

## **Select Committee on Foreign Affairs and Defence**

### **Supplementary Estimates 2022 - Vote 27 (International Cooperation) and Vote 28 (Foreign Affairs)**

**10 November 2022**

#### **Opening remarks by the Minister for Foreign Affairs, Simon Coveney TD**

Mr. Vice-Chair, Select Committee members,

With your agreement, I will now present, for your consideration, the Supplementary Estimates for the Department of Foreign Affairs. These relate to Vote 27 (International Cooperation) and Vote 28 (Foreign Affairs).

In total, across both Votes, the request we are making is for a net increase of €114 million, an increase of €30 million in Vote 27 and an increase of €84 million in Vote 28. Members will have received the advance briefing note provided by my Department. This summarises the reasons for the increases, which I'll be happy to explain in a bit more detail and then respond to any further questions that you might have.

#### **Vote 27 – International Cooperation**

To start with Vote 27: During negotiations on Budget 2023, I discussed with the Minister for Public Expenditure the need to provide additional urgent funding this year for humanitarian assistance in the Horn of Africa. It was subsequently announced on Budget Day (27 September) that additional funding of €30 million would be allocated to Vote 27 for this purpose. This will have the effect of bringing the Net Revised Estimate to €633.902 million, compared to the Original Estimate of €603.902 million.

Ireland is deeply concerned by the worsening food security situation in the Horn of Africa. The region is experiencing its most severe drought in more than four decades. Four consecutive failed rainy seasons have resulted in high levels of acute food insecurity and rising malnutrition. More than 36 million people have been affected - with the epicentre of the drought focused on parts of Somalia, Ethiopia and Kenya.

The wider food crisis has been exacerbated by ongoing conflict and political turmoil, climate shock, and the impact of the Russian invasion of Ukraine. Food prices are spiking in many drought-affected areas, due to a combination of macro-economic challenges, below-average harvests and rising prices for food and fuel on international markets. This has triggered a cascade of consequences for millions across the greater HoA region.

There is a narrow window of opportunity to prevent famine and we must grasp it. Working through trusted partners on the ground, including the UN and Irish NGOs, Ireland's funding will support the most vulnerable communities across the region. Our intention is to focus on life-saving health, nutrition, water and sanitation and cash responses. The immediate priority is to save lives but funding will also begin to lay the groundwork for longer-term resilience and development.

In 2022, Ireland has already provided over €70 million in direct assistance to countries in the region. However, the international response to the drought in the region remains drastically underfunded, with humanitarian funding gaps of over 50% evident across some of the affected countries. I hope that Members of the Committee will agree that this additional funding is vital and urgent.

## **Vote 28 – Foreign Affairs**

Turning to Vote 28, the requested Net Revised Estimate is €335.395 million, compared to the Original Estimate of €251.395 million, i.e. an increase of €84 million. This takes account of an anticipated saving of €1 million on expenditure for Expo Dubai. The specific reasons for the Supplementary Estimate are as follows:

1. The largest part, €67 million, relates to ‘Contributions to International Organisations’. This can be broken down further as follows:

- We are seeking €30 million to provide immediate institutional support for the stability of the governments of Ukraine and Moldova, with €25 million for Ukraine and €5m for Moldova. Given the ongoing war in Ukraine and the extremely challenging budgetary situation faced by both Governments, it is proposed to allocate this additional funding without delay to help meet their current financing needs. This is in line with Ireland’s strong political commitment to supporting both countries as they face significant social, economic and political pressures. Due to the impact of the war, they are largely dependent on continued financial support from EU and other like-minded partners in order to keep public services running.

This funding is in addition to humanitarian funding of €20 million that was disbursed at the beginning of the conflict and is also separate to the funding we are providing through the European Peace Facility for non-lethal assistance to the Ukrainian military. We will also, of course, continue to provide funding support for Ukraine and Moldova through 2023, given the enormous ongoing humanitarian needs resulting from Russia’s aggression.

