

Select Committee on Foreign Affairs and Defence

Consideration of Revised Estimates for Public Services 2024

Votes 27 & 28 - Foreign Affairs Group

Opening remarks

A Chathaoirleach, Members of the Committee,

I welcome this opportunity to present the 2024 Revised Estimates for the Foreign Affairs group of Votes: Vote 27 – International Cooperation – and Vote 28 – Foreign Affairs.

Members will have received the advance briefing notes provided by my Department on the two Votes, summarising the main activities and priorities under each Expenditure Programme.

In these opening comments, I will focus on the key changes and developments in 2024, and will be happy to take questions afterwards.

For 2024, the overall gross estimate for the Foreign Affairs group of Votes is €1.113 billion, including a capital allocation of €25 million. This represents an increase of €56 million on the initial 2023 allocation of €1.057 billion.

Vote 27

With your agreement, I will start with Vote 27.

Ireland's Official Development Assistance (ODA) is an integral part of our foreign policy. Our ODA funding, combined with our global presence and influence on the world stage, allows Ireland to contribute to reducing poverty, alleviating suffering, and improving the lives of some of the world's poorest communities.

In 2023, total ODA, delivered across Government, will exceed **€1.9 billion**, or 0.48% of Gross National Income.

This figure includes the estimated eligible first-year costs for Ukrainian refugees in Ireland. As you will be aware, the first year of host country refugee costs count as ODA, as determined by the OECD. The very significant funding across Government to cater for the large numbers of refugees who have sought protection in Ireland continues to have an exceptional impact on ODA levels, giving rise to unpredictable fluctuations.

Excluding Ukraine first-year refugee costs, Irish ODA will be approximately **€1.48 billion** in 2024, the highest level ever and the tenth consecutive year in which the overall allocation to ODA has increased. This is estimated at 0.36% of Gross National Income.

In 2024, just over 38% of total ODA is allocated to the Department of Foreign Affairs, to be managed through Vote 27, or 54% if Ukraine first-year refugee costs are excluded. The remainder is managed by other Departments, and includes Ireland's share of the EU development cooperation budget.

The gross allocation to Vote 27 for 2024 totals **€775.3 million**, representing a significant increase of almost €60 million, or 8.2%, on 2023 figures. 2024 is the fiftieth anniversary of the Irish Aid programme, and this is the highest ever allocation to Vote 27.

A Chathaoirleach,

International development is not simply the right thing to do but is a clear and practical protection of our interests.

Through our international development cooperation programme, Ireland supports developing countries across the world to make real and sustainable changes for the better in the lives of their most vulnerable citizens. Our development cooperation programme provides Ireland with a significant international presence and footprint – including in fragile countries, small island developing states, and conflict-affected contexts. Our ODA is also a key contributor to our ability to influence on issues that matter most to us – at the EU, the UN, the OECD and beyond.

Ireland has built a distinguished track-record of responding to global development challenges and delivering a high quality, untied and coherent approach to development cooperation.

A Better World – Ireland's whole-of-government policy for international development – sets out the breadth and scope of Ireland's international development cooperation. A whole-of-government policy, *A Better World* affirms Ireland's commitment to realising the central pledge of the Sustainable Development Goals (SDGs) to reach 'the furthest behind first'.

2023 was a fourth successive year of major global disruption, and greater challenges for our humanitarian and development work. Overlapping crises include Russia's ongoing invasion of Ukraine, and the knock on impact this has had on other countries; climate and conflict driven crises in the Horn of Africa; increased political instability across a number of regions; and, the on-going crisis in the Middle East. Combined with a potential global economic slowdown, the numbers of people who are food insecure and living in extreme poverty continue to rise. The UN estimates that over 345 million people are living in acute food insecurity today.

Meanwhile the longer-term adverse effects of climate change continue to intensify, and global inequality continues to rise.

In the face of these overlapping crises, Ireland will continue to play our part in responding to the urgent needs of those most affected in 2024, while prioritising resilience-building in the medium to long-term. We will continue to invest in food security and nutrition programming, and to prioritise global public health initiatives and education for girls. The vision outlined in *A Better World* of an equal, peaceful and sustainable global community is in Ireland's fundamental interest. As a small country with an open economy in an ever more interconnected and uncertain world, our prosperity and safety is intertwined with global events, and the fate of the global community.

