



# Economic and International Affairs Scrutiny Panel

## Quarterly Hearing

### Witness: The Minister for International Development

Tuesday, 15th November 2022

**Panel:**

Deputy M.R. Scott of St. Brelade (Chair)

Deputy R.S. Kovacs of St. Saviour (Vice-Chair)

Deputy M.B. Andrews of St. Helier North

**Witnesses:**

Deputy C.F. Labey of Grouville and St. Martin, The Minister for International Development

Mr. S. Boas, Executive Director, Jersey Overseas Aid

[09:03]

**Deputy M.R. Scott of St. Brelade (Chair):**

Welcome to this quarterly hearing of the Economic and International Affairs Scrutiny Panel. This hearing will also incorporate questions based on the panel's reading of the Government Plan 2023-2026, which was published recently and which the panel is now reviewing. We have no members of the public today but I would like to draw everyone's attention to the fact that this hearing will be filmed and streamed live. All electronic devices, including mobile phones, and including my own, should be switched to silent. For the purpose of the recording, I would be grateful if everyone who speaks could ensure that you state your name, your role and please speak clearly. If we could begin with introductions. I suggest that the panel team introduce ourselves followed by the Ministerial team. I am Deputy Moz Scott, chair of the Economic and International Affairs Panel.

**Deputy R.S. Kovacs of St. Saviour (Vice-Chair):**

I am Deputy Raluca Kovacs, vice-chair of the same panel.

**Deputy M.B. Andrews of St. Helier North:**

I am Deputy Max Andrews.

**The Minister for International Development:**

I am Deputy Carolyn Labey and I am Minister for International Development and chair of Jersey Overseas Aid.

**Executive Director, Jersey Overseas Aid:**

I am Simon Boas. I am the executive director of Jersey Overseas Aid.

**Deputy M.R. Scott:**

Thank you very much. I would like to draw your attention to the fact that we have 1½ hours scheduled for this hearing and we do have quite a few areas of questioning, so we will generally be looking for you to restrict your answers to about 2 minutes in time. If questions remain at the end of the hearing or if there are areas requiring more detail, we will send those to the Ministerial team and we would be grateful if you could attend to them in writing. So, let us kick off. The aims of this hearing are to gather information about the Ministerial objectives for your term of office, gather evidence specific to Jersey Overseas Aid and ascertain how this is calculated in the criteria met for receipt of donations and gather evidence in line with the terms of reference for the panel's review of the Government Plan 2023-2026. Our first question is: we note that you do not have a departmental budget in its own right. Is your funding through the Office of the Chief Executive or Chief Minister's Department?

**The Minister for International Development:**

It is the chief executive.

**Executive Director, Jersey Overseas Aid:**

We have just changed, if I can clarify.

**Deputy M.R. Scott:**

You have just changed it?

**Executive Director, Jersey Overseas Aid:**

We are a head of expenditure, so we do not have a departmental budget of our own but we are a separate head of expenditure for the purposes of government planning. We do not have a parent department. We are a slightly odd creature, as you are probably discovering from your reading, a

bit of a hybrid and to some extent almost a hangover from the old committee system. But where we plug into Government is the Office of the Chief Executive and we have an M.O.U. (memorandum of understanding) but we do not receive funding from them. We just receive funding directly as a head of expenditure.

**Deputy M.R. Scott:**

Directly from Treasury then?

**Executive Director, Jersey Overseas Aid:**

Yes.

**The Minister for International Development:**

It is ever evolving. In the last term we evolved quite a bit. It started off as a committee, as Simon said, and then got formed into a commission and then the last term it got given a Minister because there was not a Minister around the table when the budget was discussed, so a Minister was appointed.

**Deputy M.R. Scott:**

Okay. So just to be clear, you get the funding directly from the Treasury but then just the involvement of the chief executive, there is an M.O.U.?

**Executive Director, Jersey Overseas Aid:**

Which is partly because we are not part of Government.

**Deputy M.R. Scott:**

So just explain briefly the M.O.U., what does it essentially say?

**Executive Director, Jersey Overseas Aid:**

Shall I jump in on that because that is where we plug in as officers and as public servants? It essentially sets out our relationship with Government, us being not part of Government but a Government-funded body and indeed one with a Minister. It sets out our accountability arrangements, first and foremost, how we ourselves are accountable as officers to the Minister and to the commission appointed by the States and how the Minister, of course, is accountable to you and your other mechanisms, and I am accountable to the chief accountable officer and to P.A.C. (Public Accounts Committee) as accounting officer or accountable officer. It sets out the scheme of delegation we have and it sets out particularly our relationship with different parts of the government apparatus, so Treasury first and foremost. All our funding sits in Treasury. We never have funding separately. Treasury essentially acts as a paying agent - we have a finance business partner - but

also of course gives us valuable assistance as another check and balance and with budgeting and planning and that kind of thing. It sets out our relationship with I.T. (information technology), with States H.R. (human relations), that kind of thing, where I plug in as an officer to the government machinery, when I do, and how we should co-ordinate with each other.

**Deputy M.R. Scott:**

Sure, which makes you sound like an electrical appliance but never mind. I wonder if we could have a copy of the M.O.U. Thank you very much. What are the costs to run your department?

**The Minister for International Development:**

So far this year we have spent £440,000. That is staffing, that is rent, that is all our admin costs, which works out at about 5 per cent of the overall budget. If it is compared to O.E.C.D. (Organisation for Economic Co-operation and Development) international development budgets, they normally work at about 7 per cent.

**Deputy M.R. Scott:**

Well done then. When you said £440,000, can you explain what period? You said up to date, so are you talking about the past 12 months or ...

**The Minister for International Development:**

That would be this year, 2022.

**Deputy M.R. Scott:**

Right, up to this point in time from 1st January?

**The Minister for International Development:**

Yes. It might be slightly different now in the last month.

**Deputy M.R. Scott:**

Right, so you do not expect it to be much more for this calendar year then?

**The Minister for International Development:**

It may be a little more, yes, to take us to the end of December, so the 2 months.

**Deputy M.R. Scott:**

Thank you very much. How many members of full-time equivalent staff work within the Department of International Development?

**Executive Director, Jersey Overseas Aid:**

We have just 7 full-time equivalents because we have several part-time staff. I am happy to send you an organogram and I will sketch it out now. In terms of full-time staff, there is myself and there is our head of programme, who manages the programme team, which is comprised of a programme officer, a monitoring and impact officer, who is in charge of making sure that all the projects do what they say they are going to do, and also a part-time communications officer and now a full-time internship position, which is a new thing. They stay with us for 6 months and we recruit another intern, so we always have an intern, as we call a programme associate. Then on the operation side we have an office and operations manager.

**Deputy M.R. Scott:**

Is that part-time or full-time?

**Executive Director, Jersey Overseas Aid:**

That is now full-time. It has just changed this month. We have a part-time head of finance and we also have a part-time admin assistant.

**Deputy M.R. Scott:**

I am not sure that that adds up to 7, but when I look at the organogram, will it just show the part-timers and full-timers?

**Executive Director, Jersey Overseas Aid:**

Yes, it will.

**Deputy M.R. Scott:**

Thank you very much. Okay, I am now going to hand this over to Deputy Andrews, who is going to be asking some specific questions on the Government Plan.

**Deputy M.B. Andrews:**

Thank you for being in attendance, both of you, today. I would like to start off by asking a question. Within the Ministerial plan, you state one of your objectives is to implement the 15 specific objectives of the strategic plan for Jersey's overseas aid. Could you give us a timeline in terms of the implementation of those objectives?

**The Minister for International Development:**

We are saying to implement the 15 objectives, the strategic plan runs just about 5 years. It was signed off this year, so some of the objectives we have already started, like pursuing our thematic projects in dairy conservation livelihoods and financial inclusion. They are already up and running

but, for example, I signed an M.O.U. with the Zambian Minister for Agriculture earlier this year and we will be starting a new dairy project in Zambia. We are developing our support for impact investment and that we have not yet started. We are just pursuing that and pursuing the Island as an Island for philanthropy. We are liaising with financial houses and stuff like that to see what kind of appetite we have in the Island to do some form of impact investing and that sort of thing. We are offering opportunities to young Islanders. Simon has already said about the intern programme that we have set up. We have also set up placements with the U.N. (United Nations) for young Islanders and we have 2 at the minute and we have a third person, who is one of our success stories. She started as one of our interns and she has now got a placement with the U.N. for the next 2 years; so it is diversifying the career offering of Islanders here. Next year we have got other things organised. For example, we are hosting the African Jersey Forum in Malawi, and that reputationally for Jersey is a fantastic thing.

