



Rialtas na hÉireann
Government of Ireland

Spending Review 2020

Expenditure on Overseas peace support missions

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DEFENCE VOTE SECTION

DEPARTMENT OF PUBLIC EXPENDITURE AND REFORM

OCTOBER 2020

Executive Summary

- In support of international peace and security and the role of the United Nations in this regard, Ireland provides professionally trained peacekeepers to a range of UN mandated crisis management operations. Under the Defence Acts, overseas peace support operations must generally be approved in accordance with the 'Triple Lock' mechanism (i.e. authorised by the United Nations, approved by Government, and approved by Dáil Éireann).
- Members of the Defence Forces have been tasked by Government in overseas peace support and humanitarian missions since 1958 and have completed approximately 70,000 individual tours of duty. Ireland currently contributes to 14 different missions worldwide, of which five are led by the United Nations (UN). This serves as a practical demonstration of Ireland's support for collective security and multilateralism through the United Nations.
- The **direct costs** of overseas participation were €53.1m in 2018, comprising pay (€31.1m), overseas allowances (€18.2m), and non-pay (€3.9m). This figure includes standing costs (e.g. basic pay of defence forces personnel involved), which would have been incurred whether Ireland participated in overseas missions or not.
- The **indirect costs** of overseas participation include the estimated revenue foregone by the non-taxation of overseas allowances (2018: €5.4m) and cost of providing additional annual leave (2018: €5.1m, reported within direct costs above).
- Comparable data is available from 2006 onwards. In the period since then, direct costs **peaked** in 2008 (€82m, missions in Central African Republic and Chad and in Kosovo) and reached a low point in 2011 (€35m, following withdrawal from Central African Republic and Chad mission).
- While gross Defence Group expenditure in 2018 was at approximately the same level as 2006, expenditure on overseas missions that year was approx. 87% of 2006 expenditure.
- Separately, Ireland makes an annual contribution to the UN Peacekeeping Budget (2018: €21.2m made by Vote 28). This cost would arise even if Ireland did not participate in overseas missions. Some personnel and equipment **costs can be reimbursed** for participating in UN-led operations (2018: €11.1m, received by Vote 36), and so this expenditure is relevant in any overall assessment of the net cost of overseas missions.
- **Remuneration** (comprising pay and allowances) is the largest element of expenditure, comprising on average 87% of direct expenditure in the period 2006-2018.
- The **cost drivers** are the number of personnel serving, the ranks serving, and the mission circumstances. Future expenditure could be impacted by both domestic matters, such as pay agreements, numbers serving overseas, and domestic security implications, as well as international matters, e.g. European Union defence policy and developments at United Nations level.
- International comparison is made difficult by the lack of publicly available data, and by the breadth of difference between nations in their international security and defence policies. As such, the international perspective is best used for context rather than comparison between militaries.
- This paper **recommends** that the Department of Public Expenditure and Reform and the Department of Defence should develop a series of key financial metrics with regard to participation in overseas missions, which could be used to better understand the dynamics of a particular year or a particular mission and aid decision-making going forward.

Glossary of Abbreviations

Abbreviation	Definition
BICC	Bonn International Center for Conversion
C&AG	Comptroller and Auditor General
CARD	Coordinated Annual Review of Defence
CFSP	Common Foreign and Security Policy
CSDP	Common Security and Defence Policy
D/FAT	Department of Foreign Affairs and Trade
D/PER	Department of Public Expenditure and Reform
DFR	Defence Forces Regulations
EDA	European Defence Agency
EU	European Union
EUFOR	European Union Force
EUTM	European Union Training Mission
GDP	Gross Domestic Product
GMI	Global Militarisation Index
GNI	Gross National Income
HR/VP	High Representative/ Vice President
KFOR	Kosovo Force
MINUSMA	United Nations Multidimensional Integrated Stabilization Mission in Mali
MONUSCO	United Nations Organization Stabilization Mission in the Democratic Republic of the Congo
MOU	Memorandum of Understanding
MSA	Military Service Allowance
NATO	North Atlantic Treaty Organisation
NGO	Non-Governmental Organisation
OAPSA	Overseas Armed Peace Support Allowance
ODA	Overseas Development Aid
OPSA	Overseas Peace Support Allowance
PCRS	Peacekeeping Capability Readiness System
PDF	Permanent Defence Forces
PESCO	Permanent Structured Co-operation
SIPRI	Stockholm International Peace Institute
TEU	Treaty on European Union
UN	United Nations
UNDOF	United Nations Disengagement Observer Force
UNIFIL	United Nations Interim Force in Lebanon

1. Introduction

1.1. Context for Review

In June 2018, the State marked 60 years of participation in United Nations Peacekeeping, having consistently viewed overseas military engagement in support of peace as an important element of its foreign and security policy. This serves as a practical demonstration of Ireland's support for collective security and multilateralism through the United Nations (UN), and, taking account of the interconnectedness of international security and the impact of events beyond national boundaries, contributes to our own national security. Furthermore, there are real and tangible benefits through overseas operations in the development, practice and retention of military capabilities vital to defence. Members of the Defence Forces have been tasked by Government in overseas peace support and humanitarian missions since 1958, and have completed approximately 70,000 individual tours of duty¹. Ireland currently contributes to 14 different missions worldwide. Government remains fully committed to contributing to peace support and crisis management operations.

Overall direct expenditure on overseas missions amounted to some **€53.1m** in 2018, of which €51m was reported in the Appropriation Account 2018 for Vote 36². While this represents a relatively small proportion of Defence expenditure overall³, international involvement is a central tenet of Ireland's defence policy. This is highlighted in the *White Paper on Defence 2015*, the corresponding foreign policy set out in the Department of Foreign Affairs and Trade 2015 policy paper *The Global Island*, and in the high-level goal of the Department of Defence and the Defence Forces: *To provide for the military defence of the State, contribute to national and international peace and security and fulfil all other roles assigned by Government*.⁴

Expenditure on overseas missions does not align with one spending line alone, and there are both direct and indirect costs associated. The €53.1m spent on Vote 36 in 2018 covers the total direct cost of involvement, though leave entitlements and the taxation foregone on allowances for Permanent Defence Force (PDF) members serving overseas represent indirect costs to the State. Costs are somewhat offset by recouped monies from the UN in respect of service on certain missions.

Two further developments recommend this area for examination:

- The three years to 2018 saw the overall numbers serving abroad per year grow by 15% to 1,696⁵, and,
- A trend has emerged since the 1990s of increasing reliance by the United Nations on regional organisations (the African Union [AU], the North Atlantic Treaty Organisation [NATO], and the European Union [EU]) to implement and support operations on foot of UN Security Council Resolutions.

