sup>th</sup> - 8<sup>th</sup> July. One of the main agreements reached covered developments in Africa, with a comprehensive package agreed which would mean faster progress by Africa towards meeting the MDGs. This package includes an agreement to double aid by 2010; writing off immediately the debts of 18 of the world's poorest countries; and a commitment to end all export subsidies. [\[12\]](#)

## **4. Issues considered by the Sub-Panel in evidence**

The Sub-Panel received a great deal of written and oral evidence for this Review.

This section contains a summary of the evidence received from witnesses, in addition to information obtained through further research carried out by the Sub-Panel. The information is presented under the Sub-Panel's four terms of reference.

The Sub-Panel's conclusions and recommendations based on the evidence it has received on these issues are contained in Sections 1 and 2 of this report.

### ***4.1 The States' policy for upgrading the Island's Overseas Aid budget***

#### **Mechanisms used to measure the Island's Overseas Aid contributions**

Jersey is currently working towards a target of 2.4% of its income from taxation, based on P.179/2002. Throughout the course of the Sub-Panel's Review there was a great deal of discussion in terms of the mechanisms used to measure the Island's contributions to overseas aid. If Jersey were to adopt the United Nations goal and commit to donating 0.70% of its GNI, it would more than treble the current level of aid. Based on advice from the States Economic Adviser, the Sub-Panel understands that using figures from 2005 (the last year for which we have both GNI and Overseas Aid information) it would have required increasing aid from £5.5m to £22m. He further stated:

*"This would require expenditure cuts elsewhere in the region of £16m or a tax increase of the same amount which would be equivalent to about 1% on GST."*

The issue of how we measure our overseas aid contributions was raised during a Public Hearing with the Chief Minister and the Minister for Treasury and Resources, where Senator Walker stated:

**Senator F.H. Walker:**

*"We would very much like to be seen as one of the best performing communities in respect of overseas aid. But then again it depends how you measure us today as to whether or not by comparison with other comparable jurisdictions we are already a good performer. You can measure our performance – as you are well aware I know – in any number of ways."*<sup>[13]</sup>

Mrs Ann Bailhache, former President of the Jersey Overseas Aid Committee, expressed the view in her

submission to the Sub-Panel that the percentage system which was set up during her tenancy is a simple and just way of calculating for the budget, and one that can easily be increased year by year. Mrs Bailhache also felt that it was an appropriate method as it takes into consideration a true reflection of the amount the Island has gained from Income Tax.

As part of Commitment 5.2 of the Strategic Plan 2006-2011<sup>[14]</sup>, which was approved by the States on the 27<sup>th</sup> June 2006, the States agreed to the Island's Overseas Aid contribution to be measured as a percentage of Gross National Income (GNI). The matter of measuring our contributions as a percentage of our GNI was therefore raised during the Public Hearing with the Minister for Treasury and Resources where Senator Le Sueur explained some of the difficulties Jersey would have in adopting this measure:

**Senator T.A. Le Sueur:**

*"...I do not believe that GNI is the only measure. I think I have made that clear already. The difficulty from a budgeting point of view is that I generally know what GNI is about 18 months after it has happened whereas budgeting you want to know a bit in advance. So as a target GNI may be a perfectly good target to set. As a budgeting measure I think you need some more certainty. The overseas aid teams should have certainty; it enables States Members to know with certainty however they are voting, whereas giving a percentage of GNI or anything like that is an estimate which you will not know about until long after the event."*<sup>[15]</sup>

*"I am not sure if it is the appropriate measure for Jersey because Jersey is the opposite of self-sufficient. It imports virtually everything it requires and relies on exports in order to survive; its exports being the commercial services industry, service industry generally, fulfilment industry or e-commerce, legal services and so on. While there are other countries which might have greater natural on land, if you like, or resources within their own country which generate their source of income, we are almost entirely reliant on the outside world to maintain our GNI. In that situation measures which would make Jersey less economically attractive can have a significant ratcheting effect on the level of GNI and the level of economic activity. It is that context, because Jersey is not a typical large country, that I question whether GNI is necessarily the best measure to be adopted."*<sup>[16]</sup>

The Sub-Panel subsequently raised this issue with the States Economic Adviser, who confirmed that theoretically it would be possible to measure our contributions as a percentage of GNI. However, he reaffirmed the Minister's concerns that GNI data is not available until the September of the following year, meaning that it would not be possible to measure what proportion of our GNI were Overseas Aid payments in 2006 until September of 2007.<sup>[17]</sup>

In a submission to the Sub-Panel, Mr Kevin Daly, Help an African Schoolchild Trust, pointed out that in 1998 the States changed the basis on which it calculated its overseas aid budget from GDP to a percentage of the total taxation revenue. The submission went on to state:

*“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....In the early nineties Jersey’s 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.”*

## **Are we doing enough?**

In February 1998 a report was published on Jersey’s Overseas Aid. This report was compiled by a review group which had been appointed by the then Overseas Aid Committee to undertake a review of the policies and procedures of the Committee and to recommend improvements where appropriate.

One of the conclusions and the recommendations of the review group was that Jersey:

*“commits itself to overseas aid contributions conforming to international targets and practice. The principles of Agenda 21 signed at Rio in 1992, and to which Jersey is committed, enshrine a minimum level of overseas aid assistance of 0.7% of national income. Whilst this cannot be expected to be found immediately, it is important that the Island move towards this international target over the next ten years so that our policies and practice are consistent.”<sup>[\[18\]](#)</sup>*

The Island has made little, if any, progress towards achieving this international target since that review was conducted in 1998.

This aim is also acknowledged by the **Jersey Overseas Aid Commission’s** website which states:

*“it is our duty to meet existing international obligations. Jersey is a signatory to Agenda 21 which commits Jersey to moving to a target of overseas aid funding which is comparable with that of other nation states, but is currently based on taxation revenue rather than GNP.”*

The submission from Mr Daly highlights the fact that on the 24<sup>th</sup> September 2002 the Jersey Overseas Aid Committee lodged a document “au Greffe”<sup>[19]</sup> which asked the question: **“Are we doing enough?”** The document subsequently went on to state:

*“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 £1,845,000 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.**”*

However, as highlighted in Mr Daly’s submission, this paragraph was withdrawn from the final document which went to the States for approval, as the revised document<sup>[20]</sup> was subsequently lodged “au Greffe” on the 8<sup>th</sup> October 2002. Mr Daly’s submission asks the question:

*“... was political influence put on the President of Jersey Overseas Aid to withdraw the original submission?”*

The issue of whether we are doing enough to contribute towards overseas aid was touched on by Mr Jean Le Maistre, former member and President of the Overseas Aid Committee. His submission to the Sub-Panel recognised that we should be doing better than we are currently, and went on to state:

*“As a broad brush comparison, it is interesting to note that in 1986 with a total States budget of £110 million (including Trading Committees) the Overseas Aid budget was £980,000.*

*Some twenty years later the States budget for 2007 is £488 million (excluding Trading Committees) the Overseas Aid Budget is £5.5 million. This suggests to me that over a 20 year period there has been very little movement in REAL terms of the percentage of funds (when compared with the total States expenditure) voted for Overseas Aid.”*

The Sub-Panel also noted that had the Island achieved the objective of contributing 2.4% of our taxation revenues to overseas aid by 2008, as agreed by P.179/2002, the Island’s contribution to Overseas Aid for 2008 would be a budget of over £11 million, in comparison to the proposed budget of just over 6.5 million. **Table 1** illustrates what the Island’s overseas aid contributions would have been from 2006-2012 based on 2.4% of our taxation revenues.

**Table 1: Forecasted figures for Jersey's Overseas Aid contributions based on 2.4% of tax revenues**

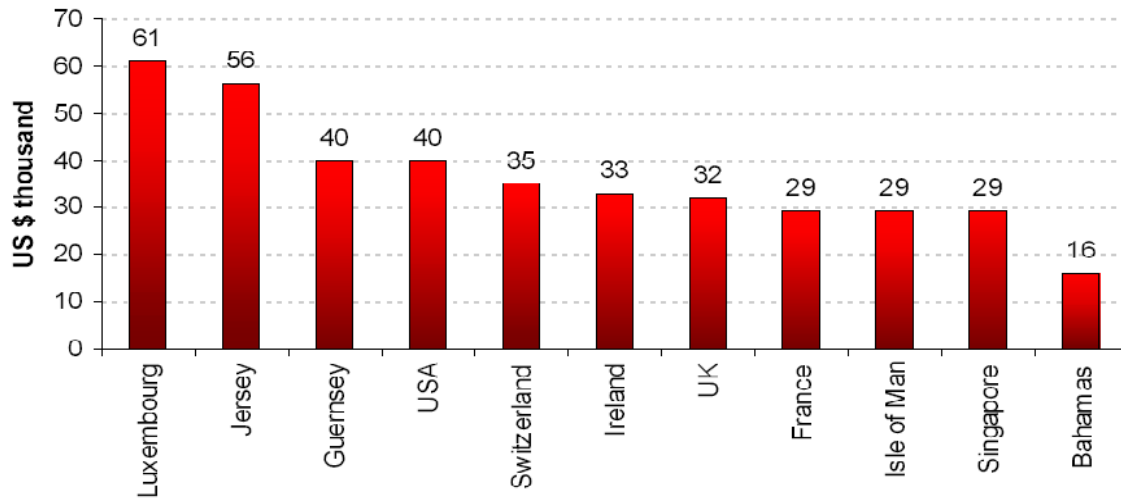
<b>Budget 2007 (States Income)</b>	<b>2006 £m</b>	<b>2007 £m</b>	<b>2008 £m</b>	<b>2009 £m</b>	<b>2010 £m</b>	<b>2011 £m</b>	<b>2012 £m</b>
Income Tax	388	403	425	440	455	470	485
Impôt duties	47	45	49	49	49	49	49
Stamp Duties	-	-	-	20	21	21	22
Fiscal Measures							
0/10 Corporate Tax Structure				-3	-67	-72	-77
Goods and Service Tax				45	45	45	45
Stamp Duty - Share Transfer				1	1	1	1
<b>Total</b>	<b>435</b>	<b>448</b>	<b>474</b>	<b>552</b>	<b>504</b>	<b>514</b>	<b>525</b>
<b>Formula %</b> P179/2002 approved 23 Oct 2002.	<b>2.40%</b>	<b>2.40%</b>	<b>2.40%</b>	<b>2.40%</b>	<b>2.40%</b>	<b>2.40%</b>	<b>2.40%</b>
<b>Funding</b>	<b>10.440</b>	<b>10.752</b>	<b>11.376</b>	<b>13.248</b>	<b>12.096</b>	<b>12.336</b>	<b>12.600</b>
<b>Current Formula Forecasts</b>	<b>5.686</b>	<b>6.331</b>	<b>6.830</b>	<b>7.290</b>	<b>6.727</b>	<b>7.104</b>	<b>7.475</b>

Source: Treasury and Resources Department

The Sub-Panel received a large number of submissions calling for the Island to increase its overseas aid funding, specifically in terms of establishing a commitment to reach the United Nations figure of 0.7% of GNI. Of the 51 submissions received by the Sub-Panel for this Review, 40 called for an increase in the overseas aid budget of some description. Of the remaining 11 submissions, 7 did not offer an opinion on the matter, and only 4 submissions spoke against an increase in the overseas aid budget.

Jersey's GNI per capita is amongst the highest in the world; in 2004 only Luxembourg had a higher GNI per capita (\$61,000), as illustrated by the graph in **Figure 1**:

**Figure 1: Jersey GNI per capita in 2004 (PPP \$US)**



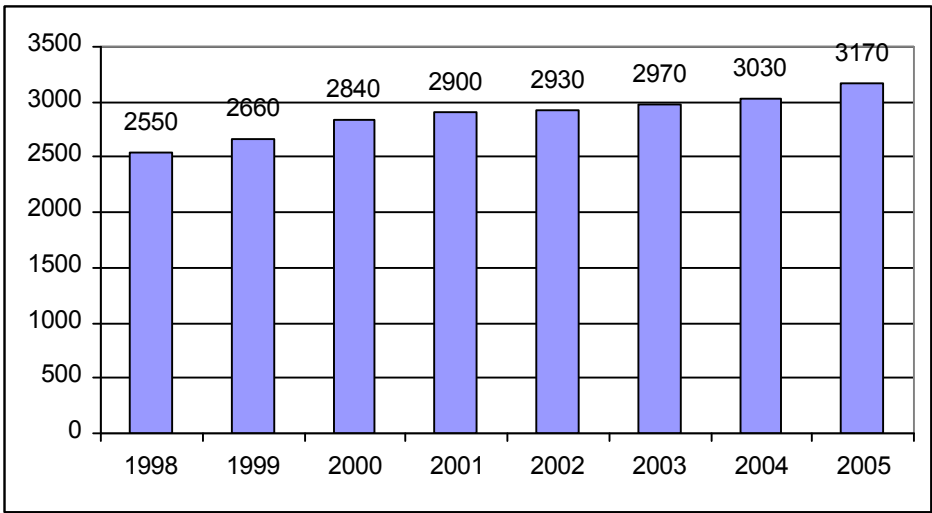
Source: Jersey in Figures, 2005, States of Jersey Statistics Unit, p.15

The Sub-Panel wrote to the States Economic Adviser, requesting for clarification as to why Jersey's GNI is so high compared to other jurisdictions. The following response was received:

*"Jersey's GNI per head is high relative to other jurisdictions because of its very successful economy. That is, because of the Island's ability to specialise in the export of financial services (which makes up 50% of the economy) with a very high value added per employee and import those things which it cannot produce for itself (and are generally much lower value added per employee)."*<sup>[21]</sup>

The graph in **Figure 2** shows how the Island’s GNI has increased steadily over the past few years:

**Figure 2: Jersey’s GNI 1998-2005**  
GNI measured in current prices, £m



Source: States of Jersey Statistics Unit

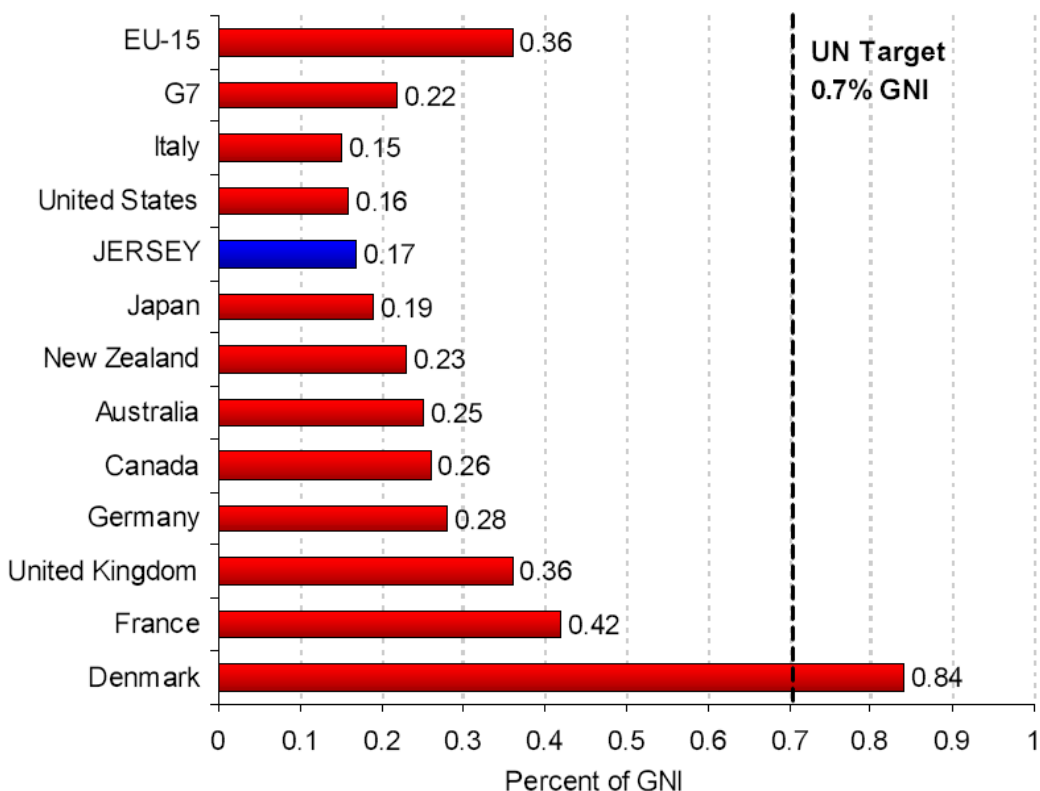
A submission to the Sub-Panel from Mr Brian Coutanche explains how Jersey’s community enjoys a significant degree of affluence relative to our neighbours and in global terms. The submission goes on to state:

*“In Jersey we may have limited opportunity to influence the rules governing international trade, or to promote good governance in other countries or to influence many other factors that are necessary for the reduction of poverty. But, more than most places, our extraordinary economic successes have given us the financial capacity to contribute towards international efforts to achieve the Millennium Goals for the reduction of poverty.”*

Based on the official development assistance target adopted by the UN of 0.7% of GNI, Jersey’s percentage contribution of its GNI is well below that of several other EU jurisdictions, including the UK and France. **Figure 3** illustrates our contribution of GNI to Official Development Assistance (ODA) in comparison to other jurisdictions:



**Figure 3: Contribution of GNI to Official Development Assistance of Selected Countries, 2004**



Source: Jersey in Figures, 2005, States of Jersey Statistics Unit, p.60

The submission from Mr Coutanche explained how since 2005 major new ODA commitments have been made by other jurisdictions:

*“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 2007<sup>[22]</sup>, 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. If these promises are honoured Jersey will lag even further behind in this area where our economic success has provided us with the capacity to “punch above our weight”.*

With regards to our GNI, Mr Daly made the following statement in his submission to the Sub-Panel:

*“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 is not right.”*

Mr Crapp, former Executive Officer and Commissioner, explained the difficulty in comparisons made

with GNI in his submission, as such comparisons are the contributions made by the governments of the individual jurisdictions, and governments derive their income from taxation. Jersey is a low tax area with a high GNI per capita. The submission went on to state:

*“Overseas companies and non Jersey residents deriving income from Jersey will soon no longer suffer any Jersey tax and so greater profits will be attributed to them and this will reduce the GNI per capita figure, but more importantly reduce the States coffers from which the aid is funded and produce the “tax hole”. GNI includes the overseas profits attributable to Jersey residents much of which I believe is untaxed, company capital gains are also included in GNI but not taxed. When looking at total GNI figures of over £3 billion these adjustments may be relatively small but when looking at lost taxation or opportunity I would say they are very material in wanting to find an extra £14.5 million to meet the UN target without cutting other budgets. But then we are a low tax area!”*

The issue of measuring our overseas aid contribution as a percentage of GNI, and the effect that it would have on our international profile, was raised during the Public Hearing with the Chief Minister and the Minister for Treasury and Resources:

**Senator J.L. Perchard:**

*“... if we were to meet the internationally recognised target figure of 0.7 per cent GNI (gross national income) would that in fact in your opinion help us to improve our international status and international profile?”*

**Senator F.H. Walker:**

*“No, in my view, no. The impact that our overseas aid budget at the moment has is remarkable that when we have explained to other governments – be it the UK Government, the French Government, Swedish Ambassador, whoever has come and visited Jersey representing other governments – how much Jersey contributes to overseas aid, they cannot believe it. They are astonished that we contribute as much as we do. So, what we are doing now is earning us a great deal of acclaim internationally. I do not think that it would make any great difference in that content if we increased our contribution to 0.7 per cent of GNI or whatever.”<sup>[23]</sup>*

This view was not supported by Mr Tony Allchurch, Jersey Fairtrade Island Group, who made the following statement during a Public Hearing when discussing the Imagine Jersey seminars:

**Mr T. Allchurch:**

*“The group of us that sat round the table marked “International” did discuss what was*

*wrong with Jersey and its international reputation and we felt that a determined effort to increase our aid internationally would help to improve the reputation or the profile the Island has to the outside world. That received a lot of support at that meeting.”<sup>[24]</sup>*

The view that an increase in overseas aid funding would be supported by the general public was shared by many witnesses, and was strongly expressed in numerous submissions received by the Sub-Panel. Mr Coutanche made the following statement during a Public Hearing:

**Mr B. Coutanche:**

*“I think part of the problem is that the person in the street is not aware of just how badly we compare with our neighbours, and I am sure that if more people were aware of how we compared there would be much more visible support for an increase... So I think here the Overseas Aid Commission are out of touch with public sentiment, particularly informed public sentiment.”<sup>[25]</sup>*

Most witnesses felt that Jersey ought to aim for the 0.7% of GNI target, with the main reasons expressed being our moral obligation to help those in need, and the strength of our wealthy economy. The Sub-Panel received numerous submissions strongly expressing these views, such as the following extract from Mr Maurice Dubras’ submission:

*“The States must, on moral grounds and for reasons put forward in the challenge made to us (among others) by F W de Klerk, whom I heard speak so passionately in Jersey recently, significantly revise the policy-line trend to achieve the UN target much sooner than the present rate of change would permit.”*

One submission from Help from the Rock believed that Jersey could morally afford to give more, however this view was qualified by stating that the way in which money is currently given by Jersey is extremely well controlled and very accountable, meaning that Jersey Overseas Aid is high quality aid which goes quickly and effectively to the people that actually need it. It was felt that this careful control must not under any circumstances be sacrificed merely in order to increase the figures on paper, as more money given in the wrong way would achieve less than the current giving.