**Deputy M.B. Andrews:**

Minister, could you also explain in terms of when we are speaking about developing more opportunities through bursaries, internships and of course with United Nations placements, what is the actual plan for this moving forward?

**The Minister for International Development:**

For what, sorry?

**Deputy M.B. Andrews:**

In terms of you mentioned about providing more opportunities for placements, internships and also opportunities of the United Nations. How are you planning for this?

[9:15]

**The Minister for International Development:**

We are planning to offer Islanders various opportunities. For example, this evening we have the launch of our volunteer programme. We have got 3 projects taking place next year for Islanders to volunteer; Rwanda, Kenya and Nepal we are going to next year. To those that are interested and want to pursue it, there are bursaries available or if people have a certain skill or if they just want a volunteer bursary. We can then take it to the next level with our internships. We offer one a year and we offer placements. We are hoping to do one a year with the U.N.

**Deputy M.B. Andrews:**

Thank you, Minister. Also how do you propose to support Jersey's financial services industry to develop its offerings in impact investment and sustainable finance and philanthropy as stated as one of your objectives within the Ministerial plan?

**The Minister for International Development:**

Simon has been doing preliminary talks at the moment with various officers in finance houses.

**Executive Director, Jersey Overseas Aid:**

Yes. Shall I tell you where we are and what we are trying to do?

**Deputy M.B. Andrews:**

Absolutely, yes. Thank you.

**Executive Director, Jersey Overseas Aid:**

We have been liaising with Jersey Finance for several years now on impact investments, sustainable finance community of practice. We have been involved in the meetings with the sector. Jersey Overseas Aid, myself, provided one of the 3 judges in fact for Jersey Finance's first sustainable finance awards in Jersey this year. We were judging over 30 applications, which is again one of the initiatives that Jersey Finance has been bringing forward to try to kickstart sustainable investments and impact-oriented investments in the Island. We have liaised with Durrell and the Minister was on a panel about a year ago with the finance sector trying to encourage the "E" of the E.S.G. (environmental, social and governance) oriented investments to partner with Durrell. They came up with a scheme where a percentage of profits of new business in Jersey would go to a Durrell scheme. We have also been looking specifically at how we can help impact-oriented investors. As you will know, there is a lot being talked about E.S.G. at the minute and some of it perhaps is more substantial than others. We have been part of the sustainable finance group from Government chaired by Charlotte Brambilla, and been part of the conversations with the J.F.S.C. (Jersey Financial Services Commission) and tried to ensure that Jersey hits the quality end of that market. But even specifically we have been working, for example, with an asset manager who is setting up the first, we think, impact-oriented investment fund, which will focus on dairy, which is really exciting if Jersey can host such a thing. Again, it is a fund with a double or even triple bottom line. It wants to make a decent return for its investors but also have a specific social and economic outcome.

**Deputy M.R. Scott:**

Deputy Andrews, can I just pop in with a question here? You may be aware that this hearing is being streamed publicly and the public may not quite understand what an impact-oriented investment is. I am not sure I do. Could you please expand on that?

**Executive Director, Jersey Overseas Aid:**

Yes, that is a great question, because there is a lot talked about it at the minute and then people get confused between E.S.G., which is talked about a lot. If you think that any investment is on a scale of making money however you can to just giving it away, there is a bit of a scale. You can invest purely in whatever makes the most money, even arms factories, or you can negatively exclude things that are seen as harmful from your portfolio, or you can start positively investing in things, and that is where E.S.G. might come in, which might have an economic or a social or a governance impact. Even slightly further towards the scale you have impact investments, where very specifically you are investing either to make a small profit, potentially you are taking a small compromise in the profit you are making, but you are specifically investing also in order, for example, to create jobs or to bring cheap energy to slums or to bring healthcare to people in developing countries.

**Deputy M.R. Scott:**

So it is a specific result? Is there some sort of mechanism for measuring the impact then?

**Executive Director, Jersey Overseas Aid:**

Yes, that is another bit, because so many finance firms at the minute talk about impact and it is kind of new material to them at least. It is easy to measure financial impact, because that is the bottom line. The double bottom line of the social impact or the environmental impact is harder to verify and it is quite easy to mark your own homework. Jersey Overseas Aid, I think that is part of where we can help the financial services industry, because we have been measuring impact for as long as we have been going. The development sector is pretty good at that.

**Deputy M.R. Scott:**

I think there could be wider application in government.

**Deputy R.S. Kovacs:**

The monitoring and impact officer then would have their reports based on that?

**Executive Director, Jersey Overseas Aid:**

Yes. She is one of the ones who is about to take up a U.N. posting and we are just replacing her now, but the whole programme team, and myself included, if you had to summarise our job, it is make sure that the money that we give for philanthropic projects is properly spent. There is the side of making sure that they have spent it according to the proper rules, but have they achieved what they said they were going to achieve? So many investors as well as philanthropists make the mistake of only reporting on what they did: did they build the wells, did they build the school? But again, what is the impact of those wells? We can measure that and we are quite good at going into



a village or a slum or talking to a Government and saying: "What did this achieve?" You have to think of a counterfactual: "What happened to the other villages that did not get a well?"

**Deputy M.R. Scott:**

Sorry, to cut to the chase, do you anticipate having a role in measurement in impact investment funds?

**Executive Director, Jersey Overseas Aid:**

This is one of the conversations we are having with Jersey Finance, exactly.

**Deputy M.R. Scott:**

It is a conversation you are having, okay. Can we move on?

**Deputy R.S. Kovacs:**

I have just more question. You mentioned that next year you will have a volunteer programme for Rwanda, Kenya and Nepal. What is the aim achievement in each of them and how much of this is funded by the Jersey Overseas Aid and how much is based on volunteer funds?

**The Minister for International Development:**

We ask the volunteers to make a contribution. In the past it has been in the region of about £500 towards their airfare and inoculations and expenses. We set up the projects. For example, in Nepal we have got a very good relationship with the Gurkhas and they will identify projects that we participate in; for example building a community centre. Volunteers go over, build a community centre and they work with the locals there, so we are not putting anyone out of work, and then they come back. I would say that the volunteers get as much benefit from the project personally as the villagers with their community centre.

**Executive Director, Jersey Overseas Aid:**

The Minister is reluctant to tell you exactly because tonight at 5.30 we are launching these 3 projects. If no one is watching we can say, but come to St. Paul's Centre, please, everyone at 5.30. In Kenya we will be building a sand dam, which is a dam that stops the water under the ground, so on the other side of it you cannot see any water but it is trapped by the sand so it is there all through the dry season. In Nepal, as Carolyn was saying, working with the Gurkha Welfare Trust, we will be building a school or a community centre. In Rwanda in July we are doing our first ever specialised trip for teachers, so we are trying to recruit 12 teachers to go and run a summer school in some of the schools that a Jersey charity called Hands Around the World has been helping for the last decade or so, with our assistance, in south-west Rwanda.

**Deputy R.S. Kovacs:**

The Island Identity Report was published in May 2022 together with the next step for these projects. How are the Government implementing the next steps as defined within this report?

**The Minister for International Development:**

What my colleague, Fran, who is sitting over there and I are doing for this - she is the only dedicated officer to this, among other duties that she has - we are at the minute going round having meetings with the Ministers in Government to ensure that some of the recommendations and opportunities and ideas that we identified in the report are being pursued. They can add to them, they might not be able to do them all due to funding reasons, but we want to ensure that they are on their agenda and they are pursuing them. We have had meetings, as I say, with Ministers, with A.L.O.s (arm's length organisations), Heritage, ArtHouse, Ports of Jersey, anyone that we feel that they are the body to carry the recommendations forward. There is a huge job of work to do within government and associated departments, like P.P.C. (Privileges and Procedures Committee) I know is pursuing an education programme for students, so that was part of our recommendations in how our children, our students ought to be taught about Jersey's history, Jersey's constitution. It will help in voting participation, hopefully, in the future. Also the cultural hub, we wanted a welcome centre for newcomers, so there is a centre where you could gain all this information. They could be referred to our website where we are collating a mass of information on there, like Jersey's history teaching plans for teachers if they want to teach about the Island's history. In the past we have found that the issue has been training the trainers. They do not necessarily have all the information. So we are supplying teaching plans on the Island Identity website where they can just download and teach.

