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CHECK AGAINST DELIVERY

Minister Cannon's appearance before the Select Committee on Foreign Affairs and Trade and Defence, Thursday 28 November, 2019

Technical Supplementary Estimate for Vote 28

Minister's Opening Statement

Introduction

- A Chathaoirligh agus Baill Choiste, tá áthas orm a bheith i bhur gcomhlúadar inniú chun Meastúcháin Breise Teicniúla i gcóir Votáil 28 don Roinn Gnóthaí Eachtracha agus Trádála a phlé libh.
- Mr Chairman and Select Committee members, I am pleased to be here this morning for your consideration of a Technical Supplementary Estimate for Vote 28 for the Department of Foreign Affairs and Trade.
- As Committee members will be aware, a Technical, or Token, Supplementary Estimate does not involve additional Exchequer funding for the Vote, other than a technical increase of €1,000. This is because corresponding additional passport fee income, fully covers the additional expenditure required.
- The Department is seeking an increase of €14 million which is offset by additional passport fee income of €14 million,
- The increased expenditure is being sought for Ireland's increased mandatory contributions to two International Organisations under Programme C.3, mainly an additional €11 million to the UN and also to the Council of Europe for which an extra €0.76 million is required. An additional €2 million under Programme E.3, Information Services, towards the cost of the "Getting Ireland Brexit Ready" Public Information campaign and towards Passport Service Public Information campaigns re online

applications is also sought. These increases, as I have said, are fully offset by increased passport fee income of €14 million.

Contributions to International Organisations (UN and Council of Europe)

- €12 million is for contributions to international organisations. Such contributions are Ireland's contributions to these organisations of Departments across the whole of Government who interact, on a daily basis, with and benefit from Ireland's membership of these valuable global organisations. These mandatory contributions from Ireland and from all other member States of international organisations are based on scales of assessments which can vary.
- The largest cause of increased expenditure relates to Ireland's contributions to the UN, accounting for almost €11 million. The largest element of this consists of mandatory contributions to the UN Regular Budget, UN Peacekeeping Budget and UN Tribunals. Ireland's total UN contributions in 2019 will total €39 million.
- The original 2019 Estimates were finalised before draft UN budgets were presented at the UN in New York, which made it difficult to accurately estimate Ireland's mandatory contributions when our Budget was set.
- UN Member States' contributions are based on a formula, called the Scale of Assessments, which is reviewed at 3-year intervals. In December 2018 a new Scale of Assessment was approved for the 2019-2021 period, with Ireland's rate set at 0.371%, a 10% increase on its contributions for 2015-2018, reflecting the growth in Irish gross national income.
- It is worth recording that the last time a Minister from my Department was before this Committee seeking a Technical Supplementary Estimate for Vote 28 was three years ago in 2016 which coincided with the start of the previous UN funding cycle and, as today, the largest element of the increased expenditure related to additional UN contributions.

- The challenge in forecasting the UN Peacekeeping Budget, which is the largest part of our payments to the UN, is never an easy one. The period for UN Peacekeeping Budgets runs from 1 July-30 June, which means the UN financial year for peacekeeping overlaps for just six months of our financial year. Estimating UN peacekeeping payments can be particularly challenging, as we have to wait for the UN General Assembly and the UN Security Council to take decisions on each of the fourteen peacekeeping operations.
- The level of the budget depends on the volume of UN peacekeeping activity around the world. This is influenced both by the number of conflicts, as well as the size and complexity of the UN operations on the ground which the Security Council decides to put on the ground.
- It is difficult to estimate this in advance, as an existing peacekeeping operation might be increased or decreased, depending on the circumstances, or a new one might be established.
- The increase relating to payments to the UN in 2019 has been caused by three major factors:
 1. An unanticipated increase in the UN's Regular Budget;
 2. A 10% increase in Ireland's proportionate contribution to UN budgets, as mentioned earlier, and
 3. Delays in invoicing for Peacekeeping budgets in late 2018 which were not received until 2019.
- As I speak, 40 High Level visitors from New York, including the President of the UN Assembly, the Under Secretary General for UN Peace Operations and UN Permanent Representatives from Troop Contributing and Troop Receiving Countries are arriving at Dublin airport to attend a Conference here on Peacekeeping and Peacebuilding. I look forward to engaging with them during their visit.