The view that an increase in our overseas aid budget should not jeopardise the quality of our overseas aid programme was shared by Dr Mark Stanley Price, Chief Executive of Durrell Wildlife Conservation Trust, who stated:

*“While an increased budget would be desirable, it should not be increased to the extent of jeopardising the current effective administration of the programme; quality and effectiveness are more important than climbing the league table of donor nations.”*

The Sub-Panel also received a large number of submissions from members of the public re-registering their support for an open letter sent in 2004 by over 40 prominent leaders of charity and religious groups to Senator Walker and Senator Le Sueur, as Presidents of the then Policy and Resources and Finance and Economics Committees. This letter was subsequently published in the JEP. The letter called on the States to triple its overseas aid budget, and to set a prudent timetable within which Jersey would increase its aid budget to meet the official development assistance target set by the United Nations of 0.7% of its GNI (*see Appendix 3 for a copy of the open letter*).

However, an increase in overseas aid funding was not supported by all submissions received by the Sub-Panel. Two submissions believed that the Overseas Aid budget should not be increased unless it was linked to birth control.

A further submission from Mr Darius Pearce stated that setting aside all consideration of the financial inability of Jersey to meet the proposed target of 0.7% of GNI at this time, and on the basis of government reports at any time in the near future without tax increases, he would object to an increase in the budget for the following 3 reasons:

1. Jersey is not a nation or a country and as such any target set for nations should not be applied to Jersey.
2. Government is not the best medium through which to direct charitable aid.
3. The Government of Jersey does not have an international presence in overseas nations as a matter of course, as a nation such as the United Kingdom and Ireland would through its ambassadorial system.

Another reason cited for not upgrading the Island's overseas aid budget was the belief that "charity begins at home", as stated by one submission to the Sub-Panel, from Mr A McMillan:

*"The Island lacks needy medical equipment yet we have to go to the United Kingdom for treatment."*

Mr McMillan's submission went on to state that the present limit should be maintained and our own needs put first before increasing any future benevolence abroad. It was also felt that the present proposed increase and any future ones should be achieved by an all Island public ballot, especially when we are constantly informed of the need to tighten our belts because of the impending financial deficit.

**But how long should it take?**

Despite the general consensus from witnesses that the Island should aim to reach the 0.7% of GNI target, there was disagreement about how long it might take. It was generally agreed by most witnesses that to suddenly move to 0.7% of GNI would at present almost quadruple the amount of aid, to about £22 million, and that this was not feasible immediately:

**Deputy J.J. Huet:**

*"...It is how the public - - you have to take the public with you. I know that people think it should be there but I do not think you can go there immediately. This money has to come from taxes... I think the public, myself, would have a heart attack if you said tomorrow that you were going to put another £15 million into overseas aid."* [\[26\]](#)

This was a view that was shared by Mr Mike Wavell, Jersey Side by Side, who made the following statement:

**Mr M. Wavell:**

*"I think you have got to be careful, if you are going to raise the budget quite significantly that you are going to carry people along with you because the last thing you want is to start now finding you get the moaning in the morning and the radio just full of people saying: "Why should we give money to these people? Why should we give it?" That is what will happen if it is not done in a structured way."* [\[27\]](#)

Mr Coutanche made the following statement during a Public Hearing:

**Mr B. Coutanche**

*"My view is that we should try and achieve 0.7 per cent in the same timescale as neighbouring countries. ....key neighbouring countries will achieve that 0.7 per cent target by no later than 2015, and I think that is a reasonable thing for us to aim for as well. That gives us 7 or 8 years to achieve that."* [\[28\]](#)

The Chief Minister similarly agreed that there was no question of whether the Island's contributions to overseas aid should be increased:

**Senator F.H. Walker:**

*"I think let us be clear there is no suggestion anywhere that we should do anything other than increase our contribution to overseas aid. The question is what formula do we use and how fast do we go?"* [\[29\]](#)

The Minister for Treasury and Resources expressed the view that it was a question of how quickly the Island could aim to increase its overseas aid contribution, given other commitments:

**Senator T.A. Le Sueur:**

*“Well, I would say that at the moment the States are still adhering to the Projet 179 of 2002. That set a target of 2.4 per cent of tax revenue to be achieved as soon as practicable. My policies, and the Council of Ministers’ policies I think, are both aimed at going in that direction. It is a question for the States to decide how fast we go in that direction, recognising that there are other pressures on spending besides this one.”*<sup>[30]</sup>

Despite the number of differing views received on timescales for aiming to increase the Island’s overseas aid funding to the UN’s recommended level of 0.7% of GNI, **10-15 years** seemed to be a time frame that was supported by several witnesses.

Deputy Huet, Chairman of the JOAC, expressed her preferred way forward for the Island’s future contribution towards overseas aid during a Public Hearing, and appeared to agree with this long term view:

**Deputy J.J. Huet:**

*“... My preference – but that is just my preference and I am just one of the 6 – I worked out that if we had £500,000 a year and it was covered by cost of living – they normally do them for a 5 year sort of stint – then to me you would stand more chance of catching up. If it could be done maybe on a percentage like that over a 15-year period and roll it up that we are up there by 15 years, in 15 years’ time.”*<sup>[31]</sup>

The question the Sub-Panel asked itself was, would this mechanism achieve the aim of reaching the 0.7% of GNI target, and would this budgeting increase be sufficient for this target to be met within the next 15 years?

## **Options for future funding for overseas aid**

The Sub-Panel discussed the future funding for the Island’s overseas aid contributions during a Public Hearing with the Minister for Treasury and Resources, who was supportive of the method proposed by the Chairman of the Jersey Overseas Aid Commission:

**Senator T.A. Le Sueur:**

*“The level of £500,000 struck me as being commensurate with our long-term objective of 2.4 per cent at the end of the day. I have come up in budgeting proposals with an*

*alternative suggestion of 0.5 per cent growth per annum which is working out at about £400,000 initially but growing year by year as things go on. So at the moment it is a little bit below £500,000 but by the end of the 5 years it would be a little bit above the £500,000 but I was fairly relaxed. Either way there are 2 formulae, either of which could be used quite appropriately and the financial difference between the 2 of them is not significant.*<sup>[32]</sup>

The Island's future overseas aid budget varies depending on which budgeting mechanism is used. The Sub-Panel therefore examined which budgeting method had the best outcome in terms of providing the largest contribution to overseas aid. The Sub-Panel requested for the Treasury and Resources Department to provide funding forecasts outlining the Island's potential overseas aid contributions from 2007 onwards based on; an extension of the existing funding formula;<sup>[33]</sup> an increase of £500,000 per annum;<sup>[34]</sup> and an increase of 5% per annum.<sup>[35]</sup> **(See Tables 2-4)**

**Table 2: An extension of the current funding formula**

	2007 £m	2008 £m	2009 £m	2010 £m	2011 £m
<b>Income Tax</b>	403	440	455	470	490
<b>Impôt duties</b>	45	51	51	51	51
<b>Total</b>	448	491	506	521	541
<b>Formula %</b> P179/2002 approved 23 Oct 2002.	1.40%	1.45%	1.50%	1.55%	1.60%
<b>Formula £</b> Total Tax x %	6.268	7.120	7.590	8.076	8.656
<b>Prior year adjustment</b> Adjustment req'd due to difference in 2006 actual tax revenue compared with budgeted, <b>but this is deferred to 2008.</b> (Note)	0.063	0.243			
<b>Budget</b>	6.331	7.363	7.590	8.076	8.656
<b>Increase</b>		<b>1.032</b>	<b>0.227</b>	<b>0.486</b>	<b>0.581</b>
Note:  2006 actual tax receipts of £453m exceeded the budgeted tax of £435m. An adjustment is made for the difference had the Overseas Aid budget been set using actual tax figures.					

Source: Treasury and Resources Department

**Table 3: An increase of £500,000 per annum**

	2007 £m	2008 £m	2009 £m	2010 £m	2011 £m
<b>Income Tax</b>	403	440			
<b>Impôt duties</b>	45	51			
<b>Total</b>	448	491			
<b>Formula %</b> P179/2002 approved 23 Oct 2002.	1.40%	1.45%			
<b>Formula £</b> Total Tax x %	6.268	7.120			
<b>New Proposals 2009 onwards</b>			0.500	0.500	0.500
<b>Prior year adjustment</b> Adjustment req'd due to difference in 2006 actual tax revenue compared with budgeted, <b>but this is deferred to 2008.</b> (Note)	0.063	0.243			
<b>Budget</b>	6.331	7.363	7.863	8.363	8.863
<b>Increase</b>		<b>1.032</b>	<b>0.500</b>	<b>0.500</b>	<b>0.500</b>
Note:  2006 actual tax receipts of £453m exceeded the budgeted tax of £435m. An adjustment is made for the difference had the Overseas Aid budget been set using actual tax figures.					

Source: Treasury and Resources Department



**Table 4: An increase of 5% per annum**

	2007 £m	2008 £m	2009 £m	2010 £m	2011 £m
<b>Income Tax</b>	403	440			
<b>Impôt duties</b>	45	51			
<b>Total</b>	448	491			
<b>Formula %</b> P179/2002 approved 23 Oct 2002.	1.40%	1.45%			
<b>Formula £</b> Total Tax x %	6.268	7.120			
<b>New Proposals 2009 onwards</b>			0.368	0.387	0.406
<b>Prior year adjustment</b> Adjustment req'd due to difference in 2006 actual tax revenue compared with budgeted, <b>but this is deferred to 2008.</b> (Note)	0.063	0.243			
<b>Budget</b>	6.331	7.363	7.731	8.117	8.523
<b>Increase</b>		<b>1.032</b>	<b>0.368</b>	<b>0.387</b>	<b>0.406</b>
			5%	5%	5%
Note:  2006 actual tax receipts of £453m exceeded the budgeted tax of £435m. An adjustment is made for the difference had the Overseas Aid budget been set using actual tax figures.					

Source: Treasury and Resources Department

The Treasury and Resources Department also provided three further examples of extending the current funding formula (measured by a percentage of our income from taxation), which introduced revenues from various forms of taxation into the equation. **(See Tables 5-7)**

**Table 5: An extension of the current funding formula introducing the loss in corporate taxes (essentially income tax) through 0/10**

	2007 £m	2008 £m	2009 £m	2010 £m	2011 £m
<b>Income Tax</b>	403	440	455	470	490
<b>Impôt duties</b>	45	51	51	51	51
<b>0/10</b>		(3)	(3)	(67)	(72)
<b>Total</b>	448	488	503	454	469
<b>Formula %</b> P 179/2002 approved 23 Oct 2002.	1.40%	1.45%	1.50%	1.55%	1.60%
<b>Formula £</b> Total Tax x %	6.268	7.076	7.545	7.037	7.504
<b>Prior year adjustment</b> Adjustment req'd due to difference in 2006 actual tax revenue compared with budgeted, <b>but this is deferred to 2008.</b> (Note)	0.063	0.243			
<b>Budget</b>	6.331	7.319	7.545	7.037	7.504
<b>Increase</b>		<b>0.988</b>	<b>0.226</b>	<b>-0.508</b>	<b>0.467</b>
Note: 2006 actual tax receipts of £453m exceeded the budgeted tax of £435m. An adjustment is made for the difference had the Overseas Aid budget been set using actual tax figures.					

Source: Treasury and Resources Department

**Table 6: An extension of the current funding formula including Stamp Duty and GST as States Revenues that could be determined taxes or duties and which are not hypothecated in any way**

	2007 £m	2008 £m	2009 £m	2010 £m	2011 £m
<b>Income Tax</b>	403	440	455	470	490
<b>Impôt duties</b>	45	51	51	51	51
<b>0/10</b>		(3)	(3)	(67)	(72)
<b>GST</b>		30	45	46	47
<b>Total</b>	448	518	548	500	516
<b>Formula %</b> P179/2002 approved 23 Oct 2002.	1.40%	1.45%	1.50%	1.55%	1.60%
<b>Formula £</b> Total Tax x %	6.268	7.511	8.220	7.752	8.260
<b>Prior year adjustment</b> Adjustment req'd due to difference in 2006 actual tax revenue compared with budgeted, <b>but this is deferred to 2008.</b> (Note)	0.063	0.243			
<b>Budget</b>	6.331	7.754	8.220	7.752	8.260
<b>Increase</b>		1.423	0.466	-0.468	0.509
Note:					
2006 actual tax receipts of £453m exceeded the budgeted tax of £435m. An adjustment is made for the difference had the Overseas Aid budget been set using actual tax figures.					

Source: Treasury and Resources Department

**Table 7: An extension of the current funding formula including all States Revenues that could be determined taxes or duties and which are not hypothecated in any way**

	2007 £m	2008 £m	2009 £m	2010 £m	2011 £m
<b>Income Tax</b>	403	440	455	470	490
<b>Impôt duties</b>	45	51	51	51	51
<b>Stamp Duty</b>		24	25	25	26
<b>0/10</b>		(3)	(3)	(67)	(72)
<b>GST</b>		30	45	46	47
<b>Total</b>	448	542	573	525	542
<b>Formula %</b> P179/2002 approved 23 Oct 2002.	1.40%	1.45%	1.50%	1.55%	1.60%
<b>Formula £</b> Total Tax x %	6.268	7.859	8.595	8.139	8.676
<b>Prior year adjustment</b> Adjustment req'd due to difference in 2006 actual tax revenue compared with budgeted, <b>but this is deferred to 2008.</b> (Note)	0.063	0.243			
<b>Budget</b>	6.331	8.102	8.595	8.139	8.676
<b>Increase</b>		<b>1.771</b>	<b>0.493</b>	<b>-0.456</b>	<b>0.537</b>
Note: 2006 actual tax receipts of £453m exceeded the budgeted tax of £435m. An adjustment is made for the difference had the Overseas Aid budget been set using actual tax figures.					

Source: Treasury and Resources Department

The Sub-Panel was keen to ascertain which of the funding formulas would provide the greatest total budget for overseas aid. **Table 8** therefore compares the cumulative totals from each budgeting mechanism from 2007-2011.

**Table 8: Comparison of forecasting figures for Jersey's Overseas Aid budget from 2007-2011**

Budgeting mechanism	Total Overseas Aid budget from 2007-2011 (£m)
Extension of current formula	38.016
Increase of £500,000 per annum	38.783
Increase of 5% per annum	38.065
Extension of current formula introducing the loss in corporate taxes	35.736
Extension of current formula introducing revenue from Stamp Duty and GST	38.317
Extension of current formula including all States Revenues that could be determined taxes or duties	39.843

**Table 8 illustrates that the budgeting mechanism which would provide the greatest total budget**

for overseas aid from 2007-2011 would be an extension of the current funding formula, based upon a percentage of the States income from taxation, including all States revenues that could be determined taxes or duties and which are not hypothecated in any way. This method would provide a total budget for overseas aid of £39,843,000 over the four year period.

The Sub-Panel contacted the States Economic Adviser to request for clarification as to how long it would take for the Island to reach the UN's recommended level of 0.7% of GNI if it adopted the Chairman of the JOAC's preferred funding formula of an increase of £500,000 per annum. The Sub-Panel focussed on the Chairman of the Commission's proposed funding formula as an example, because it is relatively easy to calculate the increase over a number of years through the use of this mechanism. The response received stated that to make such a calculation an assumption is needed about future trends in GNI and involves a significant degree of uncertainty.<sup>[36]</sup>

Mr Coutanche subsequently provided the Sub-Panel with calculations that outlined the Island's future overseas aid contributions as a percentage of GNI based on differing levels of economic growth and decline. These figures were subsequently analysed by the States Economic Adviser, and his projections are outlined in **Table 9**. The projections are based on the assumptions that GNI in 2007 is uprated from that in 2005 by assuming real growth of 2% in 2006 and 2007. The forecasts also assume that the Island's overseas aid budget for 2008 is £7 million, with a subsequent annual increase in the budget of £500,000 (as proposed by the Chairman of the Jersey Overseas Aid Commission).

**Table 9: The Island's overseas aid contributions as a percentage of GNI in 2017 based on an annual increase of £500,000 in the Island's overseas aid budget<sup>[37]</sup>**

Assumed real annual % GNI (decline)/growth	(2)	(1)	0	1	2
Aid as a percentage of GNI in 2017	0.42	0.38	0.35	0.31	0.28

Source: States Economic Adviser

The last confirmed figures (for 2004) show that the Island's contribution to overseas aid as a percentage of GNI was 0.17%. If the Jersey Overseas Aid Commission's funding formula of an annual increase of £500,000 was followed for the next ten years, with economic growth increasing by 2% a year,<sup>[38]</sup> Jersey's overseas aid contributions as a percentage of GNI would only have improved by 0.11% in this time period to 0.28% of GNI.

For all future overseas aid funding, there needs to be sufficient differentiation between the budget mechanism used for our overseas aid contribution (which is currently a target of 2.4% of our taxation revenue) and the analysis of the outcome (based on the international target of 0.7% of GNI).

The identification of increasing the Island's contributions based on an extension of the existing formula of 2.4% of all States revenues that could be determined as taxes or duties (the budget mechanism) is a pragmatic and reasonable approach in the short-term in the current economic climate – but there must be an on-going review of how this mechanism is performing against targets (analysis of outcome) when the GNI figures are available. The budget mechanism must then be revised and upgraded if the Island is to achieve the 0.7% of GNI target.

This method would provide budgeting certainty to all concerned, but would also enable the Island's overseas aid contributions to be compared universally to all other jurisdictions through the use of GNI figures.

However, an extension of the current budgeting mechanism is not sufficient in terms of meeting the international target of 0.7% of GNI, and the Island's contributions would still fall short of what they would have been if the Island had reached its initial target of contributing 2.4% of income from taxation by 2008.

If the States were to adopt the preferred funding formula proposed by the Chairman of the Jersey Overseas Aid Commission (an annual increase of £500,000), in ten years time the Island would only be just over a third of the way towards reaching the 0.7% of GNI target.

### **Conclusion**

**The Sub-Panel recognises the Island is on the brink of major fiscal reform, which creates uncertainties with regard to our taxation income, and appreciates that it is therefore not possible to move quickly towards the 0.7% of GNI target.**

**The Sub-Panel applauds the Council of Ministers' continued commitment to increasing the level of overseas aid even in a period of fiscal upheaval and budget restrictions.<sup>[39]</sup> Nevertheless, the Sub-Panel shares the concerns expressed in numerous submissions received during its Review, about a lack of commitment to achieving the universally accepted goal.**

**Thus we believe that as an absolute minimum the initial focus of our overseas aid contributions should follow an extension of the existing funding formula of 2.4% of all States revenues that could be determined taxes or duties and which are not hypothecated in any way (see Table 7).**

**At the same time the Island should embrace the aim of reaching the 0.7% target within a**

specific and reasonable timeframe, as the Island would be making a commitment which would make it easier to graduate our annual increases in overseas aid from today to the target year.