¹ Department of Defence data.

² <https://www.audit.gov.ie/en/Find-Report/Publications/2019/Vote-36-Defence.pdf>

³ Vote 36 net expenditure in 2018 was €670m.

⁴ Department of Defence and Defence Forces Strategy Statement 2017-2020, p. 3

<https://www.gov.ie/en/publication/5c702d-department-of-defence-and-defence-forces-strategy-statement-2017-202/>

⁵ Total number of Defence Forces personnel deployed overseas in 2018.

1.2. Legal Context and Policy Rationale for Participation

Committed to meet its obligations as a member of the United Nations and its strong support for the primacy of the role of the United Nations Security Council in the maintenance of international peace and security, Ireland has, since 1958, continuously contributed professionally trained peacekeepers, through the Defence Forces, for overseas peace support operations under UN mandates. Under the Defence Acts, overseas operations must be approved in accordance with the ‘Triple Lock’ mechanism comprising three requirements, namely:

- the operation must be authorised/mandated by the United Nations;
- it must be approved by the Government; and
- it must be approved by way of a resolution of Dáil Éireann, where the size of a Defence Forces contribution is more than twelve personnel.⁶

The legislative basis for the participation by the Permanent Defence Force in overseas peace support operations as part of an “International United Nations Force” was originally provided for by the Defence (Amendment) (No. 2) Act, 1960. This covered actions authorised under Chapter VI of the UN Charter – “for the performance of duties of a police character” in the 1960 Act. The legal provisions were amended in 1993 to permit participation in Chapter VII missions – peace enforcement – which, unlike peacekeeping, do not require the consent of the main parties and may involve the use of military force at the strategic or international level⁷, in an environment where peacekeepers face continued violence and hostile actors. Ireland has contributed to Chapter VII missions in Timor-Leste, Eritrea, Liberia, Chad, and currently does so with the Army Ranger Wing involvement in MINUSMA, the UN Peacekeeping mission in Mali.⁸

As of June 2020, Ireland participates in 5 UN-led missions, the largest of which in terms of Permanent Defence Force (PDF) personnel numbers are the United Nations Interim Force in Lebanon (UNIFIL) and the United Nations Disengagement Observer Force (UNDOF - Golan Heights). Commencing in 1991, Ireland’s involvement has expanded beyond contributions to the traditional UN-led Peacekeeping missions we have participated in since 1958. The increasing reliance by the UN on regional organisations to provide forces to implement and support UN Security Council Resolutions, combined with the movement within the EU towards closer co-operation on defence, is a key driver of change for Ireland. The legislative basis for involvement was amended in 2006 to, among other things, address issues which had arisen in relation to the UN mandates for operations led by organisations such as the EU, NATO and the African Union⁹ to ensure that Ireland could continue to participate in such missions.

Since the 1990s, the EU has moved toward developing the capacity to undertake its own actions under its Common Security and Defence Policy (CSDP), and Ireland has contributed troops to several UN-mandated but EU-led missions, in peacekeeping, crisis management, and training operations¹⁰. In addition, Ireland is currently contributing to the UN-mandated, NATO-led operation in Kosovo, and has previously supported missions in Bosnia and Herzegovina and in Afghanistan. Alongside these contributions are other commitments to overseas service - to the Organisation for Security and Co-

⁶ As required by Defence (Amendment) (No. 2) Act, 1960, as amended.

⁷ <https://www.un.org/en/sections/un-charter/chapter-vii/index.html>

⁸ See Appendix 1 for full list of missions for the period 2005-2019.

⁹ Defence (Amendment) Act 2006 - <http://www.irishstatutebook.ie/eli/2006/act/20/enacted/en/print.html>

¹⁰ https://eeas.europa.eu/sites/eeas/files/eu_csdp_missions_and_operations_may2019_web.pdf

operation in Europe (OSCE), to EU Battle-Groups, and in sending military advisors and representatives to international organisations¹¹.

1.3. Structure

In consideration of the above, this paper is set out as follows:

- **Section 2** provides a comprehensive account of Defence expenditure on overseas peace support, including the direct costs of overseas participation by the Defence Forces, and costs recouped;
- **Section 3** identifies and provides an overview of the indirect costs of overseas participation;
- **Section 4** identifies trends in expenditure on overseas peace support missions over the period 2006-2018, including detail on emerging trends relevant to the financing of future operations;
- **Section 5** sets out, insofar as is possible, international comparison with spending by other defence organisations;
- **Section 6** provides a conclusion and the key findings of this review.

1.4. Data and Methodology

The paper draws on desk-based quantitative analysis of a range of recently compiled and existing data provided to the Defence Vote Section by the Department of Defence, as well as existing Department of Public Expenditure and Reform and Department of Finance data and analysis.

1.5. Limitations

While direct costs are easily quantifiable, indirect costs are presented here with the caveat that they are estimated on the basis of existing data and may not be comprehensive. Also, it should be noted that this paper does not propose to quantify the benefits of participation in overseas peace support in financial terms. While they will be referenced and acknowledged as underpinning all actions in international defence policy, a quantitative examination of these benefits will not be considered as part of this review.

In addition, in consideration of points of comparison internationally for Defence both in terms of overall spending and expenditure on operations, the nature of defence and security means that data for comparison is not as readily publicly available as perhaps would be for other sectors. This, coupled with differing policy and security concerns among other defence organisations, limits the ability to provide a comparison of Ireland's overseas expenditure with that of other nations on a like-for-like basis.

¹¹ Defence Forces personnel are deployed to the EU Military Staff in Brussels, in NATO Headquarters in staff roles, to the OSCE in Vienna and in UN Headquarters in New York.

2. Direct Costs

Total direct costs of overseas peace support operations were €53.1 in 2018. This figure is detailed in Table 2.1, with each element further explained below. Standing costs which would be incurred irrespective of participation have been indicated throughout.

Table 2.1. Total Direct Costs

2018 Cost		€000
Pay		31,074
Overseas Allowances		18,180
of which:		
a) Overseas Peace Support	13,478	
b) Overseas Armed Peace Support	4,702	
Non-Pay (Travel and Subsistence – Operations)		1,468
Non-Pay (Other)		2,422
Total Direct Costs in 2018		53,144

Source: Comptroller and Auditor General - Appropriation Accounts 2018; Department of Defence data

As with all defence roles, all direct costs of overseas operations are funded through the Defence Vote (Vote 36) and are reported in the Appropriation Accounts published by the Comptroller and Auditor General each year. Overseas peace support costs are largely comprised of pay and allowances, though also include certain non-pay costs associated – in respect of logistics, transport, support and equipment. The most recent set of accounts signed off by the Comptroller and Auditor General (C&AG) at the time of commencement of this review, relating to 2018, will be used to provide a point in time overview of expenditure, while later sections will detail trends in this expenditure over the recent period incorporating this method.