**Deputy M.R. Scott:**

Is this cultural hub the same thing as this diversity ...

**Deputy R.S. Kovacs:**

The international cultural centre.

**Deputy M.R. Scott:**

Is that the same thing? Okay, so it has this dual role of explaining the Island to newcomers as well as perhaps informing people more about other cultures.

**Deputy R.S. Kovacs:**

It will have like welcome packs?

**The Minister for International Development:**

Yes, exactly.

**Deputy M.R. Scott:**

Okay, thank you.

**Deputy R.S. Kovacs:**

Are you confident that these objectives are likely to be met in the plan?

**The Minister for International Development:**

We have called them opportunities and ideas as opposed to recommendations, because it is really up to the Ministers to identify the budgets and resources in order to pursue them.

**Deputy R.S. Kovacs:**

Obviously you would need input from the other government departments. How is this being coordinated?

**The Minister for International Development:**

We are due to take it back to the Council of Ministers again. We took it in the last Ministerial Government but we are tabling it at the end of the year in the Council of Ministers, so it gathers momentum. We just felt that it is for Government to get our own house in order, if you like, first. The A.L.O.s that we contribute to know about this, but really it is for everyone to pursue. It is not just a Government initiative. Well, it is a Government initiative but it is for everybody to pursue in whatever way. I know that Fran is having meetings with the board of I.O.D. (Institute of Directors). Am I right, Fran? Yes. It is for businesses to take forward ideas and have a look at the documentation that we have provided and it is up to them to pursue it.

**Deputy M.R. Scott:**

Which A.L.O.s specifically do you envisage contributing to this?

**The Minister for International Development:**

For example, Ports. One of my bugbears is the airport and harbour, when you are leaving Jersey or arriving, is it obvious where you are arriving? You walk along the airport arrivals hall and there is one trust company poster after another.

**Deputy M.R. Scott:**

And a sign saying "bienvenue".

**The Minister for International Development:**

Yes, that is true, with a few maps on the side, but we feel that that is a missed opportunity. I would like to see something like we have in the museum foyer showing a film about the Island, having brochures and information.

**Deputy M.R. Scott:**

Can we move on to other A.L.O.s, if you do not mind, Minister?

**The Minister for International Development:**

Yes. Well, Heritage obviously has a big part to play, as does ArtHouse. So we have been speaking with them. I do not necessarily call P.P.C. an A.L.O. but we obviously have had a lot to do with P.P.C. in the education programme, the diversity.

[9:30]

**Deputy R.S. Kovacs:**

Are you likely to require additional funding for the implementation of the next steps of the Island Identity project? If so, how will this be funded?

**The Minister for International Development:**

Well, so far we were given £160,000, I believe, and we have been using that up for the writing of the big 200-page report, the website, these brochures and, as I said, Fran and I are the only 2 pursuing it, but it is for the various departments to pursue this in their own way. It is not for a top-down, but we wanted everybody to be aware of what we are trying to pursue.

**Deputy R.S. Kovacs:**

We note the policy development board for the Island Identity project was set up in October 2019. Is this still active and who are its members?

**The Minister for International Development:**

No. That was set up for the purpose of writing the original report. At the time the policy development boards were only meant to be set up for a maximum of a year and we were struck with COVID at that time and lockdown, so it was quite a challenging time. However, we managed to put together this rather cumbersome report, it has got to be said. This adapted version, an easy-to-read version, was produced.

**Deputy R.S. Kovacs:**

So the board's work has stopped?

**The Minister for International Development:**

Yes.

**Deputy M.R. Scott:**

So it is defunct, it is disbanded, it is no more?

**The Minister for International Development:**

It is disbanded, although some of the members from it we use now and again. We use Geraint Jennings if we need things translated.

**Deputy M.R. Scott:**

Okay. Do you mind if we move on? We are going to move on to ask a bit more about Jersey Overseas Aid, now that Simon has had a rest. Is there a criterion for receiving funding from J.O.A. (Jersey Overseas Aid)? If yes, could you please just take us through that?

**Executive Director, Jersey Overseas Aid:**

I am just thinking how to do the 2-minute version.

**Deputy M.R. Scott:**

We would prefer the 30-second, but go ahead.

**The Minister for International Development:**

We have got various streams that we fund, emergencies that are missed off the Ministerial plan obviously because that is ongoing. We are always seeing emergencies. We have got the emergency funding, we have got our grant funding, which we have 3 themes, as I alluded to earlier. We have got the local charities and we have criteria for each of them and we have a commission, which is made up of 3 States Members and 3 non-States Members.

**Deputy M.R. Scott:**

If I just say, I mean emergency quite clearly that must be some sort of humanitarian, sort of a general one, but then you have also mentioned grants and themes but also that you perhaps give money to local charities for certain projects. How do you assess entirely which ones you are going to fund?

**The Minister for International Development:**

They go through a rigorous process and Simon will talk you through that.

**Deputy M.R. Scott:**

In terms of selection, yes.

**Executive Director, Jersey Overseas Aid:**

Trying to quickly, so project selection is obviously one of the most important functions of a donor in picking the right projects, as well as managing them and managing the partners, is vital from the management of public funds point of view, as well as achieving as much as you can with them, point of view. Project selection for the International Development grants is about a 6-month process. We open a call for proposals where pre-selected agencies, on whom we have already done a degree of due diligence, will apply. There are roughly just over 40 of them. According to the criteria that we have set within, as Carolyn said, the 3 themes, certain ...

**Deputy M.R. Scott:**

We are talking about local charities and ...

**Executive Director, Jersey Overseas Aid:**

You wanted the local charities?

**Deputy M.R. Scott:**

Yes.

**Executive Director, Jersey Overseas Aid:**

Sorry. The full-fact version is a very long process of selection and due diligence.

**Deputy M.R. Scott:**

Sorry to interrupt but just to try and move things along, for example, do you have a point-scoring system or do you have some sort of particular ... there has to be a certain discretion that is being exercised, so what kind of guides you.

**Executive Director, Jersey Overseas Aid:**

The biggest local charities we treat like the U.K. (United Kingdom) charities. Yes, a point-scoring system, visits, we delve into the procurement policy. There are articles of association and a huge degree of due diligence. Local charities, we have a slightly different outlook even, which is then reflected in the way we operate. We actively want to fund local charities to work in development and that is reflected in our organisational objectives. But of course we also have to apply high standards of the use of public money and effectiveness on them. We have a simplified application form for them and when they apply we will sit with them, rather than say: "Right, that is your submission." We will sit with them sometimes and go through bits that we think need extra work or thought. How are you going to manage risk? How are you going to procure the materials for the school you are building? Once we are satisfied in the application form, we, as officers, write a

recommendation based on 8 or 9 different points, like sustainability, financial management, how they chose the beneficiaries, that kind of thing and it goes to the commission who will decide yes or no for funding.

**Deputy M.R. Scott:**

They make the ultimate decision.

**Executive Director, Jersey Overseas Aid:**

It is kind of a 2-stage process, it needs a recommendation from us and without that it would not go to the commission. It has to be recommended by professional officers as being fundable and recommended by the commission.

**Deputy M.R. Scott:**

Okay, thank you. You basically assess the plans, as it were, okay. Have you held any public consultations with regard to the allocation of funding for overseas aid?

**Executive Director, Jersey Overseas Aid:**

The short answer is no.

**Deputy M.R. Scott:**

Do you think the public should be involved in the decision-making process for overseas aid?

**The Minister for International Development:**

Which decision-making?

**Deputy M.R. Scott:**

I am talking about the allocation funding at a strategic level to consult with the public in terms of general nature projects and these things.

**The Minister for International Development:**

Are we talking about local charities or strategically how we choose?

**Deputy M.R. Scott:**

I am talking about the public and their role.