## **Recommendations**

### **1. Measuring our overseas aid contribution**

The Sub-Panel strongly endorses the extension of the existing funding formula of 2.4% of all States Revenues that could be determined taxes or duties which are not hypothecated in any way (see Table 7). Reviews of this funding formula then need to be conducted at regular intervals to demonstrate how the mechanism has performed against targets when GNI figures are available.

### **2. Increasing our overseas aid contribution**

The Sub-Panel strongly recommends that the Commission formally requests the States to adopt a definite time frame with interim targets and commit to contributing 0.7% of GNI to overseas aid. Any increase in overseas aid should be a real increase in funding, on top of any inflationary increases per year.

## **How would we fund an increase in our overseas aid contributions?**

The Sub-Panel acknowledges that a steady increase towards the international target will be a challenge to the States, and would almost certainly require either increases in taxation or an increased share in the Island's economic growth.

The effect that adopting the target of 0.7% of GNI would have on the Island's taxes was discussed with the Chief Minister during a Public Hearing:

### **Senator F.H. Walker:**

*"... If we were to go to £22 million it is equivalent to another 1.5 per cent on GST (goods and services tax). So you are putting 50 per cent on the current expected rate of GST. Now those things cannot be ignored. You know we all would like to increase our overseas aid contribution. No argument about that whatsoever. The question is, given all the other pressures on the States' budget and the introduction of new forms of taxation and so on, what is fiscally and financially and realistically possible? That is the question."*<sup>[40]</sup>

The concept of increasing GST by 1.5% to fund an increase in overseas aid was discussed during a Public Hearing with Mr Coutanche, who suggested that this would not be the only method, as the Island could fund an increase in its contributions through economic growth:

**.Mr B. Coutanche:**

*“...You could achieve an increase in funding without real cuts in any other States’ budget and without increasing taxation levels. Terry Le Sueur has already earmarked 2 per cent of our economic growth to fund part of the fiscal strategy. If our economic growth exceeded that 2 per cent target that would mean that additional tax yield would be generated and the increase could be funded out by additional revenue.”<sup>[41]</sup>*

Following the Public Hearing, Mr Coutanche kindly provided the Sub-Panel with a document setting out his initial thoughts on this proposal.<sup>[42]</sup> This document sets out several factors that will affect the relationship between Jersey’s economic growth and tax revenue over the next 5 years, and concludes:

*“In summary there are many uncertainties in regard to forecasting the timing and amount of any tax yield that may be generated by economic growth. Notwithstanding these difficulties economic growth is likely to generate increased tax revenue so long as tax rates are not reduced by a corresponding amount. Indeed the Fiscal Strategy (P44/2005) banks on economic growth yielding £20 million additional tax revenue per year. In principle it may therefore be possible to fund growth in the overseas aid budget through increases in tax revenues attributable to economic growth without recourse to, for example, an increase in GST rate or real cuts in services.”*

The Sub-Panel subsequently sent this document to the States Economic Adviser, to request for clarification as to how this proposal would work. The following response was received:

*“Funding such payments through economic growth does not change the economic implications. Taxes will be higher than would otherwise have been the case or expenditure lower. Given that economic growth is needed as part of the States fiscal strategy and will be important in meeting future fiscal challenges there is no easy solution by using the fiscal improvements related to economic growth.*

*The extent to which this would affect the Island’s overseas aid contributions would be dependent on the rate and nature of economic growth and how much of economic growth related improvements in government finances were allocated to overseas aid.*

*Planning aid payments may prove difficult to the extent that economic growth in any one year would not be known until later the following year and that no economic growth would mean no increase in aid.”<sup>[43]</sup>*



Mr Dubras suggested an alternative method of increasing the Island's contribution towards overseas aid, through the introduction of a carbon offsetting scheme. Mr Dubras made the following statement in his submission to the Sub-Panel:

*"May I strongly recommend that you investigate the possibility of Jersey, as a whole community, establishing such a bona fide arrangement, which is linked directly to our OAC programme of overseas aid, as a transparent and worthwhile additional contribution? It must not, however, be seen as a way of avoiding real reduction in Jersey's emissions but as a complementary way of offsetting otherwise unavoidable pollution.*

*Such a 'carbon fund' might be then seen to deliver real contribution to our recipient countries and/or charities, thus making meaningful improvement in the lives of people far less fortunate than ourselves so they, in turn, do not add to the air, land and marine burden."*

A similar view was expressed in the submission from Dr Stanley Price, Chief Executive of Durrell Wildlife Conservation Trust:

*"As the recent Stern review shows, mitigation efforts must start through adaptation to low-carbon development paths. Curbing deforestation in developing countries is a major way of reducing greenhouse gas emissions. Exploration of these opportunities and links with Jersey could diversify the JOAC programme, put Jersey at the forefront of looking at the broader picture of environmental sustainability and lifestyles, and be the means for offsetting some of the undesirable results of a wealthy, consumer lifestyle in Jersey."*

The Sub-Panel acknowledge the fact that deciding how to fund a commitment to reach the international target will be a difficult task and we recognise that it is beyond the scope and capacity of the Sub-Panel's Review to advise on exactly how this increase would be funded. However the Sub-Panel wishes to make a positive proposal endorsing the suggestion of one of the witnesses, Mr Daniel Wimberley, Christian Aid Jersey,:

**Mr D. Wimberley:**

*"I think we should formally adopt the 0.7 per cent and possibly with a target date. Then we should set up a group to see how we are going to do it and take up the point ... of absorbability and how we can we scale up the aid program by a factor of 4 and still maintain the quality, and that is important."*<sup>[44]</sup>

## **Conclusion**

Whilst it is beyond the scope of the Sub-Panel's Review to advise on how an increase in our overseas aid contributions would be funded, the Sub-Panel endorses the formation of a group set up to see how the Island could aim to reach the 0.7% of GNI target. This group should be led by the Commission, and consist of representatives from the Treasury as well as including suitably experienced local volunteers.

The group could examine in some depth how other countries such as Luxembourg and Ireland have achieved their current levels of aid and to analyse in greater detail the question of Jersey's particular economic characteristics and to come up with firm proposals which take into account the budget realities of Jersey's present and future economy.

## **Recommendation**

The Jersey Overseas Aid Commission should progress the formation of a group, set up to establish how the Island could aim to reach the 0.7% of GNI target. The formation of this group should be progressed as soon as practicably possible, and as well as being led by the Commission, it should consist of representatives from the Treasury and suitably experienced local volunteers.

## **4.2 The JOAC's policies and procedures for the distribution of its aid budget**

### **Distribution of grant aid**

The largest part of the JOAC's budget is dedicated to grant aid. In 2006, out of a total net expenditure of £5,713,284, £4,797,510 was allocated to grant aid agencies, which is equivalent to 83.9% of the Commission's budget.<sup>[45]</sup> (Please see Appendix 4 for the JOAC's 2006 Income and Expenditure Account). Generally it should be possible for all grant aid projects to be completed within 12 months, and each project should not exceed £65,000.

The Commission's policy for the distribution of its grant aid was strongly supported by the response the Sub-Panel received from Oxfam, which stated:

*"The current Jersey funding criteria for development grants, we feel is very clear, concise and broad enough for most potential applicants to meet successfully. The wide criteria enables Oxfam to submit a wide range of work from all parts of the world, including those areas which are not popular with funders such as the former Soviet Republics. Making the criteria more specific would lead to a reduction in the number of projects and countries we and other charities could submit to the Commission. The proposal template and submission process is straightforward and we appreciate the opportunity to meet the Commission to discuss the projects during the meetings in London."*

Strong support for the Commission's distribution of its grant aid budget was also evident in the submission from Durrell Wildlife Conservation Trust, which concluded that the administration instructions for applicants are a model of clarity, simplicity and appreciation of the realities of working in developing countries that may require change and flexibility.

However, this view was not shared by all, and the Sub-Panel received a submission from Dr Hezron Mc'Obewa expressing his frustration with the JOAC's grant aid allocation. Dr Mc'Obewa stated that having been involved in international development for many years, he has found it extremely difficult to receive information relating to grant applications from the Commission. Dr Mc'Obewa made the following specific points:

*"JOAC does not run a clear, concise and up to date timetable of when to apply for grants, who can apply, threshold of funding, formal funding application form (both for small grants,*

*large grants)”*

The submission from Mr J Le Maistre also felt that there may be questions which need to be raised:

*“I believe that generally the Commission has established good relations with the agencies, but that is not to say that improvements cannot be made. Most agencies, if invited to comment, are likely to focus on the positive aspects as, understandably, they would not wish to disturb any goodwill between themselves and the Commission that has been developed over the years.*

*Nevertheless, it would be naïve to assume that problems between the Commission and agencies either do not occur or have not occurred from time to time. There are a number of questions which can be raised and which affect agencies applying for funds. For example, in order to maintain good relationships with organisations, it is helpful for consistency in funding from one year to the next providing that the projects submitted meet the criteria. The Commission is effectively in partnership with the NGO’s and irregular funding can create significant difficulties if they have to operate with a high level of uncertainty year to year. Consistent funding may be the intention of the Commission, but it is difficult to deduce from the annual reports whether or not this is the case.”*

The issue of consistently funding certain agencies was raised with the Commission during a Public Hearing. Mr Crapp, former Executive Officer and Commissioner, told the Sub-Panel:

**Mr. L. Crapp:**

*“I can tell you what has happened in the past because it is a question of the quality of the project and it is purely on the project.”<sup>[46]</sup>*

Advocate Peter Cushen felt that the Commission’s policies and procedures for the distribution of its grant aid may be too rigid:

*“In my opinion, whilst I see no problem with the JOAC having its own guidelines for the distribution of its grant aid budget, the policies and procedures are very rigid and seem to allow of no exceptions in many cases. This seems to unduly fetter the discretion conferred on it by clause 3 of its constitution “to manage and administer the monies voted by the States of Jersey for overseas aid, so as to enable humanitarian aid to be provided overseas...” At best, this seems to me to prevent the JOAC from considering many perfectly valid and worthy applications. At worst, it is ultra vires. I would submit that the JOAC should reconsider its policies and procedures with a view to introducing more*

*flexibility, and in particular to reframe most of its rigid policies in the form of guidelines, allowing exceptions in its discretion.”*

The Commission does not provide direct grants for projects to be administered by governments, members of governments or their officers.<sup>[47]</sup> The Sub-Panel received many submissions outlining support for this policy, such as the following extract from the Jetsure submission:

*“The Jetsure committee are agreed that it is right not to give aid to governments for them to distribute... Different political considerations will apply in different countries but, in general, governments simply cannot be trusted to act fairly and competently as channels of aid. The present policy of dealing directly with communities or through church or other agencies which operate locally and which can be trusted should be maintained.”*

This view was also shared by the submission from the Bukit Lawang Charitable Trust:

*“The government agencies (and also large charities/NGOs) have to put in place a network of people on the ground. They employ “consultants” and much money is siphoned off and wasted. That is not to say good work is not done but in terms of “value for money” small direct aid projects such as those run by Jersey Overseas Aid and their partnership projects are very effective because the money goes directly to the source of the problem and is not wasted along the way.”*

Rose Helie from Mustard Seed (Jersey) similarly focussed the comments in her submission on this issue:

*“My own experience of preparing, sending then monitoring humanitarian aid to Eastern Europe makes me believe that much money can be wasted on red tape and administration and through corruption. I have found (on a small scale) that it is the personnel in-country administering the aid who hold the key to those resources being used wisely or recklessly. This leads me to believe that (as a general rule) to make the best possible use of funding it is better to use the smaller organisations (with therefore less over-heads), and to check, double-check and then check again a little later and then again that the aid given (whether financial or material) has been used correctly, without a vast amount being unaccounted for or used on administration.”*

This policy was further endorsed by Mr Wavell from Jersey Side by Side:

**Mr M. Wavell:**

*“We had breakfast with the Prime Minister of Sri Lanka and he was saying: “Do not put*

*any money through my government. Please, do not.” This was the Prime Minister of Sri Lanka saying that the way you are doing it, sort of community to community, is the way forward.* <sup>[48]</sup>

## **Conclusion**

**The Sub-Panel supports the Jersey Overseas Aid Commission’s approach of working with established NGO’s, rather than providing direct grants to governments.**

## **Scoring system?**

-  
During the course of the Sub-Panel’s Review, confusion was expressed as to whether or not there is a scoring system used by the JOAC to distribute its grant aid to recipients, as a lack of understanding seems to exist in terms of the precise way in which decisions on projects are made.

This confusion was expressed in the submission from Mr Le Maistre, a former President of the then Overseas Aid Committee. He stated:

*“When projects fail to obtain funding there has been some reference over the years to “scoring” which presumably means that some projects are more likely to be accepted if they score more highly than others. I have enquired of the Executive Officer whether I might see how the scoring is undertaken but the reply which I received clearly stated that no such scoring is used. I quote “The Commission do not use a scoring system as such in that the agencies are not awarded points against their applications or for their presentations.”*

The submission goes on to highlight the fact that paragraph 4.5 of the Explanatory Booklet clearly states that:

*“The Commission is aware that some outcomes such as the provision of school desks and chairs may not score as high as other projects or may be difficult to assess etc.”*

This issue was subsequently raised during a Public Hearing with Mr Le Maistre, where the following exchange took place:

**Senator J.L. Perchard:**

*“Does the Commission use a scoring system to measure the...”*

**Mr. J. Le Maistre:**

*"There is confusion there because I am told that they do and I am told that they do not."*

**Senator J.L. Perchard:**

*"Should they?"*

**Mr. J. Le Maistre:**

*"I think there is no way to do it without scoring, I really do not...There is confusion because the booklet clearly states that there is a scoring system."*<sup>[49]</sup>

The Sub-Panel discussed this with Deputy Huet during the Commission's attendance at a Public Hearing:

**Deputy J.J. Huet:**

*"... The Commission does not use a scoring system as such, in that the agencies are not awarded points against their application or for their presentation. On the latter, while it is important if the Commission have specific questions in respect of any one project, it is viewed positively if the agency knows the answer rather than having to refer back to a colleague. This does not necessarily have a negative impact on that application. Quite simply, a Commissioner will look at an application and will decide (a) it is worthy of funding, (b) if funding is still available to revisit the application or (c) they are not happy with the application and that would usually be due to administration costs."*<sup>[50]</sup>

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In terms of the reference to scoring in the Commission's Explanatory Booklet, Deputy Huet explained:

**Deputy J.J. Huet:**

*"...This is merely a figure of speech when we say "score". It is not because we are scoring them as such; it is are they good, is there enough funds? Providing all areas and projects fall within the Commission's remit they are considered equally."*<sup>[51]</sup>

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This issue is further complicated by the fact that Mr Leslie Crapp, former Executive Officer and Commissioner, made the following statement in his submission:

*"Perhaps the more important and difficult part of the problem is measuring the effectiveness in the selection of the projects to be funded. There is substantial competition for funding and a wide coverage of different needs and in different geographical areas among the agencies. Approximately 80% of applications made by aid agencies are considered at interviews with the agency. **Fortunately the decision has to be made by***

*a number of Commissioners and the scoring system that has been devised assists in the selection process.”*

#### **Conclusion**

**The Sub-Panel is concerned by the confusion expressed surrounding the Jersey Overseas Aid Commission’s selection process for the distribution of its budget. There would be benefit in the Commission providing greater clarity on this issue, with a view to producing a standardised system which should be made public to ease the application process, and also provide comprehensive feedback to agencies unsuccessful in securing funding from the Commission.**

#### **Recommendation**

**The Jersey Overseas Aid Commission should introduce a more formal and transparent system against which agencies applying for funding will be assessed.**

### **Administration costs**

The Jersey Overseas Aid Commission’s administrative costs currently represent only 0.9 per cent of the total budget, and as stated in the 2006 Explanatory Booklet:

*“The Commission will therefore seek to pursue its policies having regard to its limitations on manpower and encourage others to work more efficiently with the Commission. The Executive Officer has established minimal essential requirements which agencies are urged to comply with.”<sup>[52]</sup>*

During a Public Hearing Mr Le Maistre made reference to the real costs of “delivering” the Overseas Aid budget (the cost of project assessment, submission to the Commission and monitoring to completion), and explained that this cost was borne by the individual NGO’s.:

#### ***Mr J. Le Maistre:***

*“The administration of the Commission relates to the submission of projects to the Commission, the sifting through the projects and the acceptance of the projects. The Commission itself does not administer the projects. All projects are administered by the NGOs who have submitted them and, as part of the project cost, there is an administrative cost and I think it would be far more upfront if it was actually stated that there is an administrative cost. I will give you an example where recently I was involved with a charity locally raising funds for a school in Pakistan. The agency that submitted the project, which*



*happens to be the Red Cross, said: “You need to be aware that between the Red Cross in the recipient country, who will be doing the final overseeing administration, and the Red Cross in the UK, there is a total of, I think it was 12.8 per cent, administration charges. That is included in the total project cost.” But that does not reflect the cost of the Commission’s work. The Commission’s work is separate.* <sup>[53]</sup>

### **Conclusion**

**The Sub-Panel is supportive of the Jersey Overseas Aid Commission’s aim to maintain low administration costs. However, if the States were to adopt a target to increase the Island’s overseas aid contributions in line with 0.7% of GNI, it would be necessary for the Commission to increase its emphasis on the auditing of projects funded by the Commission, to ensure funds have been allocated and spent accordingly.**

### **Recommendation**

**As the States overseas aid budget increases, the Jersey Overseas Aid Commission should consider directing a greater proportion of its budget to administration and auditing costs, to ensure funds have been allocated and spent accordingly.**

## **Local charities**

During the course of the Sub-Panel’s Review, there seemed to be confusion surrounding the status of local charities, as some submissions felt that certain charities, such as the Bush Hospital Foundation, were being given better treatment than other local charities. The Durrell Wildlife Conservation Trust and the Bush Hospital Foundation have however graduated to the list of organisations eligible for grant aid. The Sub-Panel raised this issue with the JOAC, and asked whether the criteria for making this “leap” are well enough understood within the Jersey charitable community. The following response was received in the Commission’s second written submission:

*“Generally speaking the Commission believes that a number of local based charities do not have the infrastructure to graduate to the list of organisations as standalone agencies eligible for grant aid. Both Durrell Wildlife Conservation Trust and Bush Hospital Foundation are the main agencies without any parent body in the UK. Durrell is an international renowned agency and Bush provides leverage of multi-million pound funding through the release of donated drugs through its direct association with Direct Relief International. Any locally based charity or smaller UK based charity is allowed to seek funding which is openly available through one of the approved agencies listed in the booklet as outlined in our standard letter. Indeed this has been the case where a local charity ‘Kenya Widow and Orphans’ as recently as last year successfully received funding*

*through an application supported and presented to the Commission by Tools for Self Reliance.*

*Yes. The Commission is confident in its policy but always prepared and available to meet a local body of a UK charity and a representative from the parent body to discuss future projects.”*

This issue was further discussed during the Commission’s attendance at the Public Hearing:

***Deputy J.J. Huet:***

*“...But you cannot just jump on to the main list because there are thousands of agencies that would be saying: “Can we jump on to the main list?” So we have a main list and we only add people now who come up with something completely new. We had one for mental health a couple of years ago and nobody else did mental health so we said: “Fine, we do not have an agency that is doing mental health.” We took them on board.”<sup>[54]</sup>*

**Conclusion**

**The Sub-Panel is concerned about the level of confusion and uncertainty surrounding this aspect of the Jersey Overseas Aid Commission’s policies. Greater clarity in this respect would remove any feeling that currently exists in terms of the belief that the Commission chooses how to allocate funding based on “personalities”, as was asserted in a number of submissions to the Sub-Panel.**

**Recommendation**

**The Jersey Overseas Aid Commission should clearly standardise the process for local charities to follow in order for them to progress onto the main list of agencies able to apply for a proportion of the Commission’s grant aid budget.**

## **Three year funding**

The Commission has recently introduced a policy which allows for 10 agencies to submit a single project for three years funding. The maximum for three year projects has been set at £150,000; however the JOAC Explanatory Booklet states that there would be some flexibility in the amount spent in each year of a three year project.