2.1. Pay

As with PDF members serving in Ireland, members of the Defence Forces serving overseas continue to receive their basic pay and Military Service Allowance (MSA) depending on rank as agreed under the Defence Sector Collective Agreements. Pay costs are therefore included in the figures reported to the C&AG under Overseas Expenditure¹². The basic pay costs (i.e. excluding overseas allowances) associated with overseas participation for 2018 were **€31.1m**. MSA is paid to all military personnel, with the exception of those in training grades (e.g. Cadets) and officers above the rank of Colonel, in recognition of the peculiarity and unique demands of military life. The MSA costs in respect of personnel deployed overseas for 2018 amounted to €3.25m. This amount is included within the above €31.1m.

2.2. Overseas Allowances

In addition to basic pay, members of the PDF may be eligible for a number of allowances. These can be paid in recognition of duties and deployments, in recognition of skills or specialism, or in reimbursement for expenditure.

¹² Reported in Note 6.1 on the 2018 Appropriation Account, available at audit.gov.ie.

Total allowances paid to PDF personnel in respect of both domestic and overseas duties, including skills based technical, pay accounted for c. €81m in 2018, and make up c. 19% of the overall PDF paybill on average¹³.

There are two main allowances payable to members of the PDF in respect of overseas service: Overseas Peace Support Allowance (OPSA) and Overseas Armed Peace Support Allowance (OAPSA)¹⁴. These allowances were introduced in 1960 to compensate personnel for working in extremely difficult and tense environments, and serving abroad under difficult climactic and living conditions. These allowances are tax-free and are paid at a daily rate additional to standard pay and other allowances (including MSA).

Allowance rates have fluctuated over the period, and were reduced by 10% in line with the 2013 Haddington Road Agreement, under the Defence Sector Collective Agreement, which imposed additional reductions to certain allowances in the PDF. This reduction continued to apply under the Public Service Stability Agreement and was reversed on foot of recommendations made by the Public Service Pay Commission in July 2019.¹⁵ During the period under review the rate for the allowances (OPSA and OAPSA combined) ranged from €76.36 to €101.75 per day, depending on rank. This amounted to between €534.52 and €712.25 per week. However, it should be noted that since the introduction of the Public Service Pay Commission recommendations in 2019, for those in receipt of both allowances, the current payment ranges from €84.85 to €113.05 per day (€593.95-€791.35 per week). Table 2.2 shows the current daily rates applicable to serving members.

Table 2.2 – Current Applicable Daily Rates of Overseas Allowances (from 04/07/19)

	Officers – Commandant and higher	Officers – Captain and lower	Enlisted Ranks – Sergeant and higher	Enlisted Ranks – Corporal	Enlisted Ranks – Private
Daily Rate Overseas Peace Support Allowance	€88.34	€80.29	€65.63	€63.44	€61.27
Daily Rate Overseas Armed Peace Support Allowance	€24.71	€24.71	€23.58	€23.58	€23.58

Source: Department of Defence

In 2018, Defence Vote **expenditure on Overseas Allowances came to €18.18m**, representing c.22% of all PDF allowances that year and c.4% of the overall PDF paybill. This can be broken out as in Table 2.3.

¹³ Please note this refers to **overall allowances** paid to members of the PDF in 2018, not only those relating to overseas service. Public Sector Pay Commission Report (May 2019), p. 17.

¹⁴ OAPSA is paid in addition to OPSA on armed missions.

¹⁵ PSPC Report 2019, p.24 <https://paycommission.gov.ie/wp-content/uploads/Dept-of-Defence-PSPC-report-2019-WEB-1.pdf>.

Table 2.3. Rank Breakdown of Overseas Allowances 2018¹⁶

Rank		OPSA		OAPSA		Total
		Numbers	€000	Numbers	€000	€000
Officers	Commandant & Higher	215	3,560	194	923	4,483
	Captain & Lower	221		206		
Other Ranks	Sergeant & Higher	382	9,918	382	3,779	13,697
	Corporal	428		427		
	Private	745		743		
Total		1,991	13,478	1,952	4,702	18,180

Source: Department of Defence data

Given the nature of the missions on which Ireland is currently contributing personnel, a large majority of postings overseas are armed, entailing payment of both allowances to personnel. In practice, there can be between 400 and 700 PDF personnel deployed overseas at any one time. As of December 2019, there were 595 PDF personnel serving overseas.¹⁷

2.3. Other Peacekeeping Allowances

While serving on a UN peacekeeping mission, serving members are directly paid \$1.28 per day by the UN. The UN also pays a recreational leave allowance of \$10.50 per day for up to 15 days of leave taken during each six-month period. This amount is not paid on non-UN missions.

2.4. Overseas Financial Support Packages

An 'Overseas Financial Support Package' is provided to PDF members serving abroad in staff appointments in the UN, the EU, NATO and the OSCE. Cost of Living, Rental, and Local Post Allowance are available depending on the mission and circumstances¹⁸. Financial Support Packages are not paid in peacekeeping operations but rather to personnel in staff appointments in the above organisations. While these appointments, and therefore the costs, arise irrespective of whether Ireland deploys personnel on overseas operations, they are included here to provide the complete picture of overseas spending. Amounts paid may vary greatly depending on the posting.

In 2018, the total cost of the Financial Support Packages for PDF personnel was **€247,785**, broken down as in Table 2.4.

Table 2.4. Breakdown of Other Allowances 2018

Allowance	2018 Cost
Cost of Living	€48,131
Local Post Allowance	€90,710

¹⁶ Payroll and Operations data differ somewhat on numbers. According to the D/Defence Annual Report 2018, 1,696 PDF personnel in total served on overseas missions in 2018. This equates to an average allowance spend of €10,908 per person, across all ranks, though it should be noted that according to D/Defence payroll data, 1,952 members of the Defence Forces received both allowances in 2018, while only 39 members received only OPSA (unarmed allowance). This includes numbers on short periods of overseas service, not part of mission deployments, and may also refer to prior years and payment of related allowances in arrears. As such, this should not be treated as definitive. Figures are included here to give an indicative breakdown of ranks.

¹⁷ Total numbers of personnel serving overseas are provided in Figure 4.3.