**Executive Director, Jersey Overseas Aid:**

I guess strategically because local charities can apply for anything. There are no country restrictions or theme restrictions, so there are no restrictions on what local charities can apply for. But, for

example, the 3 themes - dairy, conservation and finance - and the strategic direction of J.O.A., as encapsulated in this, were set by commissioners. They are appointed by the States in order to do this. We did try to reach out to the public to explain. We have had, for example, open evenings about some of the 3 themes. We did workshops on financial inclusion recently at Santander. We did one a couple of years ago on dairy. We were handicapped a bit by COVID on the public events. But we are trying to engage more and more with the public.

**The Minister for International Development:**

When we are not in lockdown we run Jersey International Development Network and we invite the public in to hear speakers in specific areas.

**Deputy M.R. Scott:**

It is more like tell than ask.

**The Minister for International Development:**

Our door is always open if people want to come and speak to us, if they have particular issues. We are appointed by the States of Jersey and by the States Assembly to do a job, so that is what we are doing.

**Deputy M.R. Scott:**

All right, thank you. The Jersey Overseas Commission 2021 Annual Report shows around 30 projects were funded by the J.O.A. last year with 36 different forms of grant listed. How does the J.O.A. decide what is best value in terms of investment and through what methodology are targets set in the different areas?

**Executive Director, Jersey Overseas Aid:**

That sort of allows us to continue the question from before about how we pick projects and set, so ...

**The Minister for International Development:**

Countries, like you said specific areas, our countries are chosen. We choose the Corruption Perception Index times the Humanitarian Development Index squared and out of those countries we do choose the anglophile countries. We feel that 6 countries is a good number because we get to form a relationship with those countries. We get to know and understand their culture and it helps being anglophile when we are reading reports from them, so that is how we pick the areas. The thematic we have chosen because we feel we can bring a certain amount of value, more than just the money, expertise in our themes like dairy, like financial inclusion and conservation livelihoods, as you probably know from the report. We use the R.J.A. and H.S. (Royal Jersey Agricultural and



Horticultural Society) a lot when it comes to dairy and we use Durrell for conservation livelihoods, not exclusively but for some of the projects. Obviously financial inclusion we have a wealth of financial services knowledge here.

**Deputy M.R. Scott:**

Great. Sorry, you want to say something.

**Executive Director, Jersey Overseas Aid:**

I just want to add a tiny bit, just philosophically, okay, the needs are essentially infinite and our aid budget is a lot for a small island but it works out at about an hour of global aid flows. If we are not careful we can dissipate that by putting it into lots of tiny bits and firing it at a distant barn door. The job of the commission and us really is to make sure that that aid is as effective as possible.

**Deputy M.R. Scott:**

That comes on to my next question because to what extent is the number of projects funded by J.O.A. sought to be contained in order to facilitate oversight of funds, maximise impact and keep administration costs relatively low? I do understand you have already mentioned how you have confined projects to 6 countries and the reasons that you have given but we are talking more within that. You have got 30 projects with 36 different kinds of grants, which still seems quite a spread.

**Executive Director, Jersey Overseas Aid:**

You are right but the majority of those ... so 8 of those are new development projects worth £1 million or so on average. The majority of new funding is in a small number of projects. But Jersey charity projects can be small projects worth £5,000 or £6,000 and plus we have a whole set of emergency funding projects. This year when you read our annual report there will be even more because of Ukraine. But, as you said, it is one of our objectives to do fewer projects and that means that we can give more time to managing and overseeing ...

**Deputy M.R. Scott:**

What do you mean by fewer? What is the kind of like optimum amount because there is that danger of spreading yourself too thinly and perhaps you can add more value.

**Executive Director, Jersey Overseas Aid:**

The development profile, which we have to be the most on top of, these are the bigger, longer-term development projects of £1 million to £1.5 million. We think doing 8 or so new ones of those a year, which gives us an ongoing portfolio of 25 or 30 to manage with multi-tier projects, is manageable with the size that we are. Six years ago Jersey Overseas Aid were starting 80 or 90 new projects a year and so we have got that down and which of course is completely impossible to have any idea

of what really is going on. We have got that down but also we have increased the level of scrutiny we give to all of those projects in terms of the monitoring, the due diligence, the outcome measurement and that kind of thing. Each one does represent quite a lot of work for us and visit them ...

**The Minister for International Development:**

They have got to be sustainable. For grant aid they have got to be sustainable. It is not a case of just sort of going in and digging a well and retreating and then 5 years later going back and a part failed, so ...

**Deputy M.R. Scott:**

You have described what already seems to have been a process of rationalisation; is this continuing then?

**Executive Director, Jersey Overseas Aid:**

Yes, we have just increased the maximum size of projects for grants to start next year to £1.4 million from £1.2 million. We think we have got a budget to start roughly the same number of projects and we may end up adding a staff member to help us deal with that; the number of projects or in emergency projects which need less oversight.

**Deputy M.R. Scott:**

What is the sort of rationale between necessitating adding another member of staff, as opposed to doing less with the staff that you have and donating more?

**The Minister for International Development:**

You mean donating more per project?

**Deputy M.R. Scott:**

Wanting more, yes, so having fewer projects and contributing more through those projects.

**The Minister for International Development:**

We might then be increasing a certain amount of risk by doing less.

**Deputy M.R. Scott:**

Right, risk.

**The Minister for International Development:**

This is a balance that commissioners take at the beginning of the year. We have a pot of money and we feel a certain amount should be earmarked for emergencies throughout the year. At the end of the year if we have got anything still in that pot, then we are failing. We ensure ...

**Deputy M.R. Scott:**

What is the risk that you are describing?

**The Minister for International Development:**

The risk would be if we had just picked, say, for instance, 4 enormous projects. If one of those failed then it would be very difficult; that would be a huge fail.

[9:45]

If we spread ourselves a little more, like we have got about 8 projects starting a year but they are multi-year projects, which ...

**Deputy M.R. Scott:**

In terms of your due diligence, you are suggesting that that could fail and so it is ... okay, perhaps ...

**Executive Director, Jersey Overseas Aid:**

Can I rewind a bit? It is a balance, right, we have decided to work with 6 countries and 3 themes. If we are only set up for 3 projects a year we are not going to be able to do that. We think that is about the right size and these projects are the right size and we think J.O.A. is roughly the right size to conduct the level of due diligence that brings risk down to an acceptable level. Risk never disappears altogether and especially when you are working in developing countries. Obviously many of the things that make these projects necessary make them difficult.

**Deputy M.R. Scott:**

You anticipate a percentage of your projects failing.

**Executive Director, Jersey Overseas Aid:**

No.

**The Minister for International Development:**

No.

**Deputy M.R. Scott:**

Right, I am just trying to explore if ...

**Executive Director, Jersey Overseas Aid:**

But you have to anticipate the possibility of a project failing and you have to anticipate the possibility that if something goes wrong in one of the charities that you are funding. If that was not the case we would not really exist as an agency and Jersey could just write its aid budget as a cheque to the Red Cross every year. For example, the Red Cross in Sierra Leone is doing much better now from a difficult place. In Kenya it is really good and in Liberia it was closed down after Ebola because of procurement fraud. Even the Red Cross, like one of the best agencies in the world, varies from country to country and time to time. Our job is to make sure that we are backing the right charity. We are good at it but it is hard. We do not have a footprint on the ground in these countries, unlike a lot of much bigger donors. But by concentrating what we do, by instituting really, really rigorous due diligence, selection, monitoring procedures we can sit in front of you with our hand on our heart and say we think our aid budget is being really well spent, as at the lowest possible risk.

**The Minister for International Development:**

We do encourage the agencies, the N.G.O.s (non-governmental organisations) that we work with, to come to us if they foresee any issues, so if there is a good relationship there, so they are comfortable just flagging things up. We might wish to change the way we are doing things.

**Deputy M.R. Scott:**

Okay, I think we might well follow up on the due diligence at another hearing. But just to get on with the questions. You mentioned the 6 jurisdictions that you basically have focus on and why; I am just wondering to what extent J.O.A. anticipates extending its activities into other jurisdictions to extend Jersey's global feasibility. In that respect, because you mentioned the corruption scale being a kind of factor in your choices, whether and how the policy might be developed to kind of avoid local corruption. If you like, that seemed to be a barrier to you investing in certain jurisdictions, whether you might be able to overcome that. Will you increase and address ...