This initiative was welcomed by many submissions, such as the following extract from Oxfam’s submission to the Sub-Panel:

*“The inclusion of a rolling three-year grant following the previous Jersey Overseas Aid review has been particularly welcome. Long term projects such as these allows Oxfam to invest in projects which will help many more people over a longer period and give Oxfam time to prepare beneficiaries to become self sufficient once the project ends.”*

Mr Daly felt that the 3 year funding policy should be extended to include local charities, rather than just National agencies:

*“I am talking about 3 year funding on a particular project which they do with national-based charities. They fund a certain project for 3 years. Well, you cannot get that as a local-based charity.”*<sup>[55]</sup>

Mr Le Maistre agreed that there is a growing awareness that long term planning and funding of aid projects is more likely to achieve lasting results in what is often a very fragile environment. He felt that there is a need for the Commission to consider developing the existing policy and increase funding to a greater number of long term development projects. He accepted that there has been a move in this direction, however he suggested that the limit of ten agencies (and for only a three year funding programme) does not reflect a vision for identifying communities with which Jersey can develop a real association and where the prospect for long term benefits can be increased.

Mr Le Maistre went on to explain that by adopting a policy for funding longer term projects, Jersey could provide better support to Third World communities in terms of income generating projects:

*“There has also been recognition that income generation is important to help communities to help themselves. In the setting of a third world community, a three year project starting with very little infrastructure is unlikely to develop to its full potential within such a short timescale. Whilst this element may have already been recognised by the Commission, there is an opportunity for Jersey to become a leader in development concepts. I have the impression that currently very few funding organisations are prepared to commit to long term projects. Jersey can lead the way in this regard.”*

The Sub-Panel sought clarification from the Commission as to whether they would consider funding longer term projects, and extending the current policy beyond 3 years. The following response was received:

*“The Commission would like to continue to assess the success of the three year funding policy. The Commission would consider an extension of the funding period if more funds*

*were available and after consultation with the agencies. Such consultation was carried out with the three year proposals.*

*Current three year funding is based on a single project running over a three year period, not three year funding allocated to an agency to undertake various projects over a three year period.*

*The Commission would look at longer term projects on the same basis as its current three year projects providing further funding was available and that the application fits within the Commission's current criteria. The Commission would also look at the amount and overall commitment over the five year period and the call on its limited funds. It should be noted at the present time the Commission has no shortage of one year projects."*

#### **Conclusion**

**The Sub-Panel applauds the Jersey Overseas Aid Commission's recent introduction of funding for three year projects.**

#### **Recommendation**

**The Sub-Panel would strongly encourage the Jersey Overseas Aid Commission to review the experience of the extended funding for projects as soon as possible, with a view to expanding the process in terms of more multi-annual projects.**

## **Disaster & emergency relief funding**

As explained in the Commission's Explanatory Booklet, 15% of the grant aid budget has been made available for disaster and emergency relief. In order to keep within its budget the Commission are limiting grants for individual projects up to £25,000 and a total spend of £75,000 on any one disaster. The Sub-Panel received several submissions which praised the Commission on the speed with which funding was provided for emergencies and disasters.

Christian Aid's submission explained that when an emergency happens the States of Jersey is one of the first donors Christian Aid contacts, as the process of submitting an emergency grant is simple and Jersey Overseas Aid responds very quickly, which Christian Aid greatly appreciate. It was also felt that the criteria for emergency grants are clear and concise and allow Christian Aid to spend the funds where the need is greatest at the time.

Similarly, this aspect of the Commission's policy was once again strongly supported by the response from Oxfam, which stated that when a disaster strikes whether it be manmade or natural the States of Jersey is one of the first funders Oxfam approaches

The Oxfam response also explained that unlike many funders, media interest in a disaster doesn't appear to play a part when making funding decisions in Jersey, which can mean smaller emergencies are ignored by other jurisdictions.

However, this aspect of the Commission's work was heavily criticised in the submission from Mr Jerry Gosselin. Mr Gosselin explained that at the beginning of August 2006, he had publicised the fact that the JOAC had rejected applications by Christian Aid and UNICEF for emergency aid for the crisis in Lebanon. The JOAC claimed that Lebanon had "*a developed infrastructure*" and was not a third world country, which meant that it was "*not within the Commissions remit to fund such areas*". Mr Gosselin explained that when consulting the Commission's annual report (for 2005) it showed that the Commission (or its predecessor, the Overseas Aid Committee) had given development aid (not emergency aid) worth more than £0.5 million, to eleven countries which were ranked as either more developed than Lebanon (and the Palestinian Occupied Territories for which Mr Gosselin was also appealing for emergency assistance), or were approximately equal to them, according to the Human Development Index and UNICEF's Under Age 5 Mortality tables.

Mr Gosselin's submission went on to explain that during a subsequent BBC spotlight news report Deputy Huet gave the impression that there was nothing to prevent Lebanon receiving grant aid from the Commission via an agency, regardless of how it was ranked in terms of human development. As stated in Mr Gosselin's submission:

*"The only conclusion I could draw from Deputy Huet's words in that interview was that the JOAC did **not** consider the relative wealth of a country when allocating development aid (or "grant aid to agencies" as it calls it), which traditionally makes up at least four fifths of the Overseas Aid budget, but conversely, it **did** consider a country's development ranking when distributing emergency aid, which forms only a tiny proportion of allocated funds. This seems illogical to me; it would seem that there is no internal safeguard to prevent approximately four fifths of the Commission's annual budget from being misused on projects for the benefit of countries that are not under-developed in any sense of the world. Yet when a country is hit by a sudden humanitarian disaster, the Commission decides to strictly judge that country according to its development ranking (but will not reveal which development ranking it is referring to)."*

This issue and the concept of how the Commission prioritises applications for emergency assistance

were raised with the Commission during a Public Hearing, where the following comments were made:

**Mr. L. Crapp:**

*"Yes, it prioritises itself if you like and subject to the thing matching it is a first come, first served basis. It still has to match up to the criteria. That is why we do not deal very much with DEC (Disasters Emergency Committee) who only do really major emergencies and they take too long to get off the ground. By the time they get off the ground, other agencies are already working there."*<sup>[56]</sup>

**Deputy J.J. Huet:**

*"Emergencies come, as we have said, as they happen; 3 for each emergency, up to £75,000 for each country. The one that came from the Lebanon, when we looked at the media and reports that we were getting, nobody could confirm that the aid was reaching where it was supposed to reach and we thought that if it was not - - you should not send aid unless it gets to where it is going for what it is needed."*

**Mrs. T. Roberts:**

*"In addition, I think that funding had been withdrawn by a number of European Union countries."*<sup>[57]</sup>

On a slightly different issue, Mr Allchurch, Jersey Fairtrade Island Group, felt that the percentage of the budget the Overseas Aid Commission contributes to Disaster and Emergency Relief Funding may prove to be insufficient:

*"...At the moment 15 per cent is allocated to disaster relief. I think we are going to face a situation in the future with climate change where things which are not yet on the radar for people... and therefore I think the demands on that element of the budget are going to increase if we are going to recognise that we have a responsibility to meet disaster. So I think that 15 per cent might well need to be reviewed anyway."*<sup>[58]</sup>

The 1998 Policies and Procedures review recommended that Emergency aid should be channelled through the UN Department of Humanitarian Affairs Relief Co-ordination Branch (which is now known as the Office of the Co-ordinator of Humanitarian Assistance, OCHA). This recommendation has not been followed, and the JOAC defended their reputation for getting emergency aid out more quickly than more centralised co-ordination bodies.

### **Conclusion**

**The Sub-Panel supports the decision from the Jersey Overseas Aid Commission not to follow the recommendation of the Policies and Procedures review in this instance, as despite the arguments in favour of delivering aid through OCHA, this would be out of step with the rest of the Commission's policies. The submissions received from agencies support the Commission's stance that they are able to fund emergency causes quickly.**

### **Recommendation**

**The Sub-Panel recommends that the Jersey Overseas Aid Commission continues with its current policy for the distribution of its funding for emergency aid, rather than the funding being channelled through OCHA, however it is recommended that the Commission provides greater clarity on the criteria used for the distribution of disaster and emergency relief funding grants.**

## **Community work projects**

The Jersey Overseas Aid Commission has been assisting with funding for parties of volunteers from Jersey to work with local communities in developing countries since 1972. The Commission justifies this element of its programme as follows:

*"It is the Commission's view 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."* [\[59\]](#)

The Commission's funding for Community Work Projects is one of the smallest elements of its budget, and in 2006 it equated to approximately 2.85% (£150,000) of the total budget.

The value of the Community Work Projects received differing levels of support from witnesses during the Sub-Panel's Review. Whilst it was acknowledged that sending groups of Islanders to the developing countries may not be the most economically advantageous way of the work projects being conducted, it was strongly felt by some that the effect that the projects have on Islanders far outweigh the fact that the work could be undertaken in a more efficient and cost effective manner. This was a view strongly expressed in the submission from Mr John Carnegie, who stated that not only have so many needy projects abroad prospered as a result of the Commission's input, but also so many local

people have greatly benefited from the experience of working in Third World Countries.

Deputy Huet explained that, despite the amount of time needed to organise the Projects, the benefits of the Community Work Projects were immense:

**Deputy J.J. Huet:**

*"It is only a fraction of our budget but I have to say that it takes up the most time. It really does. It takes up more time than all the Commissioners put together because you have to make sure everybody has medicals, references, they have to be interviewed, leaders have to be chosen, they have to have workshops and it is very time consuming work. But I do not think it can ever be - - of course, it would be cheaper to send 2 people, but that is not the idea. The idea is to involve the Island of Jersey and that is why I, myself, believe that Overseas Aid is so successful in Jersey because nearly every family in Jersey has sent somebody on an overseas aid project and when the kiddies come home or the older persons come home, there is no age bar on it, they involve the whole family."*<sup>[60]</sup>

Mr Bryan Gullick discussed the benefits of funding Community Work Projects in his submission to the Sub-Panel, which commented on the impact the projects have on the participating volunteers' lives, which in his opinion was always for the good. One direct benefit to the community linked to the work project is the number of volunteers who returned to work in the developing communities, including doctors, engineers, administrators and teachers. It was explained that these individuals would not have come to service in these areas had it not been for the impetus of JOA funded projects.

However, support for the Community Work Projects was not expressed by all witnesses appearing before the Sub-Panel:

**Mr. A. Lewis:**

*"...We, and I suppose I personally, would part company with Overseas Aid in some respect in terms of going out and building things for people. My view, which is shared by the committee, is that we should be paying local people to build local buildings because that is how you stimulate the economy. A group of very well intentioned Jersey people going to build something in Africa does not really stimulate the economy."*<sup>[61]</sup>

Mr K Daly, Help an African Schoolchild Trust, felt that the Commission provided too much of a subsidy to volunteers who paid just £450 towards the cost of their travel, medical and subsistence costs. He argued that volunteers should be expected to raise a more realistic figure, around £1300, through their prior fund-raising efforts with the money saved being put towards further support for the project.



### **Conclusion**

One of the major benefits of the community work projects is the fact that they help to raise awareness of development issues amongst Islanders. In the long-term, the projects have immeasurable consequences, given the number of people who explained that they have dedicated large proportions of their time to working in and for developing countries since first undertaking a community work project with the Jersey Overseas Aid Commission.

The Sub-Panel acknowledges it might be more cost effective to send money to employ local labour, but in choosing to use a small proportion of its budget in this way the Commission is seeking to broaden its aims beyond providing mere financial support. The community work projects enable Islanders to develop a sense of partnership with a community, which would not be achieved through simply sending money to the different communities.

### **Recommendation**

The Sub-Panel strongly supports the policy of sending community work projects, and recommends that the Commission should continue with this aspect of its funding.

## **Material grants to Jersey charities working overseas**

The JOAC agrees to consider applications for the funding of materials up to the amount of £20,000, and a Jersey charity can apply for one material grant each year, which will only be granted providing that the project proposed fits within the Commission's criteria (as outlined in the JOAC's explanatory booklet). Once a material grant has been awarded, the Jersey Charity shall not be eligible to apply for any further funding for that particular village/community. <sup>[62]</sup>

This point is highlighted in Mr Daly's submission to the Sub-Panel, which contrasts this policy with the one applicable to National based charities, which can apply for material grants of up to £65,000 (although the grants for aid agencies are not specifically for material costs).

Mr Daly felt that the Commission should be more flexible in their grant funding to locally based charities, and believed that they should be able to apply for the same ceiling as National based charities, as long as the project fits the Commission's criteria. Mr Daly explained that:

*"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 2x1 classroom block and 2x1 teachers houses then this project would be approximately*

*£27,000 that's £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."*

The submission from Jersey Gambia Schools similarly felt that the policy for grants for local charities was far too constrictive, and explained:

*"Whilst we are very grateful to the JOA Commission for their grant for building purposes, we have to say that it is extremely difficult to raise funds for the initial opening of the Skills Centre and would suggest, if financial possible, that any future projects of this nature supported by the JOA should have the opportunity to apply for a grant to help fund the opening and running of similar projects for the first year of their operation."*

The submission went on to express the view that it was detrimental to give grants for the construction of buildings in Third World countries and then have little or no further input into the projects.

#### **Conclusion**

**The Sub-Panel acknowledges that the Jersey Overseas Aid Commission may have concerns in increasing the limit for material grants, given the level of audit and recording of local charities in comparison to national agencies. However, it is strongly believed that the restriction imposed on local charities in terms of only being able to apply for one material grant for one village or community is unnecessarily constraining, and may mean projects are left uncompleted due to a lack of funds.**

#### **Recommendation**

**The Sub-Panel strongly recommends that the Jersey Overseas Aid Commission should review its policy on material grants to local charities, with a view to reconsidering this restriction.**

### **£ for £ grants to Jersey charities working overseas**

The JOAC set aside £50,000 of its total 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. Grants are on the basis that Jersey Charities shall be able to apply for more than one grant per year, however funding will only be considered for different projects affecting different communities.

[\[63\]](#)

This policy was supported by the submission from the Bukit Lawang Charitable Trust, which felt that the Commission's partnership projects with small charities and Trusts are very effective as they use people with good local knowledge and trustworthy contacts in the area which can ensure the project is carried out as efficiently as possible and will also continue to assess the project as they will return to visit and oversee the project in the future. It was believed that this is an effective way of ensuring the projects are successful in the long term.

Dr Mc'Obewa's submission explained that the funding limit set by the JOAC of £3,500 is too low to make a real difference in people's lives and something that needs reconsidering. This was a common criticism of the Commission's policies, which was cited by many witnesses throughout the duration of the Sub-Panel's Review. Mr Le Maistre's submission stated:

*"I am unable to understand why the pound for pound funding has a limit on each project of £3,500. Furthermore, there appears to be no logical reason given as to why a restriction should apply as detailed in Para 8.2 where it clearly states that subsequent applications must be for different projects affecting different communities. This does not support the adoption of long term projects which give a community a real possibility of sustainability and potential economic benefits."*

Mr Le Maistre elaborated on this point during his attendance at a Public Hearing:

**Mr J. Le Maistre:**

*"So I think there are several opportunities being missed here. If an organisation has a project, which is sound because it is with a recognised organisation or whatever, and they are saying: "Look, this is a project of £50,000. Our commitment is to raise £25,000 matched by the Overseas Aid Commission", I think that would be hugely well received. Because: "We are not going to give you any money" the Overseas Aid Commission says to them, "Unless you really get off your backsides and do it." It stretches the money; it is the old British Airways Poundstretcher, is it not? But it also creates an element of ownership of projects. People do not sit around raising money unless they are pretty convinced that it is worthwhile."*<sup>[64]</sup>

Mr Daly similarly felt that the present level of £3,500 is far too low, and whilst the funding his charity, Help an African Schoolchild, receives from the Commission is greatly appreciated, it was strongly felt that an increase of the ceiling for grant aid and the £ for £ matching would greatly assist all locally based Third World Charities and help them to achieve a lot more in the countries they are working in.

The Sub-Panel received a submission from Jersey Side by Side (JSBS), which took this concept one step further and suggested that there would be great benefit in the Commission entering into partnerships with local charities. It was believed that they could potentially make taxpayers' money go twice as far if the JOAC entered into joint ventures with it, and although it was acknowledged that this would be a departure from current policy, it was one that was believed to have great potential. The submission went on to state:

*“This public/private approach could enable Jersey not only to fund important, long-term projects in disaster regions but also enable Islanders to feel that they have real ownership and involvement through JSBS. At present, while a grant to an NGO is undoubtedly beneficial, what part do Islanders feel that they have played in helping to alleviate suffering and making a difference? The cheque is signed and aside from an initial report in the media, that’s probably where the connection ends.”*

This concept was elaborated upon during Jersey Side By Side's attendance at a Public Hearing, where Mr Anthony Lewis made the following observations:

**Mr A. Lewis:**

*“If we have a proposal that is going to cost £50,000, we will raise £50,000 through all of that goodwill that Mike has spoken about already that we know exists. But we can double that if we take some of the overseas aid budget and what that enables us to do, with the overseas aid budget, is very clearly identify projects which the Island will have a continuing relationship with.”*<sup>[65]</sup>

*... I think, in a nutshell, what we are saying is by working together you can double the influence and the impact that you have and let us not forget the whole of the States system at the moment is trying to get rid of silo mentality. This is potentially another little silo, that overseas aid is very much the remit of the Overseas Aid Commission as it is now or the committee as it was. I think what we are saying is that the ethos of Side by Side is that everybody works together and, by working together, you achieve a hell of a lot more. If the budget is whatever it is, £5 million, well if we can stretch that and make it go further by involving Islanders in supplementing – and I guess that is what we are taking about supplementation here – then what is the problem with that? There needs to be criteria, there needs to be monitoring and we would absolutely support that because it is very easy to go wrong once and have an impact on everybody’s work.”*<sup>[66]</sup>

Jersey Side by Side were asked during the Public Hearing whether they felt it could increase Jersey's international identity by the Island maintaining some ownership of the projects it funds, and by the

Commission entering into partnership with local charities. The following response was received:

**Mr. A. Lewis:**

*"It could not do anything but. You go into this little village in Sri Lanka and see that there is not a Jersey flag flying. This is not colonialism by any other means but it can only enhance the relationships that we have with high-powered people and people on the community level in Sri Lanka, and hopefully we will replicate that in Pakistan."*<sup>[67]</sup>

Mr Wimberley, Christian Aid Jersey, similarly felt that this was an issue that the Commission could improve on:

**Mr D. Wimberley:**

*"If we come back to involving Jersey citizens more in this whole area – and you are looking at 30 or 40 because our list is more extensive than the list you sent out – there are about 40 organisations in Jersey that are tiny, one or 2-man bands. Is there not a way of increasing the way that they work with JOAC?"*<sup>[68]</sup>

Mr Wimberley explained that if the Commission were to further its links with local charities, and consider entering into more of a "partnership" approach, there would need to be workshops run where best practice could be shared to provide the charities with the necessary training and guidance.<sup>[69]</sup>

The Sub-Panel subsequently requested for the Commission to consider providing a partnership approach with local charities. The Commission's response explained that it had already begun to review its policy on £ for £ funding and has appointed the Sub-Committee for Community Work Projects to review this type of funding together with material grants, both of which are targeted for applications to be submitted by local charities/organisations working overseas.