¹⁸ Allowance rates are sanctioned by the Department of Public Expenditure and Reform.

Children's Allowance (Foreign Service)	€40,016
Rent Allowance	€68,928

Source: Department of Defence data

2.5. Non-Pay Costs

In addition to basic pay and allowances, additional costs arise from overseas missions in the areas of logistics, transport, equipment, and support. These non-remuneration costs encompass travel and subsistence costs and a number of additional costs across various subheads on Vote 36, as follows:

- Common Security and Defence Policy (CSDP) Common Costs¹⁹
- Military Travel – Foreign
- Other Overseas Sustainment Costs –including expenditure in areas such as:
 - Mission Support Costs;
 - Overseas Barrack services;
 - Overseas Maintenance Costs;
 - Overseas Catering & Clothing;
 - Overseas Welfare Costs

Domestic and overseas expenditure is not distinctly separated in most subheads, and equally not all overseas payments relate to operations²⁰. Additional non-pay costs relating to overseas peace support missions across these various areas listed above amounted to some **€2.42m** in 2018. Travel and Subsistence costs of overseas peace support missions were reported within the 2018 Appropriation Account figure of €51m and accounted for **€1.77m** in 2018²¹. Thus in total 2018 non-pay direct costs of participation amounted to c. **€4.2m**.

¹⁹ It should be noted that the common costs of CSDP would arise irrespective of participation in overseas peace support operations. Amounts of this nature are included here to provide a comprehensive account of the costs involved in overseas peace support operations, though it is acknowledged that these costs are non-discretionary and do not depend on operations.

²⁰ As an example, Subhead A.23, while including the cost of Ireland's contribution to CSDP costs, also includes the Vote 36 share of Ireland's contributions to the EU Satellite Centre.

²¹ Of this €1.774m for Travel and Subsistence (T&S), €1.468m relates to operational T&S. The remaining €305,000 relates to T&S for Representatives and Advisors.

3. Indirect Costs

While pay, allowances, non-pay expenditure and other costs are reported annually, there are also additional indirect costs that must be factored in for a truly comprehensive picture of the costs of Ireland's participation in overseas peace support operations. In this section, the elements in focus will be the revenue foregone on the non-taxation of overseas allowances (2018: €5.4m est.), as these sums are in the nature of pay but paid tax-free, the cost of additional leave entitlements afforded to PDF members serving overseas (2018: €5.1m est.), reported within direct costs above, and amounts recouped from the UN in respect of service. It is acknowledged that **amounts paid in respect of the UN Peacekeeping Budget arise due to Ireland's membership of the United Nations, and are not linked to participation in operations.** However, on the basis that recouped amounts in respect of service are drawn from this budget, both contributions and recouped amounts have been included in this section. These amounts are included in Table 3.1, with indirect costs and other elements shown below the Total Direct Costs figure. Each element is further explained below.

Table 3.1. Total 2018 Cost (Incl. Indirect Costs and Other Items)

2018 Costs	Item	€'000	Total €'000
Pay		31,074	
Overseas Allowances		18,180	
<i>of which,</i>			
a) OPSA	13,478		
b) OAPSA	4,702		
Non-Pay (T&S- Operations)		1,468	
Non-Pay (Other)		2,422	
Total Direct Costs			53,144
<i>Of which, leave entitlements</i>		5,098	
Revenue foregone on non-taxation of overseas allowances		5,430	
Recouped costs ²²		(14,000)	
Contributions to the UN Peacekeeping Budget ²³		21,159	

Source: Comptroller and Auditor General - Appropriation Accounts 2018; Department of Defence data

3.1. Tax

Pursuant to Section 196A of Tax Consolidation Act (TCA) 1997, as amended by the Finance Act 2005, overseas allowances, inter alia, are exempt from the payment of tax. This section provides that allowances and emoluments representing compensation for the extra cost of having to live outside the State in order to perform duties shall be disregarded as income for the purposes of the Income Tax Acts. This applies to Civil Servants, members of An Garda Síochána, and PDF members. These allowances are also exempt from Universal Social Charge (USC)²⁴, are non-pensionable, and are not reckonable pay for the purposes of Pay Related Social Insurance (PRSI).

²² Amounts recouped in respect of service are paid from within the UN Peacekeeping Budget, to which Ireland pays an annual contribution arising on the basis of Ireland's UN Membership. In 2018, this amounted to c. €21.2m.

²³ As noted above, amounts contributed to the UN Peacekeeping Budget would arise irrespective of participation overseas.

²⁴ Overseas Allowances are listed as an exemption in s.12.2 of the Tax & Duty Manual Part 18D-00-01

As stated in the previous section, overseas allowances in total amounted to some €18.18m in 2018 (OPSA and OAPSA combined). As an income tax exemption, this represents an indirect cost to the State. The cost of Tax Expenditures are calculated by Revenue and published each year²⁵, though these do not include some sector-specific allowances and payments, such as those paid to the Defence Forces in respect of their service. In the absence of itemised payroll data for the year in question, a general assumption can be made that the effective rate of tax paid on the gross amount will be 30% of the total percentage.²⁶ As a rough calculation, therefore, assuming this effective rate of 30% as the revenue foregone for this income, the estimated 'cost' of tax-free overseas allowances is c. **€5.43m**, allowing for a range between min. €3.62m (if all in receipt would pay tax at 20%) and max. €7.24m (if all in receipt would pay tax at 40%).

As with the costs of Tax Expenditures figures published by Revenue, this rough estimate figure relies on a number of counterfactual assumptions, i.e. assuming allowances given are evenly distributed across pay levels, assuming no behavioural change nor interaction effects with other measures, and treating the overall amount of allowances as pay. As individual tax and payment information for each PDF member serving overseas is not available for analysis, a rough estimate is calculated on the basis of the overall figures. It should be noted that the tax element of overseas allowances does not represent a 'cost' in the same way that pay and allowances themselves do. The rough estimate of €5.4m Tax Expenditure is understood as the amount that would accrue to the Exchequer if tax were payable on Overseas Allowances and all other behaviours and variables remained unchanged, ignoring possible interaction with other taxation.

3.2. Leave & Entitlements

While indirect costs incurred as a result of leave and entitlements may be substantial, it should be noted that unlike the above estimated costs of tax expenditure, these figures are **already reported** within the Defence paybill. As such, the costs of leave should not be understood as an additional expense to the Exchequer of overseas participation. It is also worth mentioning that this paper makes no comment on the appropriateness of the leave entitlements granted to members of the Defence Forces, whether serving in Ireland or abroad.

