

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

15th December, 2020

Proposition No. P.2020/193

Policy & Resources
Committee

The States of Guernsey Annual Budget for 2021

AMENDMENT

Proposed by: Deputy G St Pier

Seconded by: Deputy P Roffey

After proposition 16 to insert the following proposition -

“16A. “To transfer on 1 January 2021 the sum of £830,000 from the General Revenue Account Reserve to the Overseas Aid & Development Impact Investment Fund within the Consolidated Investment Fund”

Explanatory note

The States of Deliberation considered the 2019 Budget Report in November 2018. The Report contained at paragraphs 2.17-2.18, the following:

“2.17 However, the 2017 surplus presents an opportunity to make available an amount to be used for investments designed in a manner to have the ability to make a different, more lasting impact in the world’s least developed countries and with sustainable objectives in mind. Therefore, it is recommended that...an Overseas Aid & Development Impact Investment Fund is immediately established within the General Reserve with an allocation of £1million and to delegate authority to the Policy & Resources Committee to approve investment of this Fund. The Policy & Resources Committee would work closely with the OADC in making investment decisions for this Fund.

“2.18 The returns generated from this Impact Investment Fund would be available for reinvestment by the OADC, either through further Impact Investing or grant-funding. In recognition that the £1million is a substantial investment in excess of the £200-250,000 per annum for three years included in the November

2017 States resolution, the OADC has agreed that its 2019 Cash Limit shall remain at the 2018 level.”

The one-off reduction of £830,000 in the 2021 cash limit for the Overseas Aid & Development Commission because of the unusual circumstances pervading at present, is analogous to the freezing of the 2019 cash limit at its 2018 level. It is therefore appropriate that the £830,000 foregone should be invested, as directed by this amendment, in the Overseas Aid & Development Impact Investment Fund established by the 2019 Budget Report.

Rule 4(3) information

This amendment does not increase General Revenue expenditure or increase the deficit budgeted in 2021 but will reduce the available balance of the General Revenue Account Reserve by £830,000.

The amendment makes the transfer from the General Revenue Account Reserve because the General Revenue Reserve will not exist if the States do not approve proposition 16 (and if they do, anything relating to the General Revenue Account Reserve would automatically transfer to the General Revenue Reserve).