During the Public Hearing with the Commission it was acknowledged that the current limit of £3,500 is not a lot of money; however it was believed that this limit encourages local charities to fundraise for the additional revenue:

**Mr. K. Syvret:**

*"Can I say that it is an encouragement and, I mean, Help an African School Child several years ago was really looking and saying: "You should be supporting us more and more." I said: "We are just going to do this much and no more." So, they went out and fundraised and what a marvellous lot of fundraising they do and that is what it is. It just encourages people. We do not want to do the fundraising, you know, give them the money to stop them fundraising, and he has so many people involved."*<sup>[70]</sup>

### **Conclusion**

**There are significant opportunities for the Jersey Overseas Aid Commission to enter into meaningful partnerships with local charities, which would help to raise awareness in the Island of development issues, and would also help to increase Islander's "ownership" of projects undertaken in developing countries. The Sub-Panel acknowledges that this change in policy may increase the Commission's current administration costs; however it is believed that this would be money well spent, given the benefits that would arise from such partnerships.**

### **Recommendation**

**The Sub-Panel is strongly of the view that the Jersey Overseas Aid Commission should revisit its policy on £ for £ grants to local charities as a matter of priority, with a view to implementing partnership approaches with local charities.**

## **Targeted funding**

One issue which arose during the course of the Sub-Panel's Review was the concept of the geographical distribution of our overseas aid funding. Concerns were expressed to the Sub-Panel about the amount of aid going to specific countries, and it was questioned whether this can be seen as either favouring one country over another. On the other side of the spectrum, some witnesses suggested that the Island should be specifically targeting its funding to specific communities to increase the Islands "ownership" of its overseas aid contributions.

Mr J Le Maistre touched on this issue in his submission to the Sub-Panel:

*"There is a broad geographical spread of projects but perhaps the question which could be raised by a casual observer is whether over 50% of the annual budget being spent in Africa is the correct proportion if one considers the population levels in different parts of the third world. I would imagine that this aspect is reviewed annually and perhaps there is a good reason for the bias, but there is no explanation about this in the annual report."*

Deputy Huet made reference to this comment during her attendance at a Public Hearing:

### ***Deputy J.J. Huet:***

*"Taking into account Mr Le Maistre's comments in respect of the present programme, it is questioned whether over 50 per cent of the annual budget should be spent in Africa. The*

*agencies are invited to submit applications which prioritise the need in those areas in which they work. It would seem selective to request that submissions in respect of Africa are reduced so that funding throughout appears fair especially if the agencies advise that this is the area most in need.”<sup>[71]</sup>*

Contrary to Mr Le Maistre’s comments, the Commission for Africa in its report “Our Common Interest”<sup>[72]</sup> provides compelling reasons as to why the Island should focus its aid solely on African countries:

***African poverty and stagnation is the greatest tragedy of our time. Poverty on such a scale demands a forceful response.”<sup>[73]</sup>***

The report goes on to state:

*“For its part, Africa must accelerate reform. And the developed world must increase and improve its aid, and stop doing those things which hinder Africa’s progress. The developed world has a moral duty – as well as a powerful motive of self-interest – to assist Africa. We believe that now is the time when greater external support can have a major impact and this is a vital moment for the world to get behind Africa’s efforts.”<sup>[74]</sup>*

The report constitutes a coherent package for Africa, and presents the view that partners must work together to implement the actions proposed with commitment, perseverance and speed, by focusing on how the most effective contribution can be made. Given that Africa is the poorest region in the world, it is understandable why some are of the strong view that there would be great merit in concentrating our overseas aid donations specifically on this continent.

The concept of whether the Commission’s “scattergun” approach was the correct method to follow was raised in the Public Hearing with the Commission, where Deputy Huet explained that the Commission’s entire aid budget cannot be donated to one area, as that would then cause bad feelings amongst the communities that weren’t receiving any aid. This was further elaborated upon by Mrs Roberts:

***Mrs T. Roberts:***

*“...I do not absolutely accept that it is a scattergun approach because I think we are very clear on the sort of projects that we want to become involved with. I have something here from the Brandt Commission and I know that has been mentioned and it is a basic development model and I think this is the model which we want to follow which is, food brings satisfaction, housing brings stability, health brings security, education brings opportunity and income bring sustained development. I think those are the principles by*



*which we are guided when we determine whether or not to make a grant. I think, again, we also have to have maximum flexibility and we have to accept that the Commission has to evolve. We have to look at other alternative and, yes, I think as Jacqui said, we could go to more 3-year projects, more 5-year projects. But at the moment I think we have a very balanced approach to the way we use the aid grants which we have.”<sup>[75]</sup>*

The Sub-Panel also discussed with the Commission the concept of the Island targeting its funding to specific causes, as well as to specific jurisdictions. The following response was received:

**Mr. K. Syvret:**

*“The agencies, to a large degree, choose that for us because they can - - there are agencies that particularly target little children. So, by going into that area and helping that particular agency we are helping children and I think this is the point of the question here. Also, there are agencies that deal purely with women, promoting the position of women within the home and it certainly needs it in Africa from time to time. So, by supporting that agency, for example, then we are targeting that area. I am not saying the question is wrong at all. I think it is another point that we must consider. I am glad these things are coming up because that is something to think about as well.”<sup>[76]</sup>*

Mr Ed Le Quesne, Oxfam, raised questions regarding the long-term sustainability of projects funded by the Commission, as he felt that by dotting around the world each year we don't know or have the means to answer questions such as, “Has the school got teachers and pupils 3 years later?” He believed that if we focussed on particular areas for a longer time we can help to ensure they are sustainable, as development doesn't happen in a tidy fashion and long term partnerships are important. He also suggested that at least a proportion of the aid should start with a community overseas that has some link with Jersey. It was further suggested that there should be some positive publicity of the area and its people, and a visit to Jersey by someone from the area to share something of their culture. This could be achieved by the secondment of teachers, nurses, and technical people sharing skills and widening the horizons of the Jersey individual who was chosen to go. It was felt that even if it costs an extra 1% of the Jersey aid budget it would be money well spent to raise the profile of Jersey's aid programme and how it transforms lives and would in turn make it easier to persuade the States to vote for an increased budget.

Mr Allchurch similarly felt that there would be benefit in a more targeted approach to our overseas aid contributions:

**Mr T. Allchurch:**

*“...There is a lot of emphasis about hands up. I am sure with many communities hand out*



*is the first thing that is required. I can see a hand up is very important too. I think a hand in hand would be even better still. In other words, ongoing partnership with some communities... I mean communities grow around aid anyway. If you have one community which is advantaged because it is receiving aid then people gravitate to it. And I think - - when I read is that there seems to be an emphasis on diversity by having as broad a portfolio of names and locations and, indeed, flags on the map which makes for good reading, but I do not know whether it is as effective a way of aid as a consistent approach.”<sup>[77]</sup>*

The Minister for Treasury and Resources similarly expressed the view that there may be merit in the Island increasing its links with certain developing countries. He felt that there would be scope for Jersey to develop greater relationships particularly with Kenya, given there are Kenyan staff currently working in the Island. The Minister explained:

**Senator T.A. Le Sueur:**

*“I am sure that there is scope for developing relationships then between Jersey and Kenya in respect of us providing overseas aid towards certain parts of that country and, in return, residents of that country coming to work in the Islands in that industry and elsewhere in the Islands. It is not just an economic benefit, which there may well be, but it just raises Jersey’s awareness in Kenya and raises Kenya’s awareness in Jersey and that, raising levels of awareness of the problem, people’s understanding of the problem, helps in maybe getting greater public awareness of the commitment and the reason why we justify and increase year-by-year our level of overseas aid.”<sup>[78]</sup>*

However, this was not a view that was shared by all witnesses:

**Mr. J. Gosselin:**

*“...I think the various religious organisations in Jersey seem to have too much of a say in where that money goes because it cannot be a coincidence that a lot of it is going to those countries like Kenya and the surrounding countries, where there seems to be a great missionary presence...”<sup>[79]</sup>*

*“...I do not see any real policy the way they run it, although as I said certain countries do seem to keep getting funding but there are other countries where there are major agencies working and appealing for funding.”<sup>[80]</sup>*

During the course of the Sub-Panel’s Review there was considerable discussion about the possibility of building better links between people-training exchanges between groups in Jersey and groups in

developing countries. This concept was raised during the Public Hearing with Jersey Side by Side, where the merits of such a scheme were discussed:

**Mr. M. Wavell:**

*"...We have got the cricketers coming over from Sri Lanka and that way there was a relationship. So, we are not just about raising money for disasters. We are really raising awareness and raising education and that is not happening with a States system. The States system of overseas aid is dishing out money. Some people approve, some do not."*<sup>[81]</sup>

*"I want to see closer, much more easier as well to be able to exchange people and that is something that I do not think is addressed as much as it should be. We have got, for instance, an Indonesian person who has now applied to us to want to come to Jersey to learn more in the field of nursing or caring or whatever and I think if you can instigate some exchange."*<sup>[82]</sup>

Mr Allchurch, Jersey Fairtrade Island Group, similarly felt that by providing greater interaction between people in the Island and developing countries and by targeting funding to specific countries, it would increase the effectiveness of the Island's aid programme:

*"...I think there should be more interactivity in the sense that bringing people from those communities over here for training, and this is what Durrell does with its wildlife conservation, it hands over eventually the responsibility to the community but only through training, raising people's skills ability and so on. I mean I think there should be a lot more of that brought into these projects. We go out there and we build something generally in company of local people and that is, I am sure, a great experience. But my reading is that the techniques that are applied, the systems of working, do not progress from one year to another. It may be that it is very difficult when you have no resources, when you have only the clothes you stand up in. But I think that is something that we should be able to do too."*<sup>[83]</sup>

Many donor aid agencies focus a significant part of their aid funding on a few countries, often called partner countries. They see this as helping to develop stronger relationships between the two countries involved and, where the agency also provides technical assistance, allowing greater effectiveness in the use of the funding. Ireland, with an overall aid budget of \$997 million, spends almost a quarter of that in funding for eight partner countries (shortly to be increased to nine<sup>[84]</sup>). Norway has seven major partner countries, <sup>[85]</sup> and Denmark has 16. <sup>[86]</sup> Even a major donor, such as the United Kingdom, identifies 16 African countries and 4 Asian countries in its Public Service Agreement. <sup>[87]</sup>

All these donors provide a combination of funding and technical assistance to their partner countries. A slightly different model, which has more in common with the situation of the States of Jersey, is that of Scotland. Scotland has allocated £3 million each year over the 2005-2006 and 2006-2007 periods to international development projects, largely carried out by non-governmental organisations.<sup>[88]</sup> This has gone to a combination of projects in sub-Saharan Africa, and Tsunami relief. Projects for Malawi are given a special weighting, to reflect the Co-operation Agreement that Scotland has signed with Malawi. Currently around two-thirds of the funding disbursed so far has gone to projects being implemented in Malawi.

#### **Conclusion**

**The approach taken by various aid agencies which target overseas aid funding to specific jurisdictions has the advantage of improving the relationship between the donor country and the recipients, and may also make it easier to assess any impact from the assistance over time. The Sub-Panel acknowledges that developing this type of relationship requires time and continuity.**

#### **Recommendation**

**The Sub-Panel recommends that the Jersey Overseas Aid Commission should consider allocating aid more selectively to certain countries, with a view to potentially increasing the impact and ownership of the Island's overseas aid contributions.**

#### **4.3 The methods for measuring the effective utilisation of the JOAC's aid budget by recipients**

##### **Reporting requirements for NGO's and local charities**

The Commission's measurements of effectiveness of expenditure were clearly explained in the submission from Mr Crapp, former Honorary Executive Officer of the former Jersey Overseas Aid Committee, and former Commissioner. It was explained that with the exception of Disasters and Emergencies, all funding is project based and anticipated outcomes are stated in the application and is thus assessed before any grant is made. A report must be submitted to JOA showing the actual outcomes and expenditure. Under-spends are returnable to JOA and overspends are met by the agency in question.

During the course of the Review there was considerable discussion surrounding the accuracy of the reports the Commission receives from NGO's following the distribution of grant aid. Mr Wimberley, Christian Aid Jersey, was asked whether the Commission had any way of checking the accuracy of the reports they receive back from NGO's. He provided the following response:

**Mr D. Wimberley:**

*"I would doubt so. With their much vaunted, less than one per cent administration costs there is no way they can check anything... No, you cannot check in the present set-up and so you are relying on the validity of the NGO's you deal with. I know Christian Aid is pukka; but it is not 100 per cent. You will always waste some money and the area representative said to me, very potently: "There is no such thing as a mistake free organisation."<sup>[89]</sup>*

Mr Le Maistre, former President of the then Overseas Aid Committee, discussed the reporting back from the NGO's during a Public Hearing with the Sub-Panel:

**Mr J. Le Maistre:**

*"...My experience is that they are pretty clear in their reporting, to the extent that I know when projects have not got off the ground, they return the money or they have informed the Commission that it was not going ahead, and in a number of cases the money has come back. Equally, I think that the Commission and the Committees previously were well aware that in developing countries the opportunity for failure is much, much higher than in a sophisticated western world situation. You can have weather patterns which change, you can have all sorts of matters, civil unrest, all these things. In my experience in the*

*past, folk have been really very upfront with us and said: "Look, we had a project in that particular area and frankly we came under pressure. We are going to complete it but it will not be finished in a year, it will take 2 years."*<sup>[90]</sup>

During this Hearing, Mr Le Maistre was also asked whether the Commission should independently carry out some analysis of some projects, rather than relying entirely on the reporting back from the NGO's receiving the Grant Aid. The following exchange took place:

**Mr. J. Le Maistre:**

*"I think as it is structured now, it would not be fair to ask them to do that unless they employed somebody who had specialist knowledge in project assessment."*

**Senator J.L. Perchard:**

*"But should they?"*

**Mr. J. Le Maistre:**

*"I think you need to ask what would be the benefit. The benefit would be further transparency and further accountability. My belief is that if you enter into a partnership with an organisation you either trust them or you do not. Frankly, I think it would be churlish, I do not know, to start going in and second-guessing an area which maybe somebody is not familiar with, and the effectiveness of a project."*<sup>[91]</sup>

Mr Wavell, Jersey Side by Side, felt that the Island should focus more on its links with the CPA in terms of overseeing projects funded by the Commission:

*"...I think when you are looking at Commonwealth countries where there has been these incidents that have happened, I think the CPA could have been much more proactive, much more saying we will oversee. The Commonwealth Parliamentary Association is not the seedy, corrupt government that there are in these countries."*<sup>[92]</sup>

The submission from Mr Le Maistre further explained how Jersey could use its links with the Commonwealth Parliamentary Association to assist with monitoring for longer term projects:

*"Long term projects often need the support of the local council and even the local MP. There may be great opportunities to use the valuable worldwide CPA links which Jersey has established over the last 50 years. As a former Vice-Chairman of the World Executive of the Commonwealth Parliamentary Association, I am convinced that a considerable amount of goodwill towards Jersey exists and the strong links with CPA have not been*

*used to their full potential.”*

#### **Recommendation**

**The Jersey Overseas Aid Commission should consider the possibility of using the Island’s links with the Commonwealth Parliamentary Association to assist with the monitoring of projects funded by the Commission.**

With regard to the NGO’s opinions of the Commissions reporting requirements, Mr Le Quesne, provided the following statement whilst speaking on behalf of Oxfam:

***Mr E. Le Quesne:***

*“Well, they are not too onerous, I think. They do not require a very long report. I mean, Oxfam itself monitors every project it deals with and its own monitoring is adequate for Jersey as well so it does not have to do a lot extra for Jersey. Jersey do not want more and more detail. If Oxfam says it has been achieved, the objective of the school or whatever it has done has been done on time and completed, then I think that they do not want any more.”*<sup>[93]</sup>

Dr Mc’Obewa, WASOT-UK<sup>[94]</sup> raised several queries with the Commission’s methods for measuring the effective utilisation of its budget. He complained that there is no information available on the Commission’s website, or in the leaflets provided, detailing monitoring and evaluation tools, project reporting timetables and criteria:

*“Do they have any records of project reports that failed? Or succeeded? And what did they do with the reports? Does JOAC audit the successes of the projects it funds? How many fail? Why do they not have the successes on their website for people to read?”*

Dr Mc’Obewa believed the Commission should produce a detailed monitoring and evaluation form and guidance for charities to accompany their grant contracts when a grant is given. This form would be completed by the charity when the grant round is completed and no charity could be reconsidered for another grant until they had submitted a full annual report of the grant.

In terms of the reporting requirements for local charities, the submission from the Bukit Lawang Charitable Trust stated that there appear to be good measures to assess the success of projects that ensure transparency and accountability, and offered the following comments:

*“It is probably quite difficult to have a unique assessment form, as each project is unique.*

*There must be an assessment of the projects in terms of their continuing progress in meeting of aims and objectives. Of course there will be situations where, for example, a clinic may be built and then through factors such as civil war or natural disaster they are unable to continue in their intended capacity, but as far as possible the project must try to fulfil the intended criteria. Comprehensive reports and assessments with photographic and/or video evidence where possible are also good ways to record the projects and share and learn from the outcomes.”*

Mr Daly was also content with the reporting requirements for local charities, when speaking on behalf of money that had been given to “Help an African Schoolchild Trust”. He explained that prior to the giving of the money JOAC requires a breakdown of all material costs for the project in budget statements. When completed, the charity is required to give feedback supported by photos of the project that had received funding, in addition to supporting accounts. Mr Daly felt this system worked quite effectively.