The provisions for the granting of annual leave to members of the Permanent Defence Force (PDF) are set out in Paragraph 16 of Defence Forces Regulations (DFR) A.11, authorised by the Minister for Defence in June 2011 pursuant to Section 26 of the Defence Act 1954, as amended. Paragraph 13 of DFR A11 provides for annual leave for members of the PDF serving overseas while Paragraph 17 of the DFR provides for special leave for members of the PDF on return from service outside the State.

According to the regulations, while personnel are serving overseas, the base annual leave number of days per year are reduced by a set amount depending on rank. On return from overseas service, Special Leave with pay and allowances is then normally granted to all ranks on the basis of 6 days in respect of each calendar month of service, subject to a maximum of 30 days. As detailed in Table 3.2 below, this results in a net gain per month in leave entitlements for members who have served overseas.

²⁵ <https://www.revenue.ie/en/corporate/information-about-revenue/statistics/tax-expenditures/index.aspx>

²⁶ As advised by the Statistics Branch of the Office of the Revenue Commissioners.

Table 3.2 Leave Entitlements and Overseas Service

Rank	Base Leave Entitlement	Annual Overseas Service Reduction (per month of service)	Special Pay (per month of service)	Leave (per month of service)	Net Gain in Leave (per month of service)
Enlisted Personnel	28 days	1 day	6 days		+5 days
Junior Officer	31 days	0 days	6 days		+6 days
Senior Officer	43 days	0 days	6 days		+6 days

Source: Department of Defence data

Using salary data from Department of Public Expenditure and Reform Pay and Pensions Division, the **average** daily rates (based on a 7-day work week less 13 DF holidays²⁷) paid to enlisted personnel and officers respectively are **€111.93** and **€173.77 (€122.23 Junior Officers and €225.30 Senior Officers)**. Therefore:

- The per month cost per enlisted personnel of net gain in leave (Daily Rate x 5 days) = **€559.65**
- The per month cost per Junior Officer of net gain in leave (Daily Rate x 6 days) = **€733.38**
- The per month cost per Senior Officer of net gain in leave (Daily Rate x 6 days) = **€1,351.80**
- The per month cost per Officer (average) of net gain in leave (Daily Rate x 6 days) = **€1,042.59**

However, PDF members serving overseas peace support missions are predominantly enlisted personnel. On average, **638.5** personnel were stationed overseas at any time during 2018²⁸. As stated in Section 2, the numbers of enlisted personnel and officers who received an Overseas Allowance (both OPSA and OAPSA) in 2018 were 1,555 and 436 respectively²⁹. Using this ratio, the average numbers of enlisted personnel and officers stationed overseas throughout 2018 were **498.7** (78%) and **139.8** (22%) respectively.

On this basis, the following leave costs are estimated:

Table 3.3 Estimated Annual Cost of Leave

Rank	(A) Per Person Cost of Additional Leave Per Month	(B) Average of Numbers Overseas Per Month	(A x B) Overall Cost of Additional Leave Per Month	[(A x B) x 12] Overall Cost of Additional Leave
Enlisted	€559.65	498.7	€279,085.03	€3,349,020.37
Officers	€1,042.59	139.8	€145,777.23	€1,749,326.73
Total		638.5	€424,862.26	€5,098,347.10

Source: Department of Defence data; Department of Public Expenditure and Reform pay data

²⁷ Defence Forces Holidays are provided for in DFR. A.11, and include 1st January, 17th March, Good Friday, Easter Monday, First Monday in May, 1916 Commemoration Day, First Monday in June, 11th July, First Monday in August, 15th August, last Monday in October, 25th December, 26th December and any other days as the Minister may specially authorize.

²⁸ From the Defence Forces Annual Report 2018, there were 594 personnel stationed abroad on 1 January, and 683 on 31 December 2018. This averages at **638.5** stationed overseas throughout 2018.

²⁹ From Table 2.2. above.

Therefore the estimated overall annual cost of this form of special leave as a result of overseas participation in 2018 was c. **€5.1m**.

Personnel who serve overseas are also in receipt of leave from the mission in accordance with each missions' Standard Operating Procedures during their deployment, which is generally three weeks.

3.3. Contributions to International Organisations

Ireland's overall contribution to the EU in 2018 was €2.519bn (2019: €2.431bn)³⁰. Under The EU Treaty, funds from the EU Budget cannot be spent on military and defence operations, so while some of the above contribution funds Common Foreign and Security Policy, the EU budget is not used to pay the costs of overseas peace support operations, and is therefore not relevant to this calculation.

Subhead A. 23 of Vote 36 is where payments are made in respect of EU missions to the Athena Mechanism, the off-budget EU instrument used for the purpose of meeting the common costs of EU missions under the Common Security and Defence Policy (CSDP). Contributions are made by EU Member States (with the exception of Denmark, which has an opt-out from CSDP) irrespective of whether they are participating in the mission or not. These contributions cover the costs of operating and running Force HQ, logistics, and infrastructure for forces as a whole. Payments to the Athena Mechanism are included in the non-pay costs detailed in Section 2.4 above. Member states cover their own particular costs of contributing to an EU mission, e.g. sending a Naval Service ship to participate in Operation Sophia, on the basis of "costs lie where they fall".

Ireland pays annual contributions to the United Nations Peacekeeping Budget, from which operations are financed, and from which costs are recouped to Vote 36. These payments, which arise by virtue of Ireland's membership of the UN and are not impacted in any way by participation in operations, are outlined in Table 2.5., with Ireland's total 2018 contribution estimated at c. **€21.159m**.

Table 3.4. Summary of Ireland's UN Peacekeeping Contributions

Organisation	2018 Contribution	Method of Funding	Recoupment
UN Peacekeeping	€21.035m	Vote 28	Yes ³¹
UN Regular Budget (UNTSO/UNMOGIP) ³²	€0.124m	Vote 27/28	No
Total	€21.159m		

Source: Department of Public Expenditure and Reform Databank

Ireland also pays contributions to a number of other international organisations including the Organisation for Security and Cooperation in Europe (OSCE) and the European Defence Agency (EDA). Some of these payments are funded from within the resources of Vote 36 while others may be funded through non-Voted expenditure (as in the EU Budget above) or through payments from the Department of Foreign Affairs. It is acknowledged that contributions to these organisations would arise irrespective of overseas deployment or peacekeeping. Furthermore, these amounts cannot be

³⁰ Department of Finance data.

³¹ Recoupment depends on each mission's Memorandum of Understanding. See Section 2.6 below.