Of the almost €60 million in additional financial resources allocated to Vote 27:

- **€30 million** is specified for international climate finance. Together with €11.5 million in additional funding allocated to the Department of the Environment, Climate and Communications (DECC), this represents a significant step towards meeting the commitment I made as Taoiseach at COP26 in Glasgow to provide annual climate finance of at least €225 million by 2025.

This will help to address the worsening impacts of climate change and environmental degradation on the world's most vulnerable communities living in least developed countries and small island developing states, supporting climate initiatives across Africa, in Central America and in the Caribbean and Pacific regions. These include diverse projects on agroforestry and climate smart agriculture practices; energy solutions for poor households; the generation of clean renewable energy from waste products; and women's participation in the green economy and access to green finance. An additional €5 million will be allocated to support sudden onset climate emergencies.

- The balance of **almost €30 million** will be allocated in response to escalating humanitarian crises, prolonged acute food and nutrition insecurity and the impact of the war in Ukraine. Support will be provided to those countries worldwide that are experiencing the destructive global knock-on effects of the conflict and other shocks.

A Chathaoirleach,

In 2024, DFA will also seek to bring a more strategic focus to work across fragility, conflict resolution, and women, peace and security, through a new cross-cutting Peace and Stability Unit that was established last year, involving officials from Votes 27 and 28. The Unit will support initiatives related to conflict resolution and sustaining peace, and will support strategic research and conferences, expanding and deepening Ireland's knowledge base on peace and stability.

In 2024, we will continue to respond to the impact of the war in Ukraine, its regional impacts and wider global impacts of the conflict. We will provide at least €32 million in direct support to Ukraine and its neighbours. This includes some €22 million in support of the life-saving work of humanitarian organisations on the ground in Ukraine, including to address urgent health needs, and €10 million for the UN and International Financial Institutions for their work on peacebuilding, recovery and reconstruction in Ukraine and its neighbours and in support for ongoing reforms. Additional significant resources will also be provided in 2024 to address the wider global impact of the war, including the deepening global food and nutrition security crisis.

We remain committed to continue our support for Ukraine for as long as it takes. To date, Ireland has committed over €210 million in support for the Ukrainian people since Russia launched its full-scale invasion in February 2022, comprising over €90 million in stabilisation and humanitarian support and approximately €122 million of non-lethal military assistance under the European Peace Facility. EPF funding is provided from Vote 28 but I mention it here to provide a complete picture.

Discussions have been underway for some time at EU level to design more sustainable, predictable and structured funding for Ukraine, across all facets of EU support. Those deliberations reached a key juncture today, as the Special European Council taking place in Brussels, has found agreement on the European Commission's proposal for a €50 billion Ukraine Facility package. This will put EU macro-financial support for Ukraine on a more stable footing and is a very welcome development.

The Council is also considering the future of EU security commitments for Ukraine. These are being considered in a comprehensive manner, taking into account the many ways the EU can increase Ukraine's security, including through support for its EU accession. One of the proposals under consideration is a 'Ukraine Assistance Fund', which will put the EU's European Peace Facility funding on to a more predictable footing. Ireland will continue to ensure that our funding goes exclusively towards non-lethal military assistance, a position that is well understood by our European and Ukrainian partners. We will continue to keep the Oireachtas informed, including through the relevant Select Committees.

It is now almost 4 months since 7 October, and the human catastrophe that has unfolded in Israel and Gaza has been devastating. Hamas's abominable terrorist attacks, killing approximately 1,200 people and taking over 240 hostages were utterly reprehensible. Such inhumanity against civilians is impossible to comprehend.

What is now happening in Gaza is also completely unacceptable and must stop. Israel's bombardment of Gaza has claimed over 26,000 lives to date, while more than 64,000 are injured, many suffering life-changing injuries.

As you will have heard me say in the Dáil earlier this week, we want to see an immediate ceasefire, the immediate and unconditional release of hostages and a massive scale up in humanitarian assistance, through full, safe and unhindered humanitarian access.

As you will be aware, even before this conflict broke out, a large proportion of Palestinians already depended on the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) for basic services. Ireland has been a long-standing supporter of UNRWA.