#### **Conclusion**

**It is apparent that there is a relationship of trust between the recipient NGO’s and the Jersey Overseas Aid Commission, as evidenced by the return of unused funds to the Commission when circumstances have changed in a project.**

**However, there would be great benefit in the Commission carrying out an audit of one project funded through grant aid each year. This would not necessarily include a field visit, but it should be made clear that this is a part of the Commission’s activities, and that any project could be subject to this. This could either be undertaken by suitably qualified members of the Commission, or somebody could be employed to undertake this task specifically. The Sub-Panel believes that this would incur relatively little cost, and that it would be funds well spent as it would indicate that the Commission was taking accountability seriously, particularly as the Island increases its overseas aid budget.**

#### **Recommendation**

**The Sub-Panel recommends that the Jersey Overseas Aid Commission carry out an audit of one project funded through grant aid each year.**

## **Community work projects**

Mr D Ellis, Help from the Rock, explained in his submission, that there does not exist a formal method of measuring the effectiveness of community work projects, and in that respect we rely totally on

reports from returning teams who, in turn, often rely on reports back from the community following the completion of the project as it is rarely possible to complete the project during the time the Jersey volunteers are in the community. Mr Ellis went on to state:

*“In a very small number of cases, experience, unfortunately has shown that the local community have not been able to complete the work or, if it is completed they change the use and/or they are unable to maintain the building. It would be a mistake to be too rigid in trying to enforce conditions on future projects but I wonder if there is some merit in utilising the services of a volunteer to visit the occasional community that has been the recipient of Grant Aid or a community work project. Although the JOAC should not be employing anybody for this work, assisting a volunteer with travel costs, perhaps an extension to a family holiday for example, could be a cost effective way of checking on the usefulness of any Aid given by Jersey. It would not be necessary to visit each project but if all recipient communities were aware that such a visit was possible at some stage after the completion of the project it would well provide the spur necessary sometimes to complete work. It will also, of course, provide JOAC, and through them the Jersey Tax Payers, a better idea of how our money is being used.”*

The submission from Mr Rowland Heaven explained that there was a danger that projects may be evaluated solely in financial terms:

*“We can demonstrate effective utilisation of finances because the physical parts of the Project are there for all to see – or photographic evidence as such – but the other important part of the Project is more difficult to ascertain.*

*How does one evaluate changed attitudes, life style and outlook for many of the hundreds of volunteers. For some a Project can be a one off experience and life travels on when they return; for some a retention of relationships is affected and some further support for the area visited; but thankfully for many, more serious changes are evident.”*

This was a concept that was also raised in the submission from Mr Gullick, which spoke of some of the immeasurable effects of the Commission's work, in terms of the long term relationships which are built as a consequence of funding from the Commission for local charities, or community work projects. The submission explained:

*“When we entertained groups from JOAC funded projects we always tried to persuade them that they should not think that they were coming to change Africa, but that they should be open to letting Africa change them. Their involvement as volunteers was more*



*about seeing and knowing how the other half, the poor half, of the world lived, and taking away attitudes different to any they brought with them. If this succeeded then, on their return, they could talk to others of the real “third world” and perhaps change opinions and policies. This was a very real effect of JOA funding, with immeasurable consequences.”*

### **Conclusion**

**Whilst the responsibility of maintaining the community work project must ultimately lie with the recipient community, if the Commission is going to use its finding in a responsible and professional manner, there would be great benefit in securing the assistance of a volunteer who would be able to assess the impact projects have had on a community; evaluate potential projects; and establish contacts with local organisers. This could be achieved at very little cost through the Commission simply covering the volunteers’ expenses.**

### **Recommendation**

**The Jersey Overseas Aid Commission should consider how further feedback might be obtained on completed projects, for example through engaging the assistance of an experienced volunteer to visit the communities in developing countries, with the view to providing feedback on projects that have been undertaken, and to advise the Commission on potential projects that could be undertaken in the future.**

## 4.4 The Island's Overseas Aid contributions in comparison with other jurisdictions

### Statistics presented by the Jersey Overseas Aid Commission

The foreword in the JOAC 2005 Annual Report from Deputy Huet explained how Jersey's aid programme is unique in comparison to other jurisdictions:

*"Jersey's aid programme is probably unique in the world. Whilst it is the aim of large ruling states to contribute 0.7% of GNI, Jersey is not a ruling state. It is a small island and what we do donate has a far greater impact than the figures alone show, namely that is because of JOAC's small administrative support base which combined with effective grant giving to proven charities ensures the aid reaches its target and is used cost effectively. Comparison with other nations overlooks the fact that some large donors spend £2.00 for every £1.00 that is delivered and much of that £1.00 returns to the country of origin through commercial deals. Jersey's administration is 0.8% with no strings attached."*

The Commission's report subsequently provided the following tables, which illustrate Jersey's contribution to overseas aid on a per head basis, relative to population when compared with other jurisdictions, and Jersey's overseas aid in comparison to other low tax jurisdictions:

**Table 10: Jersey's Overseas Aid contributions relative to population in comparison to other Jurisdictions**

Country	Per head £	VAT %	Aid £	Population
Luxembourg	310.88	15	137m	442,972
Denmark	216.17	25	1.2bn	5,352,815
Sweden	174.10	25	1.5bn	8,875,053
Netherlands	151.42	19	2.4bn	15,981,472
France	81.32	19.6	4.8bn	59,551,227
Belgium	80.87	21	830m	10,258,762
United Kingdom	75.44	17.5	4.5bn	59,647,790
<b>Jersey</b>	<b>61.00</b>	<b>0</b>	<b>5.3m</b>	<b>87,000</b>
Portugal	58.35	19	587m	10,066,253
Germany	51.59	16	4.3bn	33,029,536
Canada	45.88	7	1.4m	31,592,805
Australia	43.24	10	837m	19,357,594
Japan	39.93	5	5bn	126,771,662
United States of America	39.04	6	11bn	278,058,881
Spain	36.35	16	146m	40,037,995
New Zealand	31.05	0	120m	3,864,129

Source: JOAC Annual Report 2006 (figures based on 2004 aid contribution as supplied by Oxfam GB)

**Table 11: Jersey's Overseas Aid contributions in comparison to other low tax jurisdictions**

Country	VAT %	Aid £
Luxembourg	15	137m
Liechtenstein	7.6	9.6m
Jersey	0	5.3m
Guernsey	0	1.9m
Isle of Man	17.5	1.6m
Costa Rica	13	Recipient
Anjouan	10	Recipient
Singapore	5	Figures unavailable

Source: JOAC Annual Report 2006 (figures based on each jurisdictions most recent figures during 2006)

Some witnesses appearing before the Sub-Panel felt that the use of per capita figures was not an accurate portrayal of the Island's overseas aid contributions:

**Mr. J. Le Maistre:**

*"To compare ourselves on a per capita population basis does not accept the reality of the different levels of work of the communities which we are comparing them with...It cannot be right in general terms that they are just taking a numerical per head of population without regard to the wealth of that community."*<sup>[95]</sup>

**Conclusion**

**The 0.7% of GNI formulated by the United Nations is the internationally recognised target for measuring a jurisdiction's contribution to overseas aid. The Sub-Panel believes that the Jersey Overseas Aid Commission should therefore aim to present the Island's contribution to overseas aid as a percentage of GNI, to ensure the statistics are readily comparable with other jurisdictions, and in line with the policy agreed by the States to measure the Island's overseas aid contribution as a percentage of GNI.**<sup>[96]</sup>

**Recommendation**

**The Jersey Overseas Aid Commission should adopt the policy agreed by the States<sup>[97]</sup> and present the Island's overseas aid contributions as a percentage of our GNI in order to monitor the levels of contribution against internationally recognised standards.**

## Political will?

One issue that arose concerning the Island's overseas aid funding, was a perceived lack of political will from the Chairman of the JOAC to request for further funding. Mr Daly made the following statement during a Public Hearing:

**Mr K. Daly:**

*"In most of the other nations, like Gordon Brown is pushing things forward in the UK. Ireland, you have got their Treasury Minister pushing it forward. It is basically down to political will and when you have got the President of Overseas Aid themselves not wanting to fight for it, fight the corner, to me is - - I am just amazed that they are quite content to keep it as it is because I think it is disgusting for the size of our economy and the wealth of the Island in general. I just ... as a Jerseyman I feel quite, you know, saddened by it really."*<sup>[98]</sup>

This criticism was supported by Mr Allchurch during the Public Hearing, who stated:

**Mr T. Allchurch:**

*"...And I think we are concerned at a sense of complacency that we are doing very well and we are satisfied with the job that is being done, and yet I think we learned from Bob Geldof – and I make reference to that in my submission – he stood up at that musical concert and said: "I should not be here, 20 years of giving aid to Africa and things have not got any better." I think the problem is that the poor are getting poorer and the rich are getting richer and yet we are sitting here saying we are comfortable with the amount of aid we are giving because it is very efficient and it does not cost us very much to give it. I think most of us are angry, if you like, at that sense that we should be fighting more for that."*<sup>[99]</sup>

### **Conclusion**

**The Sub-Panel strongly believes that it is a fundamental function of the Jersey Overseas Aid Commission to actively do all they can to encourage the States to increase the Island's overseas aid contributions, rather than focusing on and accepting the difficulties faced in increasing the budget.**

## The concept of “Real aid”

In June 2005, Acton Aid International produced a report titled “Real Aid: An Agenda for Making Aid Work”. This report focused on how to measure aid flows to ensure that the values given by donor countries reflect “real aid,” or aid that can usefully contribute to achieving the international development goals. The report explains that the aid system is not geared to achieving the poverty reduction goals that were agreed in 2000, and donors must therefore radically improve the quality of their aid if it is going to make a fully effective contribution to the fight against poverty. The authors adjust aid flows to allow for aid which is given to less poor countries, aid which is tied (has to be spent on goods and services from companies and individuals from the donor country), debt reduction (which is often double-counted) and high transactions (administration) costs. There is also an adjustment for amounts spent on technical assistance through high-cost consultants. The report concludes that overall “real aid” is only around 39% of the total given to official statistics.

This report is of particular relevance when comparing the aid given by Jersey with that of other countries, as aid from Jersey has none of the problems associated with the factors discussed above. In other words, in Action Aid’s terms, almost 100% of Jersey’s aid would be counted as real aid, the main exception being the aid through the Community Work Projects<sup>[100]</sup>, which as previously explained makes up less than 3% of the Island’s total overseas aid budget.

The Sub-Panel’s adviser undertook an analysis of the Island’s overseas aid contributions in comparison with other jurisdictions, when using the concept of Action Aid’s “real aid.” **Table 12** illustrates the effects this has on the Island’s contributions in comparison with other jurisdictions, based on a per capita basis (based on 2003 figures). It should be noted that many of these countries have had quite significant increases in their ODA since 2003, which will change the overall ranking, particularly for the UK. The final column in the table therefore documents these increases as percentages.

**Table 12: The Island's Overseas Aid contributions in real aid terms <sup>[101]</sup> in comparison to other jurisdictions on a per capita basis (based on 2003 figures)**

Country	Per Capita Real Aid Figures \$ (2003 data)	ODA increases since 2003 % (in dollars)
Luxembourg	357	24
Norway	304	39
Denmark	232	28
Sweden	193	27
Switzerland	111	48
Ireland	112	37
United Kingdom	75	112
Jersey	86	31
France	13	38

The above figures should only be treated as approximations, as the calculation includes population and exchange rates. The figures illustrate that Jersey's "real aid" seems to be more effective than the UK and France; however the Island still falls far behind jurisdictions such as Luxembourg and Norway. Despite this, Jersey's percentage increase in ODA since 2003 appears to be on a par with many of the other countries in **Table 12**.

Some witnesses felt that as a result of the quality of the Island's Overseas Aid contributions, our aid was more than comparable to that of other jurisdictions:

**Senator F.H. Walker:**

*"Now Jersey is entirely different. We do not have any trade deals. We do not have any quid pro quos in this formula at all. It is pure expenditure dedicated to overseas aid."* <sup>[102]</sup>

Mr Le Quesne similarly felt that there is some force in the argument that Jersey's Aid goes directly to projects involved with people and by-passes governments where there is sometimes waste and/or corruption. The submission went on to state:

*"Except for some part of the spending on work parties our Aid is not tied to purchase of Jersey products. However we should help to build up democratically elected governments by working in partnership with the local leadership. We could also offer training opportunities in Jersey for people to come here for short spells or send specific people with skills to work there for a time. However we do wish to raise our international profile and so we should work by international standards. The long-standing UN aid target is 0.7% of GNI. As a major finance centre we also will make a big contribution to development by full co-operation with international moves to track down capital flight by companies and wealthy individuals."*

However, this was not a view that was shared by Mr Coutanche, whose submission stated that the argument that the 0.7% target can be dismissed because Jersey's aid is more effective is undermined by, amongst others, the case of Luxembourg where, even after adjusting for aid quality according to the Action Aid critique, Jersey's aid is no more than one quarter of the level achieved by Luxembourg.

## International comparisons

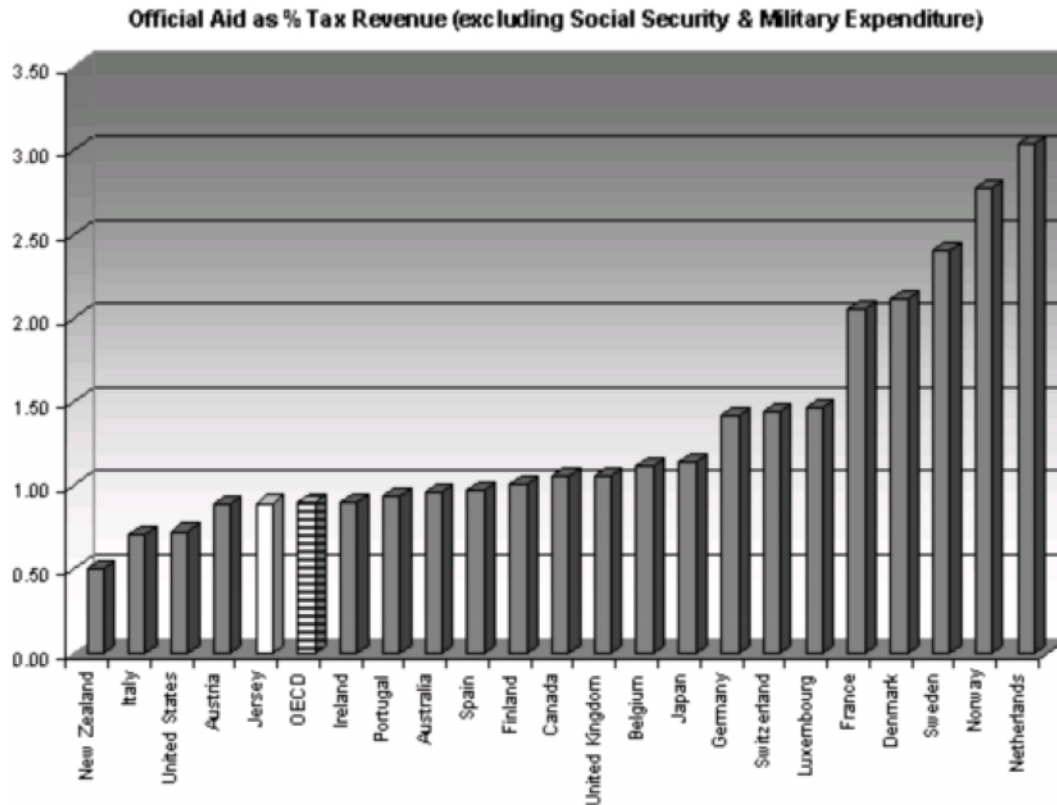
It is difficult to find accurate comparable jurisdictions to Jersey in terms of overseas aid contributions. There is difficulty in comparing the Island to larger nations, which have additional government responsibilities such as defence expenditure. Mr Coutanche provided further comments to the Sub-Panel which explained:

*"Many countries that have made a commitment to reach 0.7% GNI bear substantially greater defence costs than Jersey. Worldwide military expenditure averages 2.5% of GDP [103] which would equate to £69 million for Jersey based on Jersey's 2005 GDP of £2,760 million. [104] In the absence of this defence burden a 0.7% GNI aid budget is more easily affordable."*

It is also problematic in attempting to benchmark Jersey against other small independent communities, as Jersey's economy is perhaps more advanced than others such as Barbados, for example which is an aid recipient.

The Jersey Aid website [105] provides a number of different comparisons of the Island's overseas aid contributions with other jurisdictions, and highlights that Jersey lies in a middle ground between, on the one side, the advanced economies of the world, and smaller communities on the other. There is also great difficulty in terms of which method of comparison is used. One of the comparisons from the Jersey Aid website is based on States taxation revenue from 1997, which must be viewed with caution predominantly as the figures are 10 years old, and also when considering the responsibilities of larger nations (such as defence expenditure) which are not applicable to Jersey. However, the website adjusts for military expenditure, excludes social security revenue, and uses States revenues per capita to compare with developed nations.

**Figure 4: Jersey's Overseas Aid contributions compared to other jurisdictions, based on taxation revenues**



Source: Jersey Aid Website<sup>[106]</sup>

The use of taxation revenue as a comparative figure holds some merit given the formula the States are currently working towards is 2.4% of the Island's taxation income. However, this graph illustrates that by using this method the Island is still at the lower end of the scale in terms of the amount it contributes to overseas aid.

The Minister for Treasury and Resources acknowledged that our level of aid is still currently lower than comparable jurisdictions:

**Senator T.A. Le Sueur:**

*"...Given our present financial situation, then I accept that our level of aid is lower than other comparable jurisdictions and that it would not be in line with the current UN and EU thinking."*<sup>[107]</sup>

However, this view was not shared by Senator Walker:

**Senator F.H. Walker:**



*"Is it lower than the UK, France, Germany who are major nations with hundreds of millions in population in some cases? Yes. Is it comparable with other states, communities of our size? Absolutely. Let us look around the world for a minute and look at how many islands of our size, worldwide, contribute to overseas aid at all and let us look at how many are recipients of overseas aid because then you get a very different picture indeed."*<sup>[108]</sup>

*"Compare our levels of taxation against Germany, France, the UK, whoever, you will find – and I think by common consent – it is an essential aspect of Jersey's economy that we have low rates of taxation. Now, if we had similar rates of taxation to Germany, France or the UK, I would suggest there would almost certainly be no discussion but we do not. I do not think anyone is seriously suggesting that we should so, again, you have to be careful that we do not compare apples with pears."*<sup>[109]</sup>

Mr Coutanche discussed the impact it would have on our tax yield of increasing our overseas aid contribution as a percentage of GNI, particularly with regard to maintaining the Island's position as an international financial services centre:

**Mr B. Coutanche:**

*"[Tax Proposals: Some interesting Facts and Figures] forecasts that in 2010, once the fiscal strategy is in place, our tax yield works out at 20.9 per cent of Gross Domestic Product. So if we increase our aid to 0.7 per cent that would, in a worse case scenario, increase our tax yield to 21.5 per cent of GDP, which is lower than our competitors. However, if we adopt a policy of increasing aid out of economic growth we do not need to increase the taxation yield as a percentage of GDP."*<sup>[110]</sup>

The Chief Minister also explained that as we do not get any support from the EU, and as an Island we are entirely self-sufficient we could not be compared to jurisdictions such as the UK. He stated that if any comparisons are to be drawn, they should be full and complete comparisons that involve looking at the different structures of the economy, the effect of EU membership and taxation rates. Reference was also made to how positively our overseas aid contributions were viewed by other jurisdictions:

**Senator F.H. Walker:**

*"...Going back to ambassadors, presidents, prime ministers, whoever it may be, with whom I come in contact. None of them compare Jersey with countries of that size, in any respect, and certainly not in respect of overseas aid. As I said, none of them say: "Well, you should be contributing more. You are not contributing 0.7 per cent." Unanimously, they have said: "We think that is an amazing position for an island the size of Jersey to be in" or words to that effect. So, they are not comparing us with those major states for, I*

think personally, pretty obvious reasons.”<sup>[111]</sup>

Mr Daly felt that comparable jurisdictions to ours would be those of Luxembourg, Norway and Switzerland, as they have the equivalent GNI per capita. However, Mr Crapp spoke about the difficulty in comparing with jurisdictions such as Luxembourg during the Public Hearing with the Sub-Panel:

**Mr L. Crapp:**

*“Now, you compare with Luxembourg – this is on the internet – the main taxes are income tax, municipal business tax on profits, wealth tax, VAT, capital gains tax. Their social security payments are 16.8 per cent for the employee. Taxation for a married man with 2 children once they earn up to – it is graduated clearly – and once they are earning £82,000 they are paying 38 per cent. You have a withholding tax of 20 per cent. No one has mentioned these figures that I am giving now.”*<sup>[112]</sup>

This issue was reasserted during the Public Hearing with the Chief Minister and the Minister for Treasury and Resources, where the importance of our low tax rates as a jurisdiction were discussed further:

**Senator F.H. Walker:**

*“Our lower levels of tax, we have no manufacturing base whatsoever. We the Treasury Minister has said, we rely entirely almost on exports, service exports in the main, which are quite volatile. It seems to me the main issue is Jersey’s economy, we well know, is based on a low simple rate of taxation. If we had VAT at 17.5 per cent, as does the UK, if we had personal rates of tax up to 35 or 40 per cent, whatever they may be, then it would be a very different ball game but you have to realise, and accept, I think, what Jersey’s economy is and how different it is to the major nation states in Europe; you cannot compare the 2.”*

**Senator T.A. Le Sueur:**

*“The converse of that was that if we had those sort of tax rates, our financial service industry would not be buoyant at all, it would be in the doldrums, and your GNI would not be 60,000...”*<sup>[113]</sup>

**Conclusion**

**Jersey’s overseas aid contributions are considerably greater than other similar jurisdictions such as Guernsey and the Isle of Man. However, irrespective of the method used to measure the Island’s contributions, it seems that Jersey lags far behind other National jurisdictions.**

### **Recommendation**

The Sub-Panel reasserts its earlier recommendations for the States to adopt a definite timeframe for the Island to reach the internationally recognised target of contributing 0.7% of GNI to overseas aid.

The Sub-Panel also reasserts its recommendation for the Jersey Overseas Aid Commission to progress the formation of a group set up to see how the Island could achieve the target of 0.7% of GNI.