³² Two Peacekeeping missions, UNTSO in Jerusalem (to which Ireland currently contributes 12 personnel) and UNMOGIP in Kashmir, are funded from within the UN Regular Budget, costing a combined c.€37m in 2018. Ireland's 2018 contribution to the UN was 0.335% of the total budget. Therefore as an estimate of Ireland's share of the contributions to these missions is c. €124,000.

recouped from organisations in respect of service. For this reason, this set of contributions are not deemed relevant to this paper, and these amounts are not presented in above calculations.

3.4. Recouped Costs

The UN reimburses (from within the Peacekeeping Budget) some personnel and contingent-owned equipment costs in respect of contributions of personnel to UN-led operations. The overseas missions for which Ireland is currently entitled to reimbursement of some troop and equipment costs are the United Nations Interim Force in Lebanon (UNIFIL) and the United Nations Disengagement Observer Force (UNDOF) on the Golan Heights.

Rates of reimbursement are set out in the Memoranda of Understanding between Ireland and the UN for each mission. Personnel, major equipment and self-sustainment costs are calculated at standard reimbursement rates which are predetermined by the UN. Adjustments are made in the standard rates to compensate for differences between operating conditions in different mission areas in respect of major equipment and self-sustainment. The timing of the receipt of reimbursements is dependent on the financial situation at the UN. Reimbursements are received in arrears.

Of 2018's reported €53.1m direct spend on overseas missions, c. €40m related to UN missions. In 2018, **€14m** was recouped within the year (€6.7m personnel, €7.3 equipment), and **€2.9m** was outstanding. It should be noted that monies recouped in 2018 may not necessarily relate to 2018 costs. While contributions are paid from within Vote 28, Vote 36 receives recouped amounts in respect of service.

Costs incurred on other missions in which the Defence Forces participate e.g. EU or NATO led missions and UN Observer missions are not reimbursed by the UN, the EU, or NATO.

4. Trends in Overseas Expenditure

Using the method established to identify that the total direct costs of overseas missions were €53.1m in 2018, it can be seen that expenditure peaked in 2008-2009 and reached its low-point in 2010. Based on total numbers deployed overseas, 2008, at 15.1%, also saw the highest proportion of the Defence Forces deployed on peace support missions in recent years (2018: 18.9%). The key expenditure drivers have been the number of personnel serving, the ranks serving, and the mission circumstances. Future expenditure could be impacted by both domestic and international factors.

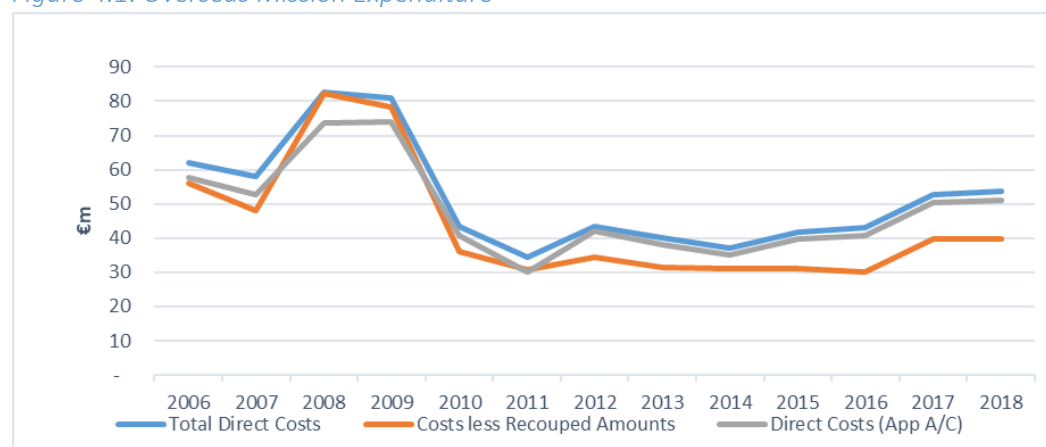
As comparable data is available from 2006 onwards, this paper makes use of that available data to expand beyond the normal 10 year period of review. This allows for a clear overview of spending on overseas missions, including 2008-2009, which were atypical years for overseas participation and were followed by a period of straitened Government spending. While the Department of Defence has made as much data available as possible, the information available for earlier years does not allow for a consistent breakdown to the same level of detail as more recent years. Broad composition of expenditure is presented for the entire period, and where relevant, further detail is provided for years 2014-2018. As amounts expended on leave entitlements as outlined in the previous section are considered within the pay total, and the estimated revenue foregone on tax expenditures is derived from the headline Overseas Allowance amounts, these figures are not detailed here.

4.1 Long-term trends

4.1.1 Overview

Figure 4.1 compares three different measures of cost for the period 2006-2018. As identified in Section 2, the Appropriation Accounts (grey line) report many of the direct costs of overseas participation charged to Vote 36. The figure of €51m reported for 2018 comprises pay, allowances, logistics, travel, and equipment costs for PDF members serving on overseas peace support missions. Adding other financial support and non-pay expenditure not reported in the Appropriation Account (blue line) brings the costs to €53.1m. If amounts recouped from the UN are included, the net cost (orange line) is €39.1m. The difference between total direct costs and costs as reported in the Appropriation Accounts averages €2.9m over the period, though is largest in 2008 (€6.8m) and 2009 (€5.8m), relating to non-pay costs of missions. Unless otherwise stated, “direct cost” hereafter refers to the “total direct cost” (blue line) calculation.³³

Figure 4.1: Overseas Mission Expenditure



³³ While Travel and Subsistence (T&S) costs include operational and staff posting costs, disaggregated amounts are not available for years 2006-2013. Total T&S costs are therefore included in totals in this chapter.

As illustrated here, spending on overseas participation peaked in 2008-2009, a period when Ireland, alongside other missions, was participating in dangerous and logistically-demanding missions in the Central African Republic and Chad, and in Kosovo. The low-point in spending over this period occurred directly following the withdrawal of the Irish battalion from MINURCAT (United Nations Mission in the Central African Republic and Chad) in April 2010, when that mission ended unexpectedly. The 5 years from 2010 to 2015 saw some fluctuation in expenditure, with a total direct cost average of c. €40m.

While direct costs rose by 44% between 2014 and 2018, amounts recouped from the UN increased by 128%. Amounts recouped varied significantly from a low of €250,000 in 2008 to €14m in 2018, with the variance arising from levels of participation in UN Peacekeeping missions (as distinct from UN-mandated but EU- or NATO-led missions) in any given year, as well as equipment costs of individual missions.³⁴ The figure can also be misleading with regard to reflecting expenditure on missions within a particular year as the UN pays in arrears and timing can impact on figures. For context, €13.7m was recouped in 2018 in relation to participation that year, with the balance being received in 2019. This figure is reflective of participation in UN missions, as Ireland cannot recoup amounts of EU- or NATO-led peace support missions. Further detail is provided in 4.1.4 below.