Let me confirm again today that Ireland has no plans to suspend funding to UNRWA. I have full confidence in UNRWA's Commissioner General, Philippe Lazzarini, and was the first foreign minister in the world to make that clear last Saturday. Similarly, I have full confidence in UNRWA's commitment to uphold a policy of zero tolerance towards anyone involved in violence or terror. For this reason, I fully support the decision of the UNRWA Commissioner General immediately to terminate the contracts of a small number of employees in Gaza suspected of involvement in the brutal terrorist attacks of 7 October.

The allegations that have been made are extremely serious. If proven, the individuals concerned must be held to account. However, I am deeply concerned that many UNRWA donors have stopped funding UNRWA with immediate effect, based on allegations in respect of the actions of a very small number of staff members in an organisation that employs 30,000 people in total, with 13,000 in Gaza alone.

I underline the urgency of the Agency being able to fulfil its mandate at a time of great humanitarian need, with UNRWA staff in Gaza providing life-saving assistance at extraordinary personal risk, in incredibly difficult conditions. Gaza's civilian population urgently need food, water and medical supplies. The humanitarian system in Gaza is at breaking point and international agencies - including UNRWA, which is the only organisation with the capacity to deliver aid in sufficient quantities in Gaza - need to be supported to ensure that vital supplies and services are provided without further delay.

For 2024, we have programmed over €16 million in support to the Palestinian people from Vote 27, building on total funding of €36 million provided in 2023, including €18 million in core support to UNRWA. We will keep our funding under constant review as the situation develops in the coming weeks and months. Given the current circumstance, the proposed mix of interventions and partners has been devised to allow for flexibility for re-allocations across our delivery mechanisms and implementing partners. In particular, we will continue to focus on interventions aimed at improving the humanitarian situation in Gaza.

A Chathaoirleach,

To conclude on Vote 27, the world is dealing with interlocking humanitarian crises and conflicts, all in the context of the existential threat of climate change. Ireland will continue to respond, seeking to balance our ODA funding between immediate humanitarian response,

long-term development and building resilience to climate change. We are committed to developing better integrated responses, in order to have a real impact on the most vulnerable communities. And we are strongly committed to continuing our leading role internationally - the UN and in the EU - to renew commitment to the SDGs. Despite setbacks, including during the COVID pandemic, the international community has a duty to ensure that the progress made in recent decades is sustained – on health, education, livelihoods and gender equality - as we approach the target date of 2030.

Vote 28

A Chathaoirleach,

With your agreement, I will now move on to Vote 28.

For 2023, the total gross expenditure allocation for Vote 28 is **€337.8 million**. This is a small reduction of 0.8% on the initial 2023 allocation of €340.6 million.

Vote 28 funding is distributed across two expenditure programmes: Programme A – ‘Advancing Ireland’s Foreign Policy Goals’ and Programme B – ‘Passport Service’. This is a change from previous years, when we had five expenditure programmes. In late 2023, we agreed with the Department of Public Expenditure, NDP Delivery and Reform to move to a more streamlined structure. This serves in particular to address an issue identified by the Office of the Comptroller & Auditor General in a report prepared on the Passport Service last year, that the Passport Service was not a stand-alone programme, and that the total cost could not, therefore, be readily established. This echoed comments also made at the Public Accounts Committee in June 2022.

Programme A – ‘Advancing Ireland’s Foreign Policy Goals’

Programme A accounts for the bulk of the allocation to Vote 28, a sum of **€285.1 million**. While it is not possible to directly compare to 2023 figures, due to the change to the structure of the Vote, the broadly equivalent figure in 2023 was €292.5 million, entailing a reduction of 2% year-on-year. I will focus in my statement on new Subheads and those that have seen significant changes from 2023 to 2024.

Programme A includes the bulk of the **pay and non-pay administration costs** in Vote 28, essentially all administration costs not related to the Passport Service.

A.1

The allocation to **Administration Pay** has increased by some 4.2%, primarily to cover, at least in part, the increased costs arising from the recent pay deal.

A.2

The allocation to **Administration Non-Pay** increases by some 8.8%. The bulk of this increase is accounted for by an increased allocation for ‘premises expenses’. We are currently managing an ambitious expansion of our global footprint in order to deliver on the Global Ireland commitment to double Ireland’s global impact and influence to 2025 and beyond. We have opened 19 new missions to date. In 2024, we will open a new Embassy in Islamabad and new Consulates General in Milan and Munich.