**The Minister for International Development:**

Clearly, we are answerable first to the beneficiaries, we serve the beneficiaries but also we serve the Jersey taxpayer because we are wholly funded by the Jersey taxpayer. We have got to be accountable to them, which is why we chose the Corruption Perception Index and I believe we are one of the first - if not only agency - international development agency who uses the Corruption Perception Index in our choice of countries. Because obviously, as I say, we are answerable to the public of Jersey.

**Deputy M.R. Scott:**

Okay.

**Deputy M.B. Andrews:**

Again, it follows on from your earlier question, we need a small manageable number of countries, right. If we spread ourselves too thinly we do not get to know them as well, we cannot pick up the phone to the director general of Fisheries and Livestock and say: "Hang on, why have you not rolled out the A.I. (artificial insemination) programme here?" Our programmes cannot build on each other as they can with a small number of countries. We think we have got roughly the right number of countries. It is an ongoing discussion within us, some will say let us go down to 5, some will say let us add a 7th or an 8th but we think 6 is about right. In corruption, of course there are 2 reasons to take into account, as Carolyn said, it is your money and one of the things that most people think they know about aid is that it is spent on corrupt governments who use it on M.i.G.s (Mikoyan and Gurevich) or AK-47s (Avtomat Kalashnikova). The other is, though, it is a good proxy for whether aid will work because, as Carolyn said, we are all about sustainability. If you are building stuff, if you are building systems, stuff, teaching people to do stuff in a country where there is a high level of corruption it is less likely to be sustainable.

**Deputy M.R. Scott:**

Right, okay, I am going to move on. Thanks. In the Dairy for Development scheme that is mentioned in the Jersey Overseas Aid Annual Report and elsewhere, what is the definition of a smallholder and what is meant by an integrated farm systems approach, please?

**The Minister for International Development:**

A smallholder, if I take Rwanda, for example, the project we had there, we started with a female head of household and it would be one cow with a few crops. When that cow bred she then had to give her calf to another female head of household; that is what we would say is a smallholder.

**Deputy M.R. Scott:**

Is that by reference to a single farmer or how much stock the farm has?

**Executive Director, Jersey Overseas Aid:**

In a dairy context it does vary a bit, as Carolyn was saying, from country to country. But we are basically working with people with one, 2 or possibly 3 cows and access to potentially half an acre of land. It is interesting because you cannot do dairy work with the absolute poorest of the poor. To some extent we do start with some people who do not have cows and we have got schemes which enable them to borrow money or to gain a cow, like Carolyn is saying, where you get the first-born female calf. But if you do not have any land and you do not have any assets you probably cannot participate in dairy; there are other things you need first. These are very, very poor farmers.

**Deputy M.R. Scott:**

What is meant by an integrated farm system approach, please?

**Executive Director, Jersey Overseas Aid:**

I would love to show you our dairy strategy, which is kind of positioning us as quite almost a technical donor. We are not just saying we will support any dairy project, we are really showing with the R.J.A. and H.S. itself we really understand farm systems in dairy in a smallholder context. While this programme developed, essentially, from cross-breeding, we are saying, right, we will cross your local African cow with a Jersey cow and we treble or quadruple milk yields. There is a lot more you can do to improve productivity and profitability for smallholder farmers before you cross-breed, right. A lot of the problem is on nutrition; the average African cow is producing less than 2 litres a day. When you start to feed it better and use supplementation, when you start to find a way of feeding it through the 8th or now 9th month of the dry season, which is always the really crunch time, it produces more milk. When you can detect heat better and know when your cow should get pregnant again and reduce the inter-calving interval, so it is in milk for longer, you improve your profitability. When you are able to detect and prevent basic diseases, so your cow does not die or becomes sick and lower its milk quality or you have to call out the vet, you increase your profitability. It is looking at the farm or the cow as a sort of a milk producer based on the genetics but looking at all of the things that go into managing a successful farm for a smallholder.

**Deputy M.R. Scott:**

Has anybody got any questions at this point? Just I have got a couple of more to ask you before we hear someone else's questions. What is the provenance of the Jersey cows in the Send a Cow and Dairy-Free Nutrition Scheme? Where do the cows from?

**Executive Director, Jersey Overseas Aid:**

They come from here originally most of them.

**Deputy M.R. Scott:**

Right.

**Executive Director, Jersey Overseas Aid:**

There is no semen collection centre now in Jersey, so they go to a specialist centre in the U.K. in Devon who do U.K. sire services with which the R.J.A. has been working for a long time. They have an interesting like 6 months to their lives usually these bulls while semen is collected, and that then is sent out in liquid nitrogen to the target countries. Amazingly, the R.J.A. have got the cost of a straw of semen, where you would typically need 2 or 3 for a guaranteed successful insemination,

they have got it down to just under £2 per straw delivered to Kigali. The commercial price of that can be 10 times that or more, so that is hugely efficient. They are Jersey bloodlines for the most part going into our dairy work in Africa and we are just about to set up a semen collection centre in Africa, in Rwanda, so Rwanda can then supply its own and neighbouring countries' genetic needs.

**Deputy M.R. Scott:**

For bull semen to go over they need to impregnate some sort of cows, yes. No?

**Executive Director, Jersey Overseas Aid:**

Over there, yes.

**The Minister for International Development:**

In Rwanda, I mean they travel out in a tray of straws ...

**Deputy M.R. Scott:**

The female cows that are in Rwanda, where are they from? How did they originally ...

**Executive Director, Jersey Overseas Aid:**

They are Rwandan cows born and bred in Rwanda and breed-wise they could be pure African breeds, they could be ...

**The Minister for International Development:**

They sometimes are mixed, yes.

**Deputy M.R. Scott:**

Yes.

**Executive Director, Jersey Overseas Aid:**

Exactly, they could be mixed already. The first generation cross you obviously get 50:50.

**Deputy M.R. Scott:**

Right.

**Executive Director, Jersey Overseas Aid:**

Second, you get 75:25 and you want to try and stabilise it a little bit below that we have found because you want a bit of African cow in your result to keep it resistant ...

**Deputy M.R. Scott:**

You have been taking the bull semen out, sort of basically doing a deal with farmers who have got cows and sort of providing cows to other people, right.

**The Minister for International Development:**

Yes. We are also providing the training for the artificial inseminators in Rwanda.

**Deputy M.R. Scott:**

That must be interesting. Anyway, we will move on to ...

**Executive Director, Jersey Overseas Aid:**

Can I send you our dairy strategy?

**Deputy M.R. Scott:**

Okay, yes, please, but no semen samples, thank you.

**Deputy R.S. Kovacs:**

Are any agricultural subsidies provided in the countries in which these schemes are operating and, if so, how do these schemes work alongside them?

**Executive Director, Jersey Overseas Aid:**

Do you mean subsidies by the governments in those countries or by us?

**Deputy M.R. Scott:**

Yes.

**Executive Director, Jersey Overseas Aid:**

Yes, they are typically and there is a line between subsidies, for example, to buy fertiliser or feed or inputs, so there is that category. Most countries still provide some degree of subsidy to farmers. Then there is emergency support. If the dry season is 8 months most are all right, if it is 9 months a lot are in huge trouble and there are countries like Ethiopia, one of our targets, has had the worst drought for 70 years. Government and charities are stepping in to provide emergency support for farmers. Then there is what we call extension, which is the kind of biggest thing, so that is Government-funded extension workers who go to farmers and they might be A.I. techs, Carolyn was talking about, they might be para vets, they might just be experts on silage production or some other aspect. They go and talk to farmers, they go up to the farms and say: "Have you thought about doing a different enclosure for the animal or feeding it this thing instead of that?"

**Deputy R.S. Kovacs:**



There is help with expertise as well.

**Executive Director, Jersey Overseas Aid:**

Exactly.

**Deputy R.S. Kovacs:**

We know the funding for Jersey Overseas Aid has increased in line with the G.V.A. (gross value added) for 2023. Which areas do you plan to focus on to allocate this additional funding?