## **5. Additional issues which arose during the course of the Review**

### **5.1 Raising awareness in the community**

Throughout the course of the Sub-Panel's Review, several witnesses commented that the Commission should be doing more to raise awareness in the community in terms of maintaining support for overseas aid, as can be seen from the following quotes from the Public Hearing with Jersey Side by Side:

**Mr. M. Wavell:**

*"...So, we are not just about raising money for disasters. We are really raising awareness and raising education and that is not happening with the States system."*<sup>[114]</sup>

*"The Overseas Aid Commission is a body that signs cheques, hands it over but there is no feedback, people have no opportunity of putting an input into where it should go and I think that is very important."*<sup>[115]</sup>

*"Any fool can write out a cheque if it is not yours and send it off and it is forgotten but that does not have very much impact on making people realise what is happening in the other countries and parts of the world, school children."*<sup>[116]</sup>

Mr Le Quesne also raised this issue at a Public Hearing, where he stated:

**Mr. E. Le Quesne:**

*"Well, I mean, it is early days for the Commission, but I think they could engage more with the voluntary sector, with more than just the small group who do the Overseas Aid projects."*<sup>[117]</sup>

*"You have to educate the whole population about what is happening because people in Jersey tend to think you know: "Only Jersey for Jersey people" and that is it. They do not look outside. But I think you have got to raise people's understanding."*<sup>[118]</sup>

Dr Mc'Obewa's submission made the following suggestion on how the Commission could resolve this issue:

*“To educate the public on work of JOAC and the difference the projects are making, JOAC politicians should visit overseas projects with possibly camera crews and report back to the States as well as to the public. This will also ensure that first hand information is given to the States. It may influence future budgetary allocations to Overseas Aid.”*

### **Conclusion**

**There is a huge interest in overseas aid development issues amongst Islanders and local charities, and there are great opportunities to build on these. However, with the exception of the community work projects, the Commission does not appear to address these opportunities.**

**There would be great benefit in the Commission extending its work to include functions such as opportunities to advance education and awareness in the community, and providing greater feedback to the public on the work being done by the Commission. It is accepted that it would be an additional expenditure; however this function would also complement the Sub-Panel’s earlier recommendation for the Commission to implement partnership approaches with local charities.**

### **Recommendation**

**The Sub-Panel strongly recommends that the Commission should positively expand its role in terms of public relations and place a far greater emphasis on raising awareness amongst Islanders of overseas aid development issues.**

## **5.2 The constitution of the Jersey Overseas Aid Commission**

During the course of the Sub-Panel's Review, several witnesses raised questions regarding the maximum term of office and qualifications for Commissioners

Mrs Bailhache, a former President of the then Overseas Aid Committee, said that the maximum term should be 6 years, with the possibility for this to be extended to 9 years:

**Mrs A. Bailhache:**

*"...you need fresh ideas and fresh people because I do not think anybody should stay in a position for too long."*<sup>[119]</sup>

Several witnesses appearing before the Sub-Panel felt that the Commission should be placing more emphasis on engaging people with specific knowledge of overseas development issues. The advert placed in the Jersey Evening Post for the role of Non-States Commissioners made little reference to this, and simply stated that Commissioners needed to be able to assess applications for aid dispassionately, objectively and decisively. The advert went on to quote the following extract from the Jersey Overseas Aid Commission (Jersey) Law 2005:

*"The Jersey Overseas Aid Commission Law, which establishes the Commission, requires the Chairman, in making nominations, to take steps to ensure that the Commissioners are a diverse and balanced group of people in terms of gender, age, experience and skills, who all share a commitment to the promotion of the objectives of the Commission."*

Mrs Roberts, JOAC Commissioner, emphasised the importance of impartiality when it comes to looking at applications and projects. The lay people involved, she said were totally unbiased in terms of whether aid should be given to a specific area.<sup>[120]</sup> However, Mr Allchurch, Jersey Fairtrade Island Group, suggested that the Commission should seek to broaden their perspective when looking for candidates.

**Mr. T. Allchurch:**

*"I just wonder if we are happy at the competencies, if you like, of the people who are on the Commission in terms of what were said to be the necessary skills? There was accountancy, banking, law and so on. I do not see anybody there with a background in the science of development. I mean there is now a major activity that is available at university education and I just wonder, without any criticism of the people who are doing this job, whether there is room somewhere there for people with that type of ability,*

*because I do hear things from people who are in the development world that the way we tackle things, that going out and building things in Africa does not solve many problems and so on.*<sup>[121]</sup>

Mr Le Maistre similarly felt that there was an opportunity to engage specific areas of expertise within the Commission:

**Mr J. Le Maistre:**

*“What I am suggesting, and I really believe that is in the composition of the Commission, this is again not being critical of any member because I am sure that they are all tuned to the task they have to do, but I think there are opportunities here to engage within the membership of the Commission people who have had experience, considerable experience overseas, who would probably be more easily able to assist the Commission in determining that sort of thing.”*<sup>[122]</sup>

In his written submission to the Sub-Panel, Mr Le Maistre stated that as the budget increases and the emphasis of the Commission changes to more sustainable development projects, it will be essential for skills such as extensive active overseas experience and a full understanding of complex development skills to be available from within the membership of the Commission. Mr Le Maistre strongly recommended that any future adverts for Commissioners should state that, as a minimum requirement, Commissioners should have a good working knowledge of the Brandt Commission report, Millennium Development Goals and similar key reports and recommendations on development issues.

**Recommendation**

**The Sub-Panel wishes it to be noted that it has no criticism of the Jersey Overseas Aid Commission as it is currently constituted. However, it is recommended that in future there would be benefit in the Commission seeking to engage some Commissioners with expertise and knowledge of overseas aid development issues.**

### **5.3 International NGO's with local branches in Jersey**

The Sub-Panel was struck by the lack of information in Jersey about projects being implemented through JOAC funding by international NGO's which also had local branches. For example, Oxfam Jersey has mainly a fund-raising function, but could use information on Jersey-funded Oxfam projects in advocacy campaigns.

This issue was raised in Mr E Le Quesne's submission to the Sub-Panel:

*"Close to £2m has been given to Oxfam over these past 5 years, but no information has been passed back to the Jersey group by JOAC to celebrate or inform us, beyond project titles and occasional A4 pages in the annual reports. The project proposal submitted by Oxfam, the JOAC comments and Oxfam's final report should all exist in electronic form and should be publicly available. This raw material would help us to raise the level of public understanding about the effectiveness of Jersey's Aid programme. To my surprise, people commonly think that Jersey's Aid programme consists simply of sending work parties, yet this is under 3% of our Aid. To release this information would be a minimal extra cost, because the spreading of the information would be done by Oxfam Group members, school teachers looking for project material etc."*

The Sub-Panel discussed this issue with the Commission during their attendance at a Public Hearing, and Mr Syvret explained:

**Mr K. Syvret:**

*"I think the problem here seems to be there is a lack of information being passed down or up, which ever way it is, a lack of a request up for information to come down and a lack of liaison between what is the central office of Oxfam and the local branch. That is something for them to set up. We support the agency, Oxfam, and we support the agency, Christian Aid and they make their submissions. If either of those 2 organisations wish to have some Jersey input, I think that it must come from them or the local organisation should approach us through their central organisation."*<sup>[123]</sup>

Mrs Roberts also made the following statement:

**Mrs T. Roberts:**

*"I think this is a really interesting point that has been raised and it is something that we*



*have started to look at in the last couple of meetings because there are any number organisations that have been approaching us obviously for aid and we have started to ask: “What is your structure? How does this all feed back to your parent organisation?” One of the things, certainly at the next meeting, we are going to ask people to give us is a structure of how their organisation looks. So I think, yes, we do need to do more work in that respect.”<sup>[124]</sup>*

#### **Conclusion**

**The Sub-Panel was surprised by the lack of information available in the Island about projects being funded through NGO’s with local branches. The Sub-Panel believes that there is an opportunity to promote greater awareness of the Island’s contributions to overseas aid development projects and also help to increase ownership of these activities.**

#### **Recommendation**

**The Sub-Panel strongly recommends that the Jersey Overseas Aid Commission provides greater feedback to Islanders about the work of projects being funded through NGO’s with local branches.**

## **5.4 Access to information**

Throughout the course of the Sub-Panel's Review, witnesses regularly expressed the view that there is a lack of information available from the Commission, particularly in terms of what can be accessed from the website. As stated by Mr Gosselin in his submission:

*"... I was hampered by the difficulty in obtaining copies of the historic annual reports. Until your own Scrutiny website recently published the last six years of reports, these were completely unavailable on the internet, and to this day, I have not come across any annual reports published on the Commission's own website, which seems to serve little other purpose beyond a public relations exercise. I was further disappointed to discover that several historic annual reports were not even filed at the Jersey Library."*

This view was shared by Mr Daly, who felt that the website needs to be improved and used as a tool to let the population of Jersey know what their money is being spent on. It was believed that this would also allow the world to see what JOAC are doing with their funds and how successful the community projects are. Mr Daly offered the following suggestions:

***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***

Dr Mc'Obewa similarly felt that the Commission needed to provide further information on its website to aid the application process:

*"JOAC web site should have application forms downloadable in word format for:*

- 1. A small grants programme form for charities wanting to apply for funds below £5,000.*
- 2. A medium grants programme form for charities wanting to apply for funds between £5k-£20k.*
- 3. A large grants application form for charities wanting to be invited to apply for larger grants. These charities should be ones that have been previously funded under 1 and/or 2 above and shown commitment and successful reports.*

*JOAC should provide on their website, an application guidance form detailing areas that they*

*fund, things that they do not fund, countries that they fund etc. This form will guide the applicants in applying for funding.”*

Dr Mc’Obewa believed that there should be specific Grant Rounds and a timetable clearly put on the website with all literature. This would ensure that charities apply either once a year and/or twice.

The 1998 Policies and Procedures review concluded that the high level policies of the former Committee, and now Commission, should be set out in a more complete format than presently available to ensure that the decision making framework is both transparent and open to public challenge.

During the Public Hearing, the Commission was asked what had been done in response to these recommendations. The following responses were received:

***Deputy J.J. Huet:***

*“We have minutes on every meeting that we have and they are only ever A minutes; we have no B minutes. There is nothing hidden. It shows full transparency in respect of the Commission’s decisions and it is always available on request for public inspection.”*<sup>[125]</sup>

***Mrs T. Roberts:***

*“I think the greatest difference is that you have a Commission with lay members. I think that is a huge evolution. I think the fact that there have been decisions of the committee that have been challenged by members of the public, I think has to demonstrate that there is greater transparency.”*<sup>[126]</sup>

Mr Syvret explained that the difficulty lies in the fact that transparency in terms of the Commission’s decision making arises after the event, which was believed to be unavoidable. Making reference to the Commission’s meetings with agencies in London, he explained:

***Mr K. Syvret:***

*“The whole thing goes in our minutes and our minutes are very detailed, including to the degree of saying how each commissioner felt and put his view forward and how he felt it should be granted or otherwise.”*<sup>[127]</sup>

**Conclusion**

**It is noted that documents of the Jersey Overseas Aid Commission are available from the States Bookshop. However, the Commission should improve on its practice in this area, by uploading all relevant literature to its website, including reports from volunteers on projects,**

minutes of its meetings and annual reports. This would greatly improve access for members of the public and individuals wishing to make applications to the Commission for funding, and therefore help to improve transparency.

#### **Recommendation**

The Commission's website should be overhauled as a matter of priority, with the ultimate aim of it becoming the main source of information for members of the public.

## 5.5 *Defining charities*

The concept of the Commission furthering its links with local charities gives rise to the question of what the definition of a 'charity' is, and the legislation and bodies in place to govern and protect them. It is imperative that if the Commission were to agree to pursue this angle and increase its £ for £ funding to local charities, there is some measure ensuring that the funds are being spent legitimately. Currently, while a charity must exist for exclusively charitable purposes, no statutory provisions are in place in Jersey to provide a definition of what these purposes are. The Association of Jersey Charities is an independent body approved by and registered with the States, which was established as a mechanism to facilitate communication between charities. However, the Association has no system of compulsory registration of charities nor any regulatory role beyond the somewhat limited membership requirements.

The Jersey Law Commission has recently published a revised consultation paper on possible reform and modernisation of the Law of Charities including the establishment of a non-governmental Charities Commission or a Charity regulator which would take over the role of assessment of charitable bodies from the Comptroller of Income Tax.<sup>[128]</sup> As part of this recommendation by the Law Commission, the adoption of a new Charities Law would require registered charities to prepare and file annual financial statements with the Jersey Charities Commission; allow members of the public to inspect the financial statements of registered charities filed with the Commission; and require larger charities to undergo an annual audit. This issue has been under discussion for some time without to date reaching a conclusion.

The Corporate Services Scrutiny Panel's Review into the Goods and Services Tax<sup>[129]</sup> found that the proposed treatment of charities under GST lends further weight to the arguments in favour of the reform of the definition of the Island's charitable status, and recommended that the proposal for a Charities Commission should be progressed with some urgency.

### **Conclusion**

**The Sub-Panel endorses the conclusion of the Corporate Services Scrutiny Panel for the Goods and Services Tax Review, which supported the Island introducing a Charities Commission. This would mean that any local charities receiving funding from the Jersey Overseas Aid Commission would need to be registered with the Charities Commission, thereby helping to ensure that funds are being allocated appropriately.**

### **Recommendation**

**The Sub-Panel endorses the Jersey Law Commission's consultation paper, and recommends**

that the proposal for a Charities Commission should be progressed with some urgency.

## **5.6 Financial accountability of the Jersey Overseas Aid Commission**

During the course of its Review, the Sub-Panel became aware of an issue in terms of the financial accountability of the Commission.

In 2002, when the debates on ministerial government were taking place, the States adopted an amendment of the then Overseas Aid Committee, agreeing that an Overseas Aid Commission should be established, outside the executive structure of government to manage the overseas aid function.

<sup>[130]</sup> Following this, the draft law was adopted by the States on the 16<sup>th</sup> March 2005. This law incorporates the Commission by statute and therefore gives it an independent status. In legal terms, the Commission has a similar status to the Jersey Financial Services Commission or the Jersey Competition Regulatory Authority.

As the Commission currently stands, there is a conflict between the law which established the Commission<sup>[131]</sup> and the law which controls the administration of the finances of the States of Jersey.

<sup>[132]</sup> As the Commission has been established outside the executive structure of government, and is therefore not a department of the States which would fall within the Public Finances Law, it does not have an Accounting Officer of its own. The present structure therefore raises an issue about accountability.

The Comptroller & Auditor General presented a report to the States in March 2007<sup>[133]</sup> outlining this problem, and presenting possible solutions. The report explains that all of the solutions that might be considered should aim at removing the conflict between the law which created the Commission and the Public Finances Law. The report concludes that it is unsatisfactory for significant amounts of expenditure to fall outside the normal arrangements for managing public finances, and states:

*“That this has happened as a result of an express decision of the States is likely in the long run to damage the reputation of the States and also of the Overseas Aid Commission.”*

The Treasury and Resources Department has also been working to resolve this conflict, and a paper has been compiled for consideration at a future Council of Ministers Meeting.<sup>[134]</sup> This report presents the following two options as methods to resolve this conflict:

1. Return to the States and establish the Overseas Aid Commission as a States funded body under the terms of the Public Finances (Jersey) Law, 2005
2. Allocate responsibility for the grant to the Overseas Aid Commission to an existing

Minister/Department i.e. define the Commission as a States aided Independent body

The report concludes that given the difficulty in establishing the most suitable department in order for option two to be progressed, this method would not be feasible. It is therefore believed that the only way forward is to establish the Jersey Overseas Aid Commission as a separate non-Ministerial department of the States and to ensure that it is structured such that a body comprising of non-elected members is able to operate within the States structure. It was acknowledged that this will necessitate a thorough review of the Commission's Law and Constitution, the appointment of an Accounting Officer and States approval.

This issue was raised with the Minister for Treasury and Resources during the Public Hearing, where he was questioned on the timescale necessary for resolving this anomaly, and agreed that it would be resolved before the end of this year.<sup>[135]</sup>

#### **Conclusion**

**The Sub-Panel is concerned that this situation needs to be resolved as soon as possible. It is not appropriate for large sums of public money to fall outside the normal methods for ensuring accurate financial responsibility and accountability.**

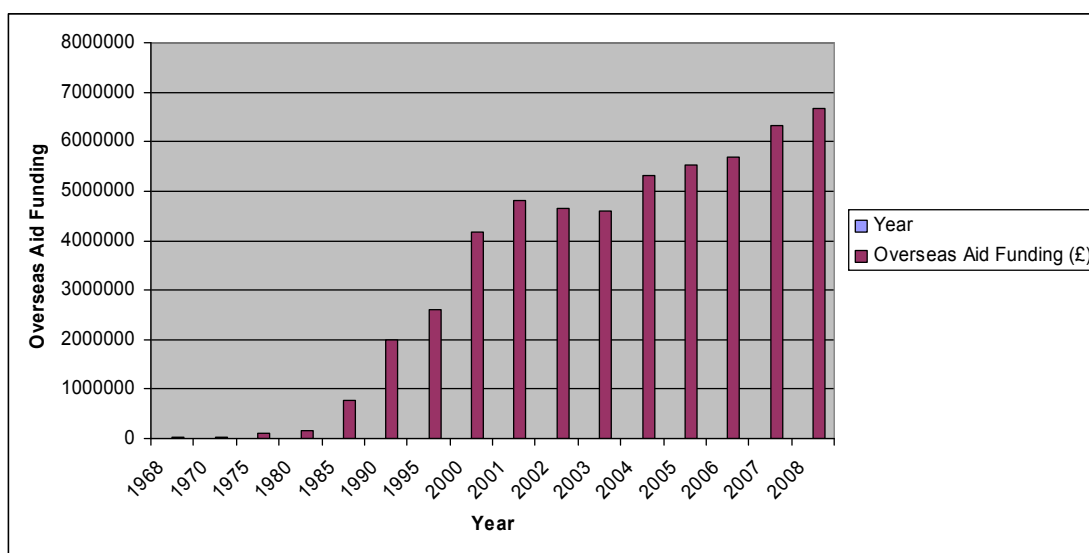
#### **Recommendation**

**The Sub-Panel recommends that the Council of Ministers approve the way forward as identified in the Treasury and Resources briefing paper, and that the necessary steps be taken to progress this issue as a matter of urgency.**



## Appendix 1: The Island's Overseas Aid Contributions since 1968

Year	Overseas Aid Funding (£)
1968	14,000
1970	20,000
1975	100,000
1980	155,000
1985	780,000
1990	1,986,000
1995	2,612,000
2000	4,174,400
2001	4,801,900
2002	4,649,000
2003	4,603,000
2004	5,306,000
2005	5,524,000
2006	5,686,000 (+ balance of 27,284 as at 1 <sup>st</sup> January 2006)
2007	6,331,000
2008	6,673,000 (2007 Business Plan)



## **Appendix 2: Methodology and List of Evidence considered**

### **Call for evidence**

The Sub-Panel placed a call for evidence on the 17<sup>th</sup> November and 14<sup>th</sup> December 2006 in the Jersey Evening Post, in the States Bookshop and on its website, inviting members of the Public to make written submissions. In addition the Sub-Panel wrote to a wide range of individuals, including local charities and representative groups.