Council of Europe

- Ireland's increased contribution of almost €760,000 to the Council of Europe for 2019, which, as in the case of the UN, was only confirmed after the publication of the 2019 Revised Estimates, is a result, for the most part, of the serious financial challenges which the Council of Europe faced from 2017 to June 2019. Ireland's revised total contribution to the Council of Europe in 2019 will be almost €4 million, with almost €3.4 million coming from Vote 28 and the balance from other Government Departments.
- Firstly, and most challenging, Russia withheld its budget contribution for some of 2017, all of 2018 and half of 2019 in response to the Parliamentary Assembly of the Council of Europe's (PACE) decision to suspend Russian voting rights after the illegal annexation of Crimea in 2014.
- Turkey also reverted from its status of major to standard contributor, in effect cutting its annual budget contribution by almost €20 million.
- Russia has now delivered most of the outstanding balance due from the 2017-19 budgets. Nonetheless, this issue put considerable strain on the Council of Europe's budgetary situation.
- In addition to this the budget contributions of Member States at the Council of Europe are calculated using a combination of population and GDP per capita. Ireland's population and GDP per capita continue to rise which has added to our increased contribution to the Council of Europe budget.

Brexit Preparedness Campaign

- The Department of Foreign Affairs and Trade bears responsibility for the total cost of the whole of Government public information campaign relating to Brexit preparedness.
- The Department works in partnership with the Department of the Taoiseach and other Departments and Agencies on this whole-of-Government public information campaign which has been underway during most of this year with a targeted increase as we approached the October deadline.

- The request for supplementary funding for 2019 relates to the significant expansion of the campaign in 2019, for which provision was not made in the 2019 Revised Estimates.
- This was necessitated by the very real threat of a No Deal Brexit scenario following the failure by the UK Government to ratify the original Withdrawal Agreement.
- The campaign must continue given the decision at the October European Council to extend the Article 50 period deadline to the end of January 2020. After ratification of the Withdrawal Agreement negotiations would then follow on the nature of the future relationship. Given the ongoing uncertainty, it continues to be necessary to prepare for all scenarios.
- The objective of the Government’s Brexit preparedness public information campaign is to ensure that all of the key audiences – especially small and medium sized businesses - are aware of the potential impact of Brexit, and in particular of a no deal Brexit.
- The communications campaign informs them of the mitigation measures that they can take, the supports that are available from Government, and directs them to the gov.ie/Brexit website for further information including detailed analysis around all Brexit related issues.
- The cost of the “Getting Ireland Brexit Ready” Public Information campaign is approximately €1.5 million in 2019. The public information campaign will continue pending the outcome of the General Election in the United Kingdom and subsequent political developments and decisions.

Passport Service Information Campaigns

- Some of the additional funding will also go towards the cost of Passport Service Information campaigns, which, to a large degree, are Brexit-related reflecting a significant increase in passport applications from Northern Ireland and from Great Britain.
- This time last year the Department expanded the “Passport Online” Service to allow for online renewal of children’s passports, a passport card for children and a wider cohort

of adults eligible to renew online. This expanded service means that all Irish citizens can now renew their passports online 24/7 from anywhere in the world.

- Throughout 2019 the Department ran a number of national public information campaigns which highlighted “Passport Online” as a fast and secure way for adults and children to renew their passports, including through advertisements on social media platforms and via print and radio channels. The success of these campaigns has led to a significant increase in online renewal applications.
- In 2020, to highlight the expansion of “Passport Online” to first time applicants, the Department plans to run a similar public information campaign.
- I am pleased to record that the hard-working team in the Passport Service which has focussed on improving the customer experience through a dedicated customer care hub handling up to 10,000 queries per week recently won “Team of the Year” and “Impact in Digital” honours at the 2019 CX Awards.

Conclusion

- I trust that in my opening remarks to you this morning I have adequately explained the purpose for which my Department is seeking a Technical Supplementary Estimate and of course, Mr Chairman, I will seek to answer any questions Committee members may have.
- Go raibh míle maith agaibh as ucht teacht um mhaidin agus an deis a thabhairt domsa na ceisteanna seo a phlé libh.