**The Minister for International Development:**

If the Ukraine war is still continuing, the commissioners make a decision at the beginning of the year how much to allocate for emergencies. Towards the end of the year we can sort of move that around if we have not spent everything in emergencies. As we say, we have done about 8 projects, sustainable grant projects and support the charities. Without trying to anticipate what commissioners are going to decide, I think we will be doing a similar balance to what we have got now.

**Executive Director, Jersey Overseas Aid:**

Yes, we really think that the 3 themes are really paying off in terms of ... our expertise as a donor, it is the same with the country thing, if we try to do sort of everything like we used to, a bit of health and gender violence and water and schools, we end up spreading ourselves too thin. Choosing these 3 themes allow us to become experts in them to get a reputation, to fly a flag for Jersey, to become better at programming. It makes sense when we do ask the public, whoever they are, what are we doing? Even people who do not like the idea of aid like the idea of our little brown cows transforming lives of poor families in Africa. We are going to continue to invest in 3 themes and, as Carolyn said, the emergency side will go up in proportion too, specifically with Ukraine.

**Deputy R.S. Kovacs:**

Okay, thank you. You have confirmed already for the next question that additional funding included assistance for Ukraine. What further investment is Jersey Overseas Aid expecting to make in its communication strategy in addition to employment of a dedicated communications and outreach officer and what is its definition of success in that respect?

**The Minister for International Development:**

We have a part-time comms officer and that we feel is working extremely well because a lot of our work is quite technical and it was quite difficult to have to explain things to the media over and over and over again. I think Lisa is employed I think it is 2 mornings a week.

**Executive Director, Jersey Overseas Aid:**

A bit more but ...

**The Minister for International Development:**

Yes, and I certainly feel that is paying off enormously and also helping to set up the Jersey International Development Network.

[10:00]

Not set it up but organise it so that we have liaisons with the public, we have our staff going into schools to teach the S.T.E.M. (science, technology, engineering and mathematics) subjects and to judge various competitions and the careers fairs and skills fair.

**Executive Director, Jersey Overseas Aid:**

Can I give what I know? We have joked about this thing and maybe an overambitious version obviously. To answer your question, what is success? Right, success is the people of Jersey feeling as proud of their aid programme as they are of their cows. I know that there is a bit of a way to go but I think that is really doable, especially given we received overseas aid ourselves, which makes us quite unique. The other bit of success is making sure that what we are doing, as really one of the best little donors in the world, is recognised internationally. Again, the comms officer really helps us there. There was a piece in the *Daily Telegraph* in the U.K. on Saturday about the work we are doing with de-miners from Ukraine. After Carolyn's signing of an M.O.U. with the Ministry in Zambia, the *Times* ran a piece on it.

**The Minister for International Development:**

Yes.

**Executive Director, Jersey Overseas Aid:**

We think we can really help show the world the truth about Jersey as a good local citizen.

**Deputy M.R. Scott:**

Okay, thank you. I am going to ask for real quick-fire questions here because we have still got quite a few to go through. If I sort of chivvy along, please forgive me. What led to the J.O.C. (Jersey Overseas Commission) choosing to make grants to support financial inclusion independently from its partnership with Comic Relief? What percentage of funding in this area is made independently now?

**Executive Director, Jersey Overseas Aid:**

All of it is now independent from Comic Relief. We finished that programme. About a third of our grant aid budget goes on financial inclusion, so £2 million to £3 million a year goes on financial inclusion. We think that is a really good theme for us to do because it is another area, like the area on conservation, where we add value as an Island. We are a financial services centre, we do financial services for the rich. Let us also use that expertise and, potentially, capital - going back to your first question - to provide financial services for the poor.

**The Minister for International Development:**

What we have been trying to do ...

**Deputy M.R. Scott:**

No, that is a just a quick fire.

**The Minister for International Development:**

Okay.

**Deputy M.R. Scott:**

Okay, if you do not mind.

**The Minister for International Development:**

I will leave it.

**Deputy M.R. Scott:**

To what extent does the Minister anticipate funds being used to assist countries in reducing reliance on fossil fuels and other climate change measures?

**Executive Director, Jersey Overseas Aid:**

Conservation livelihoods does quite a lot of that. It is not always, it is a bit more complex than reducing reliance on fossil fuels. You can reduce emissions sometimes by increasing reliance on fossil fuels paradoxically. For example, working with clean energy, liquid petroleum gas in Sierra Leone and Rwanda, we are stopping women spending a higher proportion of their income - bad - on charcoal - really bad - leading to deforestation and particulate emissions and moving to clean energy. In Nepal with U.N.I.C.E.F. (United Nations Children's Fund) we are helping thousands and thousands of people with clean-burning cook stoves, again, which means that they are still collecting biomass but much less of it. It is much better for them inside the house where they are not breathing heavy smoke. About 2 of our conservation livelihoods programmes measure the carbon sequestration using one or other of the big schemes around like R.E.D.D.+ (Reducing Emissions from Deforestation and forest Degradation) or Gold Standard. Plenty of others reduce carbon

emissions or sequester carbon. The really frontier of that is dairy at the minute because that is the bit that is going to clash in western minds with the green movement. Lots of people say dairy is bad, cows produce methane; it competes with humans for food. A smallholder dairy is good for the environment and we are helping scientists prove that.

**The Minister for International Development:**

The fact that our cows are small, so they require less fodder, yes.

**Deputy M.R. Scott:**

Okay, thank you. The Jersey Overseas Aid budget falls short of the U.N. overseas G.V.A. target of 0.7 per cent. However, do you believe Jersey's overseas budget, as set out in the Government Plan, is justifiable?

**The Minister for International Development:**

Absolutely. I think that we ought to be moving towards O.E.C.D. average at least. We are a wealthy Island and I think we do business on the international stage and it would not be credible and not be a credible position to be in to have our aid budget going down or stagnating at 0.20 per cent, as it was. It has been going up very slowly but now we are fixing it to G.V.A. and, hopefully, going to go up 0.01 per cent per annum until we reach the O.E.C.D. average. Hopefully it will go up beyond that but that is what we have got in the Government Plan.

**Deputy M.R. Scott:**

Great, thank you very much. I am going to pass over to Deputy Andrews who will ask you some more questions.

**Deputy M.B. Andrews:**

Yes. Minister, in relation to when we looked at the 2021 account we were looking at G.V.A., of course when we are looking at the current economic climate, how are you expecting budget to potentially increase and by how much?

**The Minister for International Development:**

G.V.A. increased this year, so we have received an increase. But in these economic times, shall I say, we really cannot predict whether G.V.A. is going to go up? I really hope it does obviously for our economy's sake but we do not know. But we feel if we set it, if we set our G.V.A. percentage now we can sort of expect it to sort of hold at a certain level, rather than fluctuate and put our percentage all the over the place. We feel it is affordable now and we should maintain that and gradually work up.

**Deputy M.B. Andrews:**

In relation to the forecasts that were mentioned in the accounts, are you quite content with those percentages or do you think that potentially could be an amendment brought forward at a later stage across the Government Plan by yourself?

**The Minister for International Development:**

We are quite content to go up to O.E.C.D. averages over these years. We think that is reasonable, it is measured and it is affordable because it is a percentage of G.V.A.

**Deputy M.B. Andrews:**

Okay. Also, say when we are looking at capital inflows, of course that is going to have an effect on G.V.A. in the Island. Have you entered discussions with, say, the Minister for External Relations and Financial Services and also the Minister for Treasury and Resources to see if there are any positive trends that could have a potential effect on an increase on overseas aid budgets?

**The Minister for International Development:**

As I said in the last answer, I think we are quite satisfied at the minute. Obviously the aim is 0.7 per cent, some countries achieve that, others do not. But we feel if we can sort of at least be O.E.C.D. average that is a reasonable place to be.

**Deputy M.B. Andrews:**

To be, okay.

**Executive Director, Jersey Overseas Aid:**

G.V.A. of course is a nominal value, incorporates inflation, so there is and then some link to the increased cost of living and built into a link of what we do in our budget here.

**Deputy M.R. Scott:**

It also includes inflated property values.