4.1.2 Composition of Expenditure

Figure 4.2 shows the elements that make up the total direct costs. Remuneration³⁵ here includes basic pay and Overseas Allowances (i.e. Overseas Peace Support Allowance (OPSA) and Overseas Armed Peace Support Allowance (OAPSA), which are payable in respect of service in extremely difficult and tense atmospheres under difficult climactic and living conditions).

Figure 4.2 – Composition of Overseas Mission Expenditure, 2006-2018



Source: Department of Defence data

While remuneration is by far the largest element, comprising an average of 87% of total expenditure over the period, other elements are more variable. Non-pay costs have ranged from 5% in 2012 to 27.5% of overall cost in 2008. As detailed in Section 2, non-pay costs comprise spending on travel and

³⁴ Appendix 1 shows all missions in which Ireland participated over the period 2006-2020.

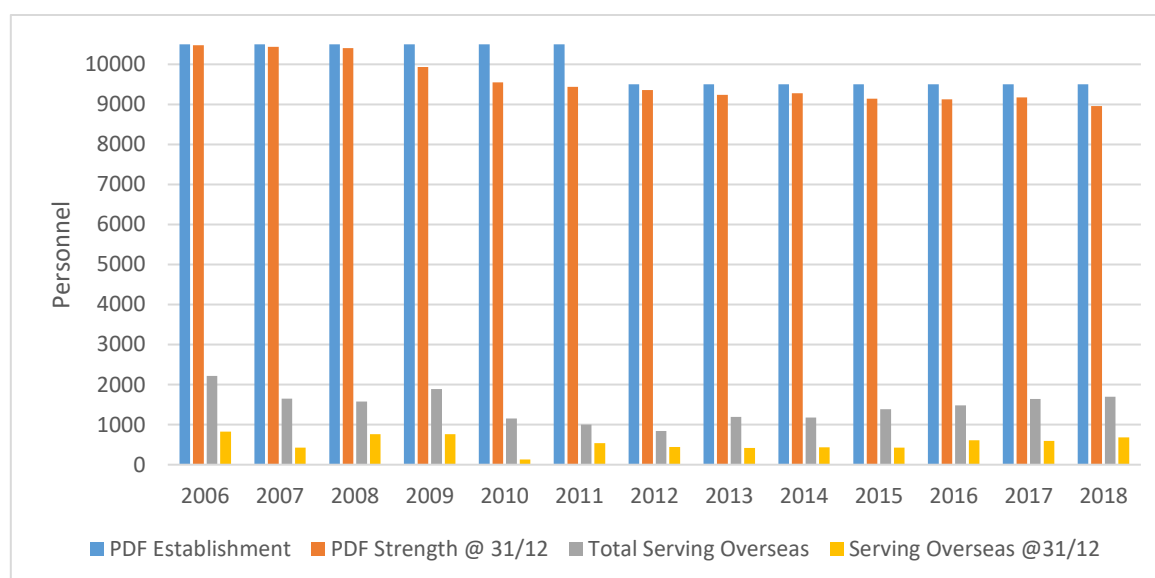
³⁵ As it is not possible to disaggregate basic pay from overseas allowances for the period 2006-2013, the category 'remuneration' is used in this section. Equally, disaggregated figures for operational Travel and Subsistence are unavailable for years 2006-2013.

subsistence for PDF personnel and mission support and ancillary costs across a number of areas. This also includes spending on the ATHENA mechanism to fund the common costs of EU missions. Irish involvement in the EUFOR mission in Chad in 2008, and the attendant deployment of over 400 personnel to a new mission area, resulted in the large increase in non-pay costs from 2007 to 2008. The withdrawal of the Irish battalion in 2010 from the area on the closure of the MINURCAT mission was accompanied by a reduction in these costs.

4.1.3 Personnel Numbers

During the period under review, numbers of personnel in the PDF have reduced. The military personnel target, or Establishment, was set at 10,500 in 2000, and reduced to 9,500 in 2012. The White Paper on Defence (2015) confirmed the Government's commitment to retain a PDF strength of at least 9,500 personnel. Actual PDF numbers have been consistently under this target for the period. Personnel numbers and personnel overseas are shown in Figure 4.3.

Figure 4.3 – Overall PDF Personnel and Personnel on Overseas Missions 2006-18



Source: Department of Defence data

Numbers serving abroad during the period have ranged from 9% of total PDF numbers to over 21% in 2006. In 2018, some 1,696 individuals were deployed on peace support missions, accounting for 18.9% of PDF strength. However, the international norm for the reporting of participation is the total personnel serving at one time, not the number of individuals who served overseas in any one year. This is shown in Table 4.1.

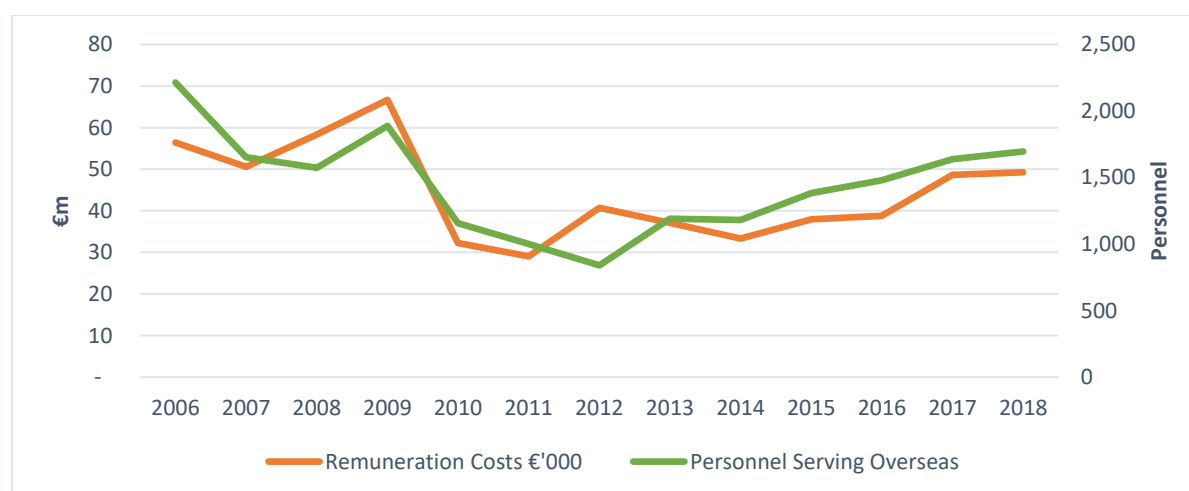
Table 4.1 PDF Personnel Overseas 2006-18