In addition, work is advanced on construction projects in Tokyo and Abuja, and we continue to look at opportunities for acquisition of new properties, where purchasing may provide better value for money than renting. In 2023, four properties were purchased, in Armagh, Bogotá, Rabat and Washington DC. Across our property portfolio, we must also ensure the upkeep of properties, undertaking repairs and renovations, as required.

Also in this Subhead, we have increased the allocation for ‘travel and subsistence’ to reflect increased travel post-COVID, as well as increased flight costs globally. We have also increased the allocation for ‘posting supports’, to take account of steep increases in officers’ rent in many overseas locations.

A.3

In the light of the very positive developments we have seen in Northern Ireland this week, I’m very pleased to say that the allocation for **Reconciliation and North-South Cooperation** has increased very significantly in 2024, by €4.3 million or 77%. This includes funding of €1.7 million transferred from the Shared Island Fund administered by the Department of the Taoiseach.

Additional funding will be used to increase the budget for the **Reconciliation Fund**, which supports organisations of all sizes and backgrounds, working to build better relations within and between traditions in Northern Ireland, between North and South, and between Ireland and Britain. On average, 120 projects are supported each year by the Reconciliation Fund, which includes 23 Strategic Partners who are in receipt of multi-annual funding.

Additional funding will also go to the **Shared Island Civic Society Fund**, launched last year to promote practical North South cooperation and engagement by civic society and community organisations on a regional, national or sectoral cross-border basis. Some civic society organisations are constituted on an all-island basis, such as the major sports governing bodies. Others have formed strong cross-border partnerships, or have members in both jurisdictions. However, in many areas, cross-border civic society interaction is limited or non-existent, notwithstanding common circumstances, concerns, and interests.

A.5

I’m also very pleased that an additional sum of €1.5m was secured in Budget 2024 for **Support for the Diaspora**, bringing the total allocation this year to €16.495 million. In the context of rising costs globally, this will provide badly-needed additional resources for the Government’s **Emigrant Support Programme** (ESP), which supports organisations

involved in the provision of frontline welfare, information and advisory services to vulnerable and marginalised members of our community abroad. It will also help to support cultural and heritage projects that strengthen links between Irish communities overseas and at home, as well as business networks that help business people and professionals to connect.

Occasionally, capital grants are also provided to organisations, as was the case last year, with €500,000 provided to Gaelic Park New York and €2.2 million provided to the London Irish Centre for their redevelopment projects.

A.6

Members of the Committee will note that the allocation to A.6 – **Contributions to Multilateral Organisations** has reduced very significantly this year, by over €25 million or some 58%. This Subhead funds Ireland's mandatory contributions to the UN and its peacekeeping operations and international tribunals, as well as mandatory contributions to other multilateral organisations of which Ireland is a member, and, in recent years, mandatory payments to the European Peace Facility.

Allocations to this Subhead have fluctuated significantly in recent years, as has the level of expenditure each year. This is linked to the budget-setting procedures of the international organisations in question, on which our mandatory contributions are based. For example, UN contributions run on a three-year payment cycle, and are not evenly spread over the three-year cycle.

Payments to the European Peace Facility, an EU instrument to finance actions in the field of security and defence, are even more unpredictable. Ireland's total commitment under the EPF currently stands at approximately €271.8 million for the period up to 2027. This includes our commitments for Ukraine and for other assistance measures elsewhere in the world, as well as for the common costs of CSDP missions and operations. As I mentioned earlier, EPF commitments for Ukraine are under discussion today at the European Council.

Given the total quantum of our EPF commitment, and the difficulty in profiling our payments, which are not spread evenly throughout the period up to 2027, as well as similar challenges in relation to the UN and other international organisations, the Department has been in discussion with the Department of Public Expenditure, NDP Delivery and Reform to to assess the most appropriate method of funding Ireland's mandatory contributions to multilateral organisations. This review should be completed by the end of the first quarter of 2024.

