P.2026/49 Amdt 50

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

30th September, 2026

Proposition No. P. 2026/49

Policy & Resources Committee

Tax Reform 2026

AMENDMENT

Proposed by: Deputy R Curgenven
Seconded by: Alderney Representative E Hill

To insert the following Proposition after Proposition 3, and to renumber the existing Propositions accordingly:

"4) To agree that —

a) the Overseas Aid & Development Commission should aim to maximise Guernsey's ability to do good on the world stage through leveraging corporate and charitable giving for maximum effectiveness;

b) decisions on overseas aid should be made with regard to the effectiveness of the proposed interventions;

c) the Cash Limit of the Overseas Aid & Development Commission for 2029 and each year thereafter shall be set at £5,026,000, being the Commission's Authorised Budget for 2025, no inflation allowance or other addition being applied to it; and

d) Resolutions III 3 and III 4 of Billet d'État XIII, 2019, made by the States on 18th July, 2019, are rescinded."

Rule 4(1) Information

a) The proposition contributes to the States' objectives and policy plans by directing that overseas aid be applied where it is most effective and where it draws in corporate and charitable giving alongside the funds voted by the States, and by holding the Cash Limit of the Overseas Aid & Development Commission from 2029 at the level authorised for 2025, which remains above its 2019 level in real terms, so that the amount to be raised through the measures proposed in the Policy Letter is correspondingly reduced.

b) In preparing this proposition no consultation has taken place.

c) The proposition has been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.

d) Measured against the path described in Budget 2026 (paragraph 6.72), being a real-terms increase of £400,000 in each year to 2030 inclusive with an inflation allowance of 3.3%, and assuming that the Cash Limit is aligned linearly over the period from 2027 to 2029, the saving over the ten Budget years 2027 to 2036 is approximately £32m.

e) Drafting advice has been sought from the States' Greffier.

Explanatory Note

The Overseas Aid & Development Commission distributes funds voted by the States for aid and development overseas. Its mandate includes programmes relating to the collection and distribution of funds involving the private sector, and since 2012 it has operated match-funding partnerships under which its grant is paid alongside an equal sum raised in Guernsey (P.2019/44, paragraphs 4.1 and 10.2).

Interventions differ greatly in what they achieve for a given sum. The second edition of Disease Control Priorities in Developing Countries estimated the cost-effectiveness of 108 health interventions. The estimates range from 0.02 to 300 disability-adjusted life years per $1,000, with a median of 5, so that the most effective is about 15,000 times as effective as the least and about 60 times as effective as the median (Ord, The Moral Imperative toward Cost-Effectiveness in Global Health, Center for Global Development, 2013, page 3). If two of the interventions are chosen at random, the better of the two is on average about 100 times as effective as the other (Todd, How much do solutions to social problems differ in their effectiveness?, 80,000 Hours, 2023).

The Commission's Cash Limit has been increased from £3,855,000 for 2023 to £5,608,000 for 2026, and the Policy & Resources Committee intends to continue a real-terms increase of £400,000 in each year to 2030 (Budget 2024, paragraph 3.41; Budget 2026, paragraph 6.72), which would bring it to about £8.1 million, 1.4 times the 2026 figure. That ratio may be compared with the ratios of 60 and 15,000 above. On those ratios, 0.1% of GDP applied to the most effective interventions produces about as much benefit as 5% of GDP applied to the median intervention, or 1,000% of GDP applied to the least effective. Where one intervention is 10 or 100 times as effective as another, moving funds from the second to the first produces almost as much benefit as adding an equal sum (Ord, page 7).

Paragraphs (a) and (b) direct that the funds voted are applied with regard to the effectiveness of the interventions proposed, and that the Commission aims to leverage corporate and charitable giving. The Commission adopted objectives to the same effect in 2019, including to maximise the impact of its funding and to offer match-funding to amplify it (P.2019/44, paragraph 4.3). The Proposition makes them a direction of the States.

Paragraph (c) sets the Cash Limit at the level of the 2025 Authorised Budget for the calendar year 2029 and every year thereafter. Cash Limits for 2027 and 2028 are left to the Policy & Resources Committee to recommend, to allow the Commission to honour its existing commitments.

Paragraph (d) rescinds the Resolutions of 2019 adopting a target of 0.2% of GDP by 2030 and providing for the allocation of surpluses towards it, neither of which can stand with a Cash Limit fixed in cash. Resolutions III 1, 2 and 5 are not affected. The 2025 Authorised Budget is approximately 30% higher in real terms than the Commission's budget in 2019, RPIX having risen by 29.6% between June 2019 and June 2025.

The saving over the ten Budget years 2027 to 2036 is set out in the Rule 4(1) information above.