### **Written Submissions**

The Sub-Panel received and considered the following written submissions:

Mrs A Kisch  
Mr P Colback  
Mr J Carnegie  
Mr E Le Quesne and Dr Hezron Mc'Obewa, Wanangwe School and Orphanage Trust (WASOT-UK)  
Mr C Le Bail  
Mr C Powell  
Mr J Henwood  
Mr D Ellis, Help from the Rock  
Mrs B Ellis  
Miss R Le Breton, Jetsure  
Mr S Lewis  
Mr I Brown  
Mr J Scally  
Mr B Matthews  
Mr D Pearce  
Ms J Marshall  
Mr A Smith  
Ms R Coley, Bukit Lawang Charitable Trust  
Dr D Steiner, Hands Around the World  
Mrs L Durrell  
Mr B Gullick  
Mr T Allchurch, Jersey Fairtrade Island Group  
Mr E Le Quesne, Jersey Oxfam Group  
Jersey Side by Side  
Mrs A Bailhache  
Mr R Heaven  
Dr Stanley Price, Durrell Wildlife Conservation Trust  
Mrs A Perchard, MBE  
Reverend J Harkin  
Mr B Bullock  
Mr J Le Maistre  
Mr L Crapp  
Reverend Canon T Neill  
Christians Together in Jersey  
Ms E Donoghue, CAFOD  
Jersey Overseas Aid Commission  
Mr K Daly, Help an African Schoolchild  
Mr M Dubras  
Ms R Helie, Mustard Seed (Jersey)

Mr J Gosselin  
Ms V Nash, Help an African Schoolchild  
Reverend J Ilton, Kindu Group  
Christian Aid in Jersey  
Mr B Coutanche (initial submission)  
Mr B Coutanche (Overseas Aid Funding and Economic Growth)  
Ms V Checchin, Tools for Self Reliance  
Mr D Troy  
Mr A McMillan  
Mr H Lawton, Fundacion Luz Y Vida  
Mr R Jeune, CBE  
Advocate P Cushen  
Mrs C Mallet, Jersey Gambia Schools

**To view the submissions in full please refer to the Scrutiny website ([www.scrutiny.gov.je](http://www.scrutiny.gov.je))**

## **Public Hearings**

The following witnesses attended public hearings with the Sub-Panel:

### **5th February 2007**

Mr J. Le Maistre, former member and President of the Overseas Aid Committee

### **6th February 2007**

Mr E. Le Quesne, Chairman, Jersey Oxfam Group & WASOT-UK

Senator F. H. Walker, Chief Minister & Senator T. A. Le Sueur, Minister for Treasury and Resources

Mr J. Gosselin

Mr D. Wimberley, Christian Aid in Jersey

Mr M. Wavell & Mr A. Lewis, Jersey Side by Side

### **7th February 2007**

Deputy J.J. Huet, Chairman, Jersey Overseas Aid Commission, accompanied by Mr L. Crapp, Mrs T. Roberts, Mr K. Syvret, Jersey Overseas Aid Commission Members & Mrs K. Filippini, Executive Officer

Mr K. Daly, Help an African Schoolchild; Mr T. Allchurch, Jersey Fairtrade Island Group & Mr B. Coutanche

Mrs P. A. Bailhache, former President of the Overseas Aid Committee, & Mr M. Dubras, former Member of the Jersey Overseas Aid Committee

**Verbatim transcripts of all Public Hearings are available on the Scrutiny website.**

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## **Background Papers:**

### **Reports and documentation**

**The Sub-Panel considered the following documents during the course of its Review, all of which are available on the Scrutiny website –**

Commission for Africa Report (2005)

Cruickshank – Jersey as aid recipient

DAC Aid Projections

DAC Peer Review of Luxembourg

Declaration on Luxembourg's Development Co-operation & Humanitarian Aid Policy (2004)

EU Aid – Joint European NGO Report (April 2006)

Make Poverty History (2005)

Martin Wolf article (Aid will not make poverty history but it is worth trying)

NATO – Monitoring G8 Commitments to Developing Countries

OECD – Untying Aid to the least Developed Countries (July 2001)

Oxfam Briefing Note – G8 One Year On

Real Aid – An agenda for making aid work – Action aid International

Review of Decade for Eradication of Poverty 1997-2006

The Case for Increased Aid (Volume 1 – 2003)

The Case for Increased Aid (Volume 2 – 2003)

The Luxembourg Economy Kaleidoscope (2004)

UN Human Development Report (2005)

### **States documents**

Overseas Aid Committee: Funding (P.211/1998)

Overseas Aid Committee: Funding (P.179/2002)

Jersey into the Millennium – A Sustainable Future (Executive Summary), Policy & Resources Committee, December 2001

Strategic Plan 2006-2011

Overseas Aid Policies & Procedures Review (February 1998)

Overseas Aid Committee: Funding (P.169/2002)

Jersey in Figures 2005, States of Jersey Statistics Unit

Jersey Gross Value Added (GVA) and Gross National Income (GNI) - 2005

Council of Ministers DRAFT Report – Overseas Aid Funding (8<sup>th</sup> February 2007)

Jersey Overseas Aid Commission Annual Reports (2000 – 2006)

Jersey Overseas Aid Commission Explanatory Booklet

The Jersey Law of Charities (Jersey Law Commission Consultation Paper No.7(B))

Goods & Services Tax Review, Corporate Services Scrutiny Panel (SR7/2007)

Machinery of Government: Proposed Departmental Structure and Transitional Arrangements (P.70/2002 – Fourth Amendment)

Report by the Comptroller & Auditor General: Overseas Aid Commission (March 2007: R.24/2007)

Minister for Treasury and Resources Report: Political Responsibility for the Overseas Aid Commission

Finance and Economics Committee, Tax Proposals – Some Interesting Facts and Figures

## **Legislation**

**The Sub-Panel considered the following legislation which is available from the States Greffe or the Jersey Legal Information Board website ([www.jerseylegalinfo.je](http://www.jerseylegalinfo.je))**

Jersey Overseas Aid Commission (Jersey) Law 2005

Public Finances (Jersey) Law 2005

## Appendix 3: Open letter published in the JEP in 2004

### An open letter to the Presidents of Policy and Resources and Finance and Economics

Dear Frank Walker and Terry Le Sueur

## 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 target and to set a prudent date by when Jersey will reach 0.7%.

Yours sincerely

Ann Bailhache  
Rosemary Coote  
Dr Lee Durrell  
The Rev. Canon France  
Bob Hassell  
Jurat Nick Herbert  
R R Jeune CBE  
Cyd Le Bail  
Advocate Anthony Olsen  
R E R Rumboll  
Allan Smith MBE

Ian Brown  
Sir Peter Crill KBE  
Martin Dryden  
Iris Le Feuvre OBE  
Rev John Harkin  
The Rev. Geoff Houghton  
Advocate C.G.P. Lakeman FRSA  
The Rev Derrick Mellor  
Anne Perchard MBE  
Brian Stuttard  
Dennis Troy

The Rev. Paul Brooks  
Advocate Peter Cushen  
The Very Rev. the Dean of Jersey  
Jill Grumitt MBE  
Rosc Hôlic  
John Henwood MBE  
Ed Le Quesne  
The Rev Iain MacFirhisigh  
Colin Powell OBE  
Dr David Steiner  
Ralph Vibert OBE

Brian Bullock  
Charles Clarke  
Kevin Daly  
Sir Julian Hodge  
Rowland Heaven  
The Rev. Ian White  
Bob Le Sueur  
The Rev. Bill Matthews  
Stephen Regal  
John Scally  
Daniel Wimberley

AID LEVELS AND COMMITMENT TO REACHING THE 0.7% TARGET		
COUNTRY	AID AS % OF GROSS NATIONAL INCOME	DATE FOR REACHING 0.7% TARGET
Norway	0.92%	Already met
Denmark	0.84%	Already met
Netherlands	0.81%	Already met
Luxembourg	0.80%	Already met
Sweden	0.70%	Already met
Belgium	0.61%	2010
France	0.41%	2012
Ireland	0.41%	2007
Switzerland	0.36%	
Finland	0.34%	2010
United Kingdom	0.34%	
Germany	0.26%	
Canada	0.26%	
Australia	0.25%	
Spain	0.25%	2012
New Zealand	0.25%	
Jersey	0.22%	
Greece	0.21%	
Portugal	0.21%	
Japan	0.20%	
Austria	0.20%	
Italy	0.16%	
United States	0.14%	

Since the 1970s the internationally accepted target for aid has been 0.7% of national income ("GNI"). However Jersey's overseas aid budget has been pegged to tax revenue since 1999. In 2004 it will be 1.25% of tax revenue rising to 1.45% in 2008. If tax revenue remains at the levels prevailing during the period 1993 – 1999, when it averaged 17.6% of GNI, Jersey's aid budget will equate to 0.22% of GNI in 2004 and 0.26% of GNI in 2008. If future tax revenues are reduced below 17.6% of GNI and the economy remains buoyant Jersey may find itself in the paradoxical position of enjoying a GNI amongst the highest in world and at the same time scaling back its aid budget.

[www.jerseyaid.org](http://www.jerseyaid.org)

This advertisement has been paid for by private individuals

## Appendix 4: JOAC 2006 Income and Expenditure Account [\[136\]](#)

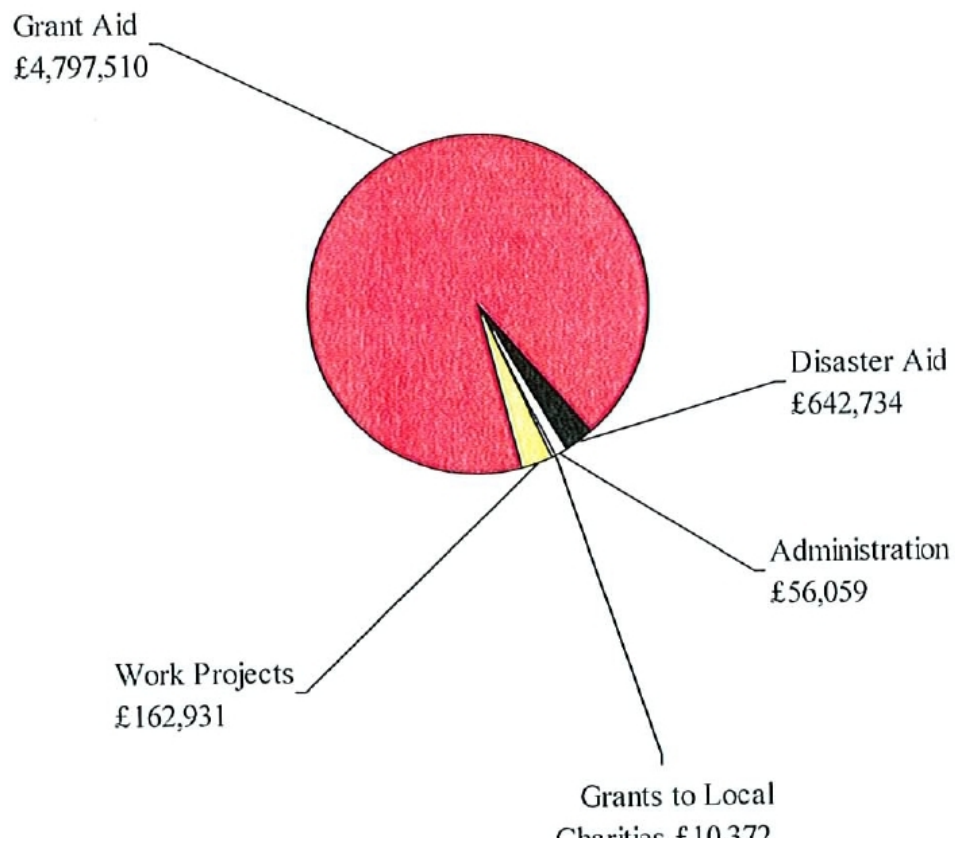
## 2006 INCOME AND EXPENDITURE ACCOUNT

### *Income*

Balance 1 <sup>st</sup> January	27,284
States Grant	<u>5,686,000</u>
	<u>£5,713,284</u>
	=====

### *Net Expenditure*

Grant Aid to Agencies	4,797,510
Disasters and Emergencies	642,734
Community Work Projects	162,931
Local Charities Working Overseas	10,372
Administration	56,059
Balance 31 <sup>st</sup> December	<u>43,678</u>
	<u>£5,713,284</u>
	=====







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- [1] The States Annual Business Plan continues to preserve an annual increase in funding to the Commission according to the agreed formula while many States departments have received no real funding increase or a reduction in revenue expenditure allocation.
- [2] As agreed by the States of Jersey Strategic Plan 2006-2011
- [3] States of Jersey Strategic Plan 2006-2011
- [4] Overseas Aid Committee: Funding P.211/1998
- [5] Jersey Overseas Aid Committee: Funding P.179/2002
- [6] Prior to 2001, 'GNI' was called 'GNP' (gross national product) by the World Bank.
- [7] Pages from World Bank History: The Pearson Commission. Retrieved March 12, 2007, from <http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/EXTARCHIVES/0,,contentMDK:20121526~pagePK:36726~piPi>
- [8] Paragraph 43
- [9] United Nations Division for Sustainable Development – Agenda 21. Retrieved March 3, 2007, from <http://www.un.org/esa/sustdev/documents/agenda21/index.htm>
- [10] Policy and Resources Committee, December 2001 (Preface)
- [11] Implementing the Millennium Declaration – United Nations Fact Sheet, Retrieved February 28, 2007, from <http://www.un.org/millenniumgoals/MDGs-FACTSHEET1.pdf>
- [12] G8 Gleneagles 2005: Policy Issues – Africa. Retrieved March 12, 2007, from <http://www.g8.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1094235520151>
- [13] Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.2
- [14] Continued development of the Island's international constitutional position and international profile
- [15] Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.5
- [16] Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.16
- [17] Written questions to the States Economic Adviser – February 2007
- [18] Overseas Aid Policies & Procedures Review, February 1998, p.11
- [19] P.169/2002
- [20] P.179/2002
- [21] Written questions to the States Economic Adviser – February 2007
- [22] Ireland has made a commitment to meet the 0.7% of GNI target by 2012 and its contribution was at 0.53% in 2006 ([http://www.connect-world.net/Global\\_Themes/Aid/Irelands\\_Contribution.html](http://www.connect-world.net/Global_Themes/Aid/Irelands_Contribution.html))
- [23] Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.3
- [24] Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.8
- [25] Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.9
- [26] Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.50
- [27] Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.27
- [28] Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.6
- [29] Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.5
- [30] Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.8
- [31] Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.50
- [32] Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.11
- [33] Measured by a percentage of our income from taxation as agreed by P.179/2002

- [\[34\]](#) As requested by the Chairman of the Jersey Overseas Aid Commission
- [\[35\]](#) Planning assumption for 2008 Business Plan
- [\[36\]](#) Written questions to the States Economic Adviser – February 2007
- [\[37\]](#) Based on 2006 prices
- [\[38\]](#) Based on the target in the States Strategic Plan 2006-2011
- [\[39\]](#) The States Annual Business Plan continues to preserve an annual increase in funding to the Commission according to the agreed formula while many States departments have received no real funding increase or a reduction in revenue expenditure allocation.
- [\[40\]](#) Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.9
- [\[41\]](#) Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.5
- [\[42\]](#) Overseas Aid Funding and Economic Growth, Mr B Countanche, February 2007 (available on the Scrutiny website)
- [\[43\]](#) Written questions to the States Economic Adviser – February 2007
- [\[44\]](#) Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.6
- [\[45\]](#) Jersey Overseas Aid Commission Annual Report, 2006, p.5
- [\[46\]](#) Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.34
- [\[47\]](#) Jersey Overseas Aid Commission Explanatory Booklet, paragraph 4.3
- [\[48\]](#) Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.15
- [\[49\]](#) Transcript of Public Hearing, 5<sup>th</sup> February 2007, p.9
- [\[50\]](#) Transcript of Public Hearing, 7<sup>th</sup> February p.6
- [\[51\]](#) Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.7
- [\[52\]](#) Jersey Overseas Aid Commission Explanatory Booklet, paragraph 9.2
- [\[53\]](#) Transcript of Public Hearing, 5<sup>th</sup> February 2007, p.15
- [\[54\]](#) Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.14
- [\[55\]](#) Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.34
- [\[56\]](#) Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.28
- [\[57\]](#) Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.29
- [\[58\]](#) Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.23
- [\[59\]](#) Jersey Overseas Aid Commission Explanatory Booklet, paragraph 6.3.
- [\[60\]](#) Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.66
- [\[61\]](#) Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.11
- [\[62\]](#) Jersey Overseas Aid Commission Explanatory Booklet, paragraphs 7.1 and 7.2
- [\[63\]](#) Jersey Overseas Aid Commission Explanatory Booklet, paragraphs 8.1 and 8.2
- [\[64\]](#) Transcript of Public Hearing, 5<sup>th</sup> February 2007, p.27
- [\[65\]](#) Transcript from Public Hearing, 6<sup>th</sup> February 2007, p.4
- [\[66\]](#) Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.9
- [\[67\]](#) Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.19
- [\[68\]](#) Transcript of Public Hearing, 6<sup>th</sup> February, p.20
- [\[69\]](#) Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.20
- [\[70\]](#) Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.59
- [\[71\]](#) Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.7

- [72] Commission for Africa, March 2005
- [73] Ibid. p.13
- [74] Op cit, Commission for Africa Report
- [75] Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.41
- [76] Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.45
- [77] Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.24
- [78] Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.27
- [79] Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.10
- [80] Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.13
- [81] Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.7
- [82] Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.24
- [83] Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.26
- [84] <http://www.irishaid.gov.ie/countries.asp>
- [85] [http://www.norad.no/default.asp?V\\_ITEM\\_ID=1211](http://www.norad.no/default.asp?V_ITEM_ID=1211)
- [86] <http://www.um.dk/NR/rdonlyres/A841C175-4905-4FA0-A996-CEC5A58205A6/0/AnnualReport2005.pdf>
- [87] <http://www.dfid.gov.uk/pubs/files/publicserviceagreement03-06.pdf>
- [88] <http://www.scotland.gov.uk/Topics/Government/International-Relations/internationaldevelopment/malawi/agreement>
- [89] Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.20
- [90] Transcript of Public Hearing, 5<sup>th</sup> February 2007, p.15
- [91] Transcript of Public Hearing, 5<sup>th</sup> February 2007, p.16
- [92] Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.15
- [93] Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.3
- [94] The JOAC requested for the following clarification to be made: Dr Mc'Obewa is also the founder of the OGRA Foundation in Kenya which, working in partnership with WASOT-UK, manages, executes and runs the programmes in Kenya, directly benefiting from aid received.
- [95] Transcript of Public Hearing, 5<sup>th</sup> February 2007, p.18
- [96] As agreed by the States of Jersey Strategic Plan 2006-2011
- [97] States of Jersey Strategic Plan 2006-2011
- [98] Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.6
- [99] Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.7
- [100] Each person participating in a Community Work Project normally contributes £450 towards their own travel expenses, and the JOAC funds any additional costs of travel, plus insurance, medical kits, vaccinations, food and accommodation.
- [101] Using Action Aid's assessment of how much aid is "real" per country
- [102] Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.8
- [103] Stockholm International Peace Research Institute, Yearbook 2006, page 11
- [104] Jersey Gross Value Added (GVA) and Gross National Income (GNI) – 2005, Statistics Unit, page 4
- [105] Jersey Aid. Retrieved March 5, 2007, from <http://www.jerseyaid.org/index.html>
- [106] <http://www.jerseyaid.org/index.html>
- [107] Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.20
- [108] Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.21
- [109] Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.22

- [\[110\]](#) Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.20
- [\[111\]](#) Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.28
- [\[112\]](#) Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.51
- [\[113\]](#) Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.23
- [\[114\]](#) Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.7
- [\[115\]](#) Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.10
- [\[116\]](#) Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.2
- [\[117\]](#) Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.19
- [\[118\]](#) Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.37
- [\[119\]](#) Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.30
- [\[120\]](#) Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.48
- [\[121\]](#) Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.32
- [\[122\]](#) Transcript of Public Hearing, 5<sup>th</sup> February 2007, p.28
- [\[123\]](#) Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.12
- [\[124\]](#) Transcript of Public Hearing, 7<sup>th</sup> February 2007, p. 13
- [\[125\]](#) Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.15
- [\[126\]](#) Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.16
- [\[127\]](#) Transcript of Public Hearing, 7<sup>th</sup> February 2007, p.17
- [\[128\]](#) 'The Jersey Law of Charities', Jersey Law Commission Consultation Paper No.7(B) dated November 2006
- [\[129\]](#) SR7/2007
- [\[130\]](#) P.70/2002 – Fourth Amendment
- [\[131\]](#) Jersey Overseas Aid Commission (Jersey) Law 2005
- [\[132\]](#) Public Finances (Jersey) Law 2005
- [\[133\]](#) R.24/2007
- [\[134\]](#) Minister for Treasury and Resources Report: Political Responsibility for the Overseas Aid Commission
- [\[135\]](#) Transcript of Public Hearing, 6<sup>th</sup> February 2007, p.31
- [\[136\]](#) Source: JOAC Annual Report 2006