A.8

Subhead A.8 is a new Subhead established in 2024, with an allocation of €1 million. This will be used to fund projects that consolidate and advance core EU values and enlargement-related reforms across the European continent, with a particular focus on EU candidate countries.

The rationale for this new Subhead is significant renewed momentum in EU enlargement policy. Ireland is amongst the strongest supporters of EU enlargement and our record of capacity-building support ahead of the last major enlargement in 20024 continues to be positively recalled by those Member States who benefitted. The establishment of this budget line would allow us to increase our practical support for enlargement, bringing it into line with our strong political support for it.

Furthermore, in a context where core EU values - democracy, human rights and rule of law - are under increasing pressure in parts of our continent, including within the EU itself, the establishment of this budget line is a demonstration of Ireland's commitment to those values and to the institutions which uphold them.

A.10

We have also allocated an additional sum of €0.5 million to an initiative that seeks to increase the numbers of **Irish personnel in EU & International Institutions**, bringing the total to €4 million. It is vital that Ireland is represented across the EU's Institutions to the largest extent possible and this initiative is designed to double the numbers seconded to the EU over the next 3-4 years.

Programme B – 'Passport Service'

Programme B now deals exclusively with funding of the Passport Service, a key public service provided by the Department. It is appropriate to bring greater visibility of expenditure on this important service.

The total allocation to Programme B in 2024 is **€52.6 million**. This includes the cost of staff and all other administration costs, including capital expenditure for investment in the future of the Service. While figures are not directly comparable in this first year, the equivalent figure in 2023 was €48.1 million.

I'm pleased to say that the Passport Service is successfully meeting high demand for passports with turnaround times at or well-ahead of target, and no backlogs. The majority of online adult renewal applications issue within two working days.

In 2023, over 1 million applications were received and over 950,000 passports were issued. So far in 2024, the Passport Service has issued over 64,000 passports and the Passport Service Customer Service Hub is responding to an average of 10,000 queries per week on phones and webchat. The Customer Service Hub is consistently answering 100% of calls and 95% of webchat queries, having handled over 615,000 queries in 2023.

Demand for Foreign Birth Registration (FBR) also remains high. Over 35,000 applications were received in 2023, an increase of 27% on the previous year. Thanks to additional resourcing, the turnaround time for processing FBR applications has reduced by 75% from two and a half years in 2022 to 8 months currently.

Over the past number of years, the **Passport Reform Programme** has overseen major improvements to the Passport Service. The standout achievement of the programme was the

introduction of the Passport Online Service to our citizens. Over 90% of all applications from all over the world are now submitted through this online channel.

Last year, a number of enhancements of the Passport Online portal took place. These improvements included implementing a digital link with the General Register Office, the central repository for birth certificates and similar records. This is helping to improve citizen experience, as well as helping reduce the amount of physical documentation required by the Passport Service.

The programme of Passport Service Reform continues to focus on the future of service delivery by continuing to identify and implement projects to enhance the customer experience and provide for business continuity while maintaining the integrity of the Irish passport. We are also working on the replacement of the back office passport processing and anti-fraud systems that citizens don't see but are essential to the effective and secure operation of the Passport Service.

A core project of the reform programme is the redesign of the Irish Passport book. Frequent passport redesigns with enhanced security features are recommended by the International Civil Aviation Organization (ICAO). The upcoming redesign is central to maintaining the integrity and reputation of the Irish passport.

As part of the redesign process, my department ran a public consultation on aspects of Ireland's diverse natural environment. The consultation, which was available as Gaeilge and in English, received over 15,000 responses and is now helping to inform the design considerations for the new passport book. The results are available on Ireland.ie and I would encourage all with an interest in our passport to access and read the detailed report.

My Department is currently undertaking a procurement exercise to secure a manufacturer for the production of new passport books, passport cards and other related travel documents. Upon completion of a successful procurement exercise, the Department expects to be in a position to provide a provisional timeline for the release of the new passport.

A Chathaoirleach, Members of the Committee,

I've given you a brief overview of how we will spend additional resources that have been provided to us in 2024, as well as focusing on a select number of other priority areas. Of course, there are many other areas of work that I haven't touched on.

The scale of the challenges facing the global community and the desire to deliver excellent public services to our citizens, means that we can be confident that this year will be at least as busy as 2023. I welcome any comments or questions from Committee members.