Year	PDF Strength @ 31/12	PDF Personnel Serving Overseas @ 31/12	PDF Personnel Overseas as % of Overall Strength
2006	10,479	826	7.88%
2007	10,434	428	4.10%
2008	10,408	766	7.36%
2009	9,933	764	7.69%
2010	9,550	134	1.40%

2011	9,438	536	5.68%
2012	9,359	443	4.73%
2013	9,236	418	4.53%
2014	9,280	432	4.66%
2015	9,140	429	4.69%
2016	9,126	609	6.67%
2017	9,173	594	6.48%
2018	8,957	683	7.635

The pattern of expenditure on remuneration has largely followed the personnel numbers serving overseas, as shown in Figure 4.4. While this appears intuitive - as more people serve, people costs increase - other factors (ranks of personnel, allowance rates, mission circumstances, etc.) influence overall remuneration costs, as will be outlined in the next subsection.

Figure 4.4 – Costs of Remuneration (Pay & Allowances) v Total Personnel Serving Overseas 2006-18³⁶



Source: Department of Defence data

4.1.4 Amounts Recouped

As outlined in Section 2, the UN reimburses (from within the Peacekeeping Budget) some personnel and contingent-owned equipment costs in respect of contributions of personnel to UN-led operations. Rates of reimbursement are set out in the Memoranda of Understanding between Ireland and the UN for each mission. Amounts received in any one year are not reflective of expenditure in that year as the timing of the receipt of reimbursements is dependent on the financial situation at the UN and reimbursements are received in arrears. Table 4.2 shows amounts recouped from the United Nations in respect of service overseas and amounts outstanding at year-end.³⁷

³⁶ Personnel numbers here are based on total personnel serving overseas within 2018. The norm for reporting on participation is a point in time total as in Table 4.1 (i.e. total personnel overseas at 31 December), but this figure is used here as it relates to cost of allowances.

³⁷ In the year under review (2018), UN Reimbursements were received each quarter. In each case the quarterly reimbursement related to a three (3) month period in respect of both COE and Troops. (albeit with different start/end dates e.g. a reimbursement received in Sept 2018 related to the period 1 April - 30 June in respect of contingent-owned equipment and the period 01 May - 31 July in respect of troops).

Table 4.2 Amounts Recouped and Outstanding from United Nations at Year-end 2006-2018

Recouped Costs within Year													
in respect of:	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Personnel (€m)	3.3	4.3	0.02	2.7	2	2.2	4	3.9	3.6	4.4	4.4	6.7	6.7
Equipment (€m)	2.7	5.9	0.23	-	5.1	1.5	5.2	4.7	2.5	6.2	4.9	6.2	7.3
Other (€m)	-	-	-	-	-	-	-	-	-	-	3.6	-	-
Total (€m)	6	10.2	0.25	2.7	7.1	3.7	9.2	8.6	6.1	10.6	12.9	12.9	14
Outstanding Costs at Year-End													
in respect of:	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Personnel (€m)	1.7	-	-	0.3	-	0.4	0.6	0.7	0.65	0.73	1	1.1	1.2
Equipment (€m)	3.3	0.14	-	3.4	-	1.3	1.2	0.6	0.55	1.17	1.2	2.3	1.7
Total (€m)	5	0.14	-	3.7	-	1.7	1.8	1.3	1.2	1.9	2.2	3.4	2.9

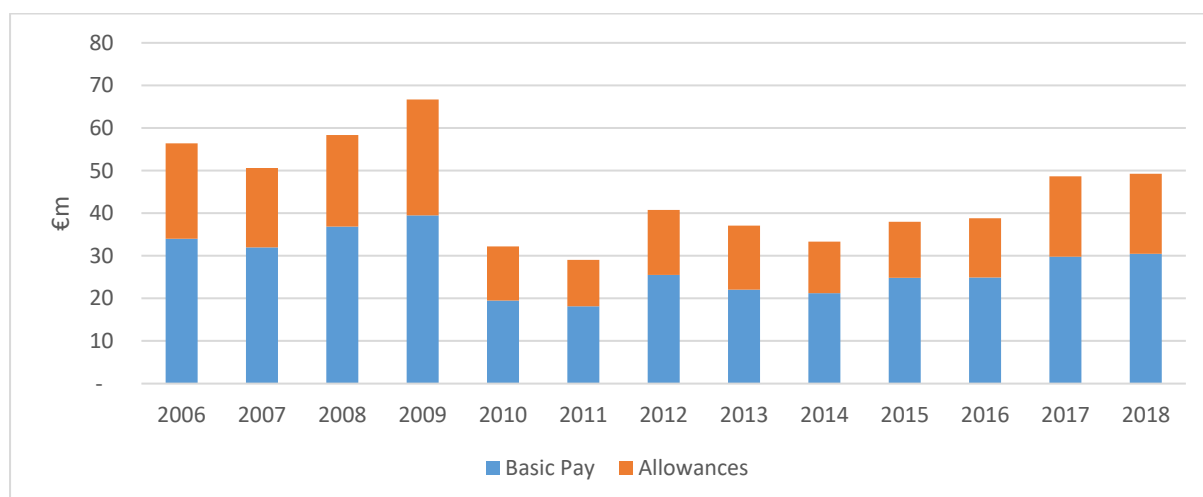
Source: Department of Defence data

4.2 Key expenditure drivers

4.2.1 Remuneration – Pay and Allowances

As is clear from the previous section, the most visible driver of expenditure on overseas missions, as with overall expenditure on the Defence Organisation, is remuneration, composed of pay and allowances³⁸. This is shown in Figure 4.5, with data drawn from the Vote 36 Outturn figures and the Appropriation Accounts for each respective year.

Figure 4.5 - Breakdown of Remuneration



Source: Vote 36 Appropriation Accounts 2018, C&AG

The largest element of this is basic pay³⁹, accounting for 62.1% of remuneration on average and an average of **54.1% of all overseas expenditure**. Basic pay is not contingent on the missions Ireland participates in, nor the circumstances of those missions, and is dictated entirely by Defence Forces pay generally, as decided in collective pay agreements (as with all public service pay). It is worth noting