**Executive Director, Jersey Overseas Aid:**

Whether or not it should be linked to G.V.A., just to follow your question, is indeed a long-term discussion. Obviously as you rightly said, that the global gold standard is a link to G.V.A. or G.N.I. (gross national income). Choosing not to do that needs a good reason because it means we cannot report, compared to the first question, we get asked abroad what percentage are you? But there might be an argument to say instead to linking it to total tax take and these are things we are happy to keep exploring.

**Deputy M.B. Andrews:**

Also, sorry, just moving on, in terms of the Tear Fund Project, can you just explain what that is really going to entail across the period of 2021 to 2025?

**Executive Director, Jersey Overseas Aid:**

The Tear Fund Projects in Malawi?

**Deputy M.B. Andrews:**

Malawi, yes.

**Executive Director, Jersey Overseas Aid:**

I will send you more details of it but, yes, essentially it is a conservation livelihoods project, which is working, I think, in 2 particular protected areas through some local Malawian N.G.O.s, as the Tear Fund does. Again, it will be giving people alternative sustainable livelihoods, which enable that, essentially give them an economic stake in the preservation of the ecosystems in which or near which they live. Conservation used to be fortress conservation, let us keep poor people out because they eat the lemurs and chop down the trees. Nowadays, firstly, that is not ethical; secondly, it is not sustainable. You have to give poor people a stake in preserving these ecosystems and ecotourism is the one everyone knows about but not everywhere is suitable for that. But giving people, for example, they will be using non-timber forest products to let poor people go and grow honey, medicinal herbs. Other ways of sustainably using and managing a forest which enables them to protect it and with helping them to produce things like forest management, user committees, natural resource management.

**Deputy M.B. Andrews:**

Okay, yes. In terms of when they are monitoring progress, what progress has been made so far?

**Executive Director, Jersey Overseas Aid:**

I will get back to you on specifics. We will do a monitoring mission on that when it gets to just over halfway through the project. Each project is set out with essentially ... it is probably just a hypothesis, right, so if you do these activities, these results will come from that and these ultimate results will benefit people and ecosystems. All along that chain through the years of the project you can have milestones and targets which we will say that after year one we will have done these activities which will have had these results. We will be monitoring it against those specific, essentially, contractual pledges that they have made as part of that project. I am very happy to write to you with more detail about specifics of the project.

**Deputy M.B. Andrews:**

That would be fantastic. Yes, please, thank you.

**Executive Director, Jersey Overseas Aid:**

Yes, absolutely. We are planning a visit, as Carolyn said. We are having the African Jersey Forum in Malawi this year and which will be an opportunity again to go and look at some of the ...

**Deputy M.R. Scott:**

Those details will include baseline and targets and that.

**Executive Director, Jersey Overseas Aid:**

Yes, completely. Every project has a baseline, otherwise you cannot ...

**Deputy M.R. Scott:**

Thank you.

**Deputy M.B. Andrews:**

In July 2020 as well I understand that Jersey Overseas Aid launched the Dairy Full Nutritional and Income Project to assist households in Ethiopia. The panel notes 2,140 smallholder farmers have been trained up to 2021. But, please, can you, Minister, provide an update on how many smallholder farmers are expected to be trained in 2023?

**The Minister for International Development:**

Not off the top of my head. No, I cannot do that ...

**Executive Director, Jersey Overseas Aid:**

I am not sure I can off the top of my head but I can tell you that we have just conducted a monitoring visit on that project. Yes, happy to share with you, say, the executive summary of the monitoring report.

**Deputy M.B. Andrews:**

Yes, okay.

**Executive Director, Jersey Overseas Aid:**

I looked at that when it happened back in June, the project is running well and it is achieving its objectives. It had one or 2 areas where, for example, on the land restoration it was meant to restore 90 hectares and it has not quite got there yet. It is up there with the training and it is not in the worst drought-affected area, which is killing a lot of dairy ...

**Deputy M.R. Scott:**

You could answer the question in writing ...

**Executive Director, Jersey Overseas Aid:**

Yes, I will send you the details.

**Deputy M.B. Andrews:**

Yes, all right.

**The Minister for International Development:**

I can say that we supported in 2022 so far over 160,000 farmers and fishermen but that is not exclusively in Ethiopia.

**Deputy M.B. Andrews:**

Thank you, okay. I was just wondering, in terms of, say, the monitoring report itself, how was that conducted?

**Executive Director, Jersey Overseas Aid:**

First of all it was sharing documents and reviewing all the project documents. Then it involves planning a visit, so going and typically a monitoring visit will last about a week. We will spend the first day or day and a half in head office going through the way the project is being implemented with the project staff and partners and also doing some of the almost audit function and checks on expenditure, looking in and around the receipts, looking at the minutes of the procurement meeting, looking at the due diligence that they have done on their downstream partners. Then it will move to the field, again, talking to all of the stakeholders but particularly the beneficiaries. Essentially you are saying: "Has this training been delivered, have these inputs been provided?" Then are they having the impact that you had hoped they would. You run focus groups with beneficiaries, yes, talking to the local charities delivering it too.

**Deputy M.B. Andrews:**

Yes. In terms of when we say looking at smallholder farmers in Ethiopia, in terms of the income that they could be generating in terms of doing this for a living, is it alleviating poverty would you say?

**Executive Director, Jersey Overseas Aid:**

Yes, definitely.

**Deputy M.B. Andrews:**

It is, yes.



**Executive Director, Jersey Overseas Aid:**

Yes, it is having a huge effect. The effect of the dairy work is ...

**The Minister for International Development:**

It means that the children that would ordinarily be foraging for food, they receive nutrition from the milk, they can go to school, they can learn, they can, hopefully, get jobs. Whereas if they had a life in poverty, brink of starvation, none of that would be possible.

**Deputy M.R. Scott:**

That is anecdotal, perhaps we are going to continue this question and, if so, how this is being measured.

[10:15]

In terms of the alleviation of poverty and who you identify in terms of figures it could be useful to have that ...

**Executive Director, Jersey Overseas Aid:**

Absolutely, we have got all of those and will happily send you that, yes.

**Deputy M.B. Andrews:**

Yes, perfect. Okay. I will move on then to my final question, Minister. Can you provide the panel with an update on building financial stability inclusion, the project in Malawi and Nepal?

**The Minister for International Development:**

Financial stability and inclusion, you want to know about the projects.

**Executive Director, Jersey Overseas Aid:**

Toronto Centre project.

**Deputy M.B. Andrews:**

Yes, that is right, yes.

**Executive Director, Jersey Overseas Aid:**

Yes. Do you want to talk about Toronto Centre and go back on what we have been doing with the regulators or I can do that?

**The Minister for International Development:**

Yes. Sorry, can you repeat the question? What is ...

**Deputy M.B. Andrews:**

It was to do with the projects that were essentially allowing rural communities to have access to finances and it was also about the regulation of the financial sector in those countries as well with Toronto.

**The Minister for International Development:**

Yes. We have been doing a lot of work with the Toronto Centre and they hold conferences and they often ask us to speak at those conferences as well. Financial inclusion to the poor; that is usually done with mobile phones. They do their banking on mobile phones, they borrow money, they save money on their phones, whereas before they would not have had the mechanism to save, to insure their cows to prepare for financial shocks and that sort of thing. Yes, you are itching to go for it.

**Executive Director, Jersey Overseas Aid:**

Yes, I am because you are exactly painting the right picture of it. Then specifically with the Toronto Centre, they specialise in one thing, which is training regulators, mostly from Central Banks in proportionate regulation and risk management. In fact they train people from the J.F.S.C. here as well; they have done it all the world. We are doing it in our target countries. We are doing it in Malawi and Nepal in one and we are looking at Ethiopia and we are just looking at Sierra Leone and Zambia at the minute. They go in less than 4 years typically doing 20 or 30 2-week training courses with central bankers, capital markets authorities and private bankers. Training on things like risk-based supervision, not de-banking the poor because of de-risking, like proportionate, tiered, know your customer regulations, for example. It is harnessing measure in terms of its immediate impact on the poor because what the result of it is a better regime of managing banks and financial service providers and mobile network operators and everyone else who, as Carolyn said, participates in that sector. When it works it can have an impact at the whole country level, and it is also where we start to coincide again with our financial services industry here. Next year, for example, we are going to do one of those trainings in Jersey, with central bankers from our target countries, others from external relations target countries and from Sweden, Canada and Jersey to work together, for example, on money-laundering regulations.