- We are seeking €24 million in respect of Ireland's assessed (mandatory) contributions to the UN System. 2022 is the first year of a new three-year budgetary cycle for UN Contributions, which will run from 2022-2024. The amount due for 2022 – over \$50 million - is a significant increase on contributions made in 2021, which came to just under \$26 million. Payments are not evenly spread over the three-year payment cycle and can be expected to be lower in 2023 and 2024.
- €10 million is being sought in respect of Ireland's national contributions to the European Peace Facility. Russia's unprovoked aggression against Ukraine has seen the unprecedented mobilisation of the EPF. Thus far, the European Union has agreed six tranches of support for Ukraine, amounting to €3.1 billion in military assistance under the EPF. The agreed support currently consists of €2.82 billion for lethal equipment and approximately €280 million for non-lethal equipment.

In line with the Programme for Government, Ireland is contributing exclusively to the non-lethal elements of the support package, such as personal protective equipment, medical kits and fuel. Our contribution commitment to date amounts to approximately €66 million, based on the current GNI key. The bulk of the additional funding being sought for EPF in the Supplementary Estimate - €7.35 million – is for Assistance Measures to Ukraine, while the remainder is for payments that have arisen in respect of other Assistance Measures in 2022.

- €3 million is being sought to cover additional voluntary contributions to the International Criminal Court (ICC) in 2022. Earlier this year, I announced this contribution, and €1 million has already been disbursed to

the Office of the Prosecutor to assist with the investigation of situations before the Court, including the situation in Ukraine.

2. I am requesting an additional Supplementary Estimate of €10.5 million for the Passport Service. Let me say at the outset that the Passport Service issued over 1 million passports to date this year, the highest number ever. Staffing numbers have doubled since June 2021 and I'm pleased to say that all turnaround times for online applications are now in line with pre-Covid turnaround times. The Customer Service Hub is answering 100% of callers and 95% of webchat queries every day.

I am requesting this supplementary estimate for two reasons: first, an additional sum of €9 million is required to cover the advance order of 1.4 million passport books and an additional 400,000 passport chips to be used in passport books and cards in 2023 and 2024. This is a prudent precautionary measure that we are taking at a time of significant disruption to global supply chains, in particular supply chains for the chips used in passport books and cards. The waiting period for chips has increased from 12 weeks pre-Covid to 18 months currently. Second, the Passport Service requires an additional sum of €1.5 million to cover higher than anticipated postage costs associated with the record number of books issued this year.

3. I am seeking €1.5 million for Emigrant Support Programmes in the UK, the US and other parts of the world. The last few years have demonstrated more than ever the need to continue to support and deepen our bonds with our vibrant and diverse global Irish community. The proposed increased allocation will help to mitigate adverse currency movements and inflationary pressures affecting recipients.

4. €3 million is being sought to cover additional payroll costs associated with the extension to the national 'Building Momentum' pay agreement for the public service recently agreed with civil service trades unions.
5. I am requesting an additional sum of €2 million to cover higher than anticipated rental, maintenance and energy costs at official premises overseas. The Department of Foreign Affairs manages offices in more locations than any other Department, each facing different inflationary pressures at this time. The cost of operating in certain locations has also risen due to large adverse currency movements. Included in the sum of €2 million also are unforeseen costs associated with the provision of enhanced security in respect of our excellent team in Kyiv. It goes without saying that we owe a duty of care to our staff in Ukraine, as in all parts of the world.
6. Finally, an additional sum of €1 million is requested to cover higher than anticipated costs related to postings of officers overseas in 2022. A number of factors have contributed to higher costs this year, including the ongoing impact of COVID-19, which has led to more expensive flight costs and shipping costs for goods. Inflationary pressures, as well as currency movements (notably the US dollar), have also contributed to higher than anticipated rental costs for officers serving overseas. Of course, we have also opened new Missions in Lyon, Miami and Toronto this year, under the Global Ireland 2025 strategy.

Thank you for your time. I look forward to taking questions from members of the Committee.