**Deputy M.R. Scott:**

So ultimately does that mean that you anticipate these countries building up their deposit taking generally?

**Executive Director, Jersey Overseas Aid:**

Ultimately, they have to, but savings is vital because for starters it allows ...

**Deputy M.R. Scott:**

I know why savings is vital, thanks.

**Executive Director, Jersey Overseas Aid:**

For poor people particularly, for developing countries I mean, and resilience.

**Deputy M.R. Scott:**

Okay, I think we will move on.

**Deputy R.S. Kovacs:**

As part of the next year objectives in this project, there is this training that you are doing in Jersey as well, but are there any other objectives?

**The Minister for International Development:**

Yes, it is to help the poor. That is our objective.

**Deputy R.S. Kovacs:**

No, I mean specifically for next year in this.

**Executive Director, Jersey Overseas Aid:**

For that specific project?

**Deputy R.S. Kovacs:**

Yes.

**Executive Director, Jersey Overseas Aid:**

Yes, we are going to continue the training programmes that are already underway, but we also have a proposal in front of us to see whether we do an additional set of trainings in Zambia and we roll out a programme to Sierra Leone. We have already got an Overseas Development Institute Fellow in the Bank of Sierra Leone, paid for by our joint project with Comic Relief. We think there is more we can do to help the central bank there, so we are looking and commissioners will make a decision in about May on whether we roll out this programme to 2 more countries. We are also talking to the J.F.S.C. about whether we can do that training here, which had always been the plan but because of the MONEYVAL assessment happening next year everyone is saying they are busy and do not have time. It will possibly be pushed into 2024 but in a sense that does not matter, because these are really long-term projects with long-term goals. We have got to be there for the long term and

that is why we do not change our themes and our countries every year or 2. We gain a lot from sticking with what we are doing, and that is what we are doing with the Toronto Centre.

**Deputy R.S. Kovacs:**

Can the Minister confirm what improvements have been made in the financial supervision of the financial bodies in Malawi and Nepal and will the project be creating jobs during 2023 as well?

**The Minister for International Development:**

Our objective is not necessarily to create jobs, but obviously there will be jobs created with the financial oversight, I would anticipate.

**Executive Director, Jersey Overseas Aid:**

Let us write to you with specific details of changes to regulation. Yes, indeed, ultimately an improved financial regulation will create jobs, but it is obviously much harder to track. Likewise, the effect of working with regulators on front line poverty alleviation. Nevertheless, we think it is a good thing to do. It is harder for us to come to you and say: "This has created 18,000 jobs or lifted 100,000 people out of poverty" but in line with our strategy as a small donor we think sometimes we can achieve more by doing stuff upstream, by working with research organisations, working with regulators and with policymakers, to try to change systems and to improve the knowledge that is applied to those systems. When it works, it can have a really huge effect. At the minute we are just really at a stage with that project where we can say: "These courses have been delivered" and it will take some time for this to filter through, but again let us write to you with those specifics.

**Deputy R.S. Kovacs:**

Are there current threats to political regimes where overseas aid projects are provided to assist communities within the international system, and how do we mitigate those?

**The Minister for International Development:**

Current threats? We are always monitoring the countries we are in, if that is what you mean.

**Deputy M.R. Scott:**

You know the countries you are in, so I think the question is: are you aware of any current threats to the political regimes that could destabilise your project?

**The Minister for International Development:**

Well, we always keep an eye out but no, not immediate threats.

**Executive Director, Jersey Overseas Aid:**

As Carolyn said, we keep a close eye. For some countries the threat level has reduced, or political instability or indeed political violence. I am thinking, for example, of Zambia, a peaceful transition of power, a new president, and a real mood of optimism there. For some countries it has gone the opposite way. The President of Ethiopia won the Nobel Peace Prize and pretty soon after brutal war breaks out in Tigray and also one of the worst droughts in living memory in the south-west. There is political instability but there is a civil war essentially, although there is now a fragile ceasefire there. I can go through them individually if you like.

**Deputy M.R. Scott:**

Can I just say we are about 7 minutes away from the scheduled end of this hearing? Because we have got 2 more questions can you stay a little bit over 10.30? Okay, fine, thanks.

**Executive Director, Jersey Overseas Aid:**

Nepal has an interesting sometimes fractious political system. It was my last international posting when I worked for the U.N. for 2 years and I can tell you trying to get Nepali politicians from different stripes to agree on things can be quite challenging. There is a huge bureaucracy and that sometimes makes project delivery quite difficult. Ethiopia has a huge bureaucracy too and essentially a one-party system, now a country with civil war, but there was for some time room for political optimism there and there are still some encouraging signs. For example, it is liberalising its mobile phone network and right now it looks like we are going to see the rollout of Mobile Money, which has worked so well in Kenya, starting in Ethiopia, which could be a gamechanger. Our financial inclusion programme is hopefully ready to pounce on that. Zambia, the transition to the new president, everyone thought there was going to be political violence, the outgoing President Lungu had troops and things on the street, but luckily in a way the election was obvious. I think if it had been 50-50 it would have been potentially difficult. It was a landslide. There is a huge amount of decline, but a huge sense of national optimism and Zambia defaulted on its public debt recently, as you will know. There are a lot of holes to dig its way out of, including some contracts that were awarded under the previous regime, which might not be optimum, let us say, for the country, but we are really positive about Zambia. Malawi also has had a new regime. Malawi's courts helped decide the last election a couple of years ago. One of the real advantages, why we have chosen these countries, yes, they are less corrupt. They are needier but less corrupt, but as Carolyn has said, we have chosen anglophone countries. Now, that is mainly so that we can understand what is the 5-year plan but also I think a legacy sometimes of the English system has been, for example, still independent justices.

**The Minister for International Development:**

We do change our countries; rarely but now and again. For example, we used to support Ghana, but Ghana came up in the Humanitarian Development Index, in other words, it became richer, so it

no longer qualified under our algorithm for choosing the countries, so we felt we could not really justify funding it any longer.

**Deputy R.S. Kovacs:**

Where a political instability regime is identified, how do you ensure that the funding you will give is not going into the wrong hands or misused for other purposes?

**The Minister for International Development:**

From all the due diligence reports, from getting to know our partners, working with tried-and-tested partners and getting to know the countries. For example, I went to meet the Minister of Agriculture in Zambia earlier this year and that new Government is encouraging. It was really good to see.

**Executive Director, Jersey Overseas Aid:**

Of course, none of our money goes to these Governments, so most international donors are also providing budget support to the countries that they work in, whereas none of ours does. We cannot be open to the criticism that this country has suddenly started sponsoring Arsenal Football Club or has bought itself a new line of armoured personnel carriers, because money is fungible and you can always say that that money could have been used for it. Our money just goes to charities and organisations working in these countries on which, as Carolyn said, we conduct really rigorous due diligence and ongoing monitoring to make sure nothing goes astray.

**Deputy M.R. Scott:**

What feedback are you having there, then? Because quite clearly if there is a civil war going on, as one might have seen in Liberia, that does often lead to a certain amount of dysfunction in terms of administration. How do you monitor that? Clearly you are getting feedback in terms of how the systems are running, so who are you using in this respect?

**Executive Director, Jersey Overseas Aid:**

All our partners, essentially, are our eyes and ears there and it is one thing that makes it harder, that we do not have an office in Addis Ababa, which probably most other donors would. We are at least able to travel where all of our development projects are being conducted, but we do not have any development projects in Tigray. We have got one emergency project running there, which has been severely handicapped and taken a lot longer to do what we hoped it would do over the period of time, and we cannot get up to Tigray. We are slightly more optimistic now that some kind of fragile peace has broken out, but we simply would not programme a development project up in Tigray.

**The Minister for International Development:**

In exactly the same way as we choose which emergencies to support, things happen, current affairs and then commissioners will make decisions on who and how we fund emergencies.

**Deputy M.R. Scott:**

Thank you very much, both of you, Minister and Simon, for attending our hearing today and for addressing the panel's questions. I am sorry there are not any public to witness how articulate you have been. Thank you to all the government officers who have contributed today to enable this hearing to take place. I declare it over.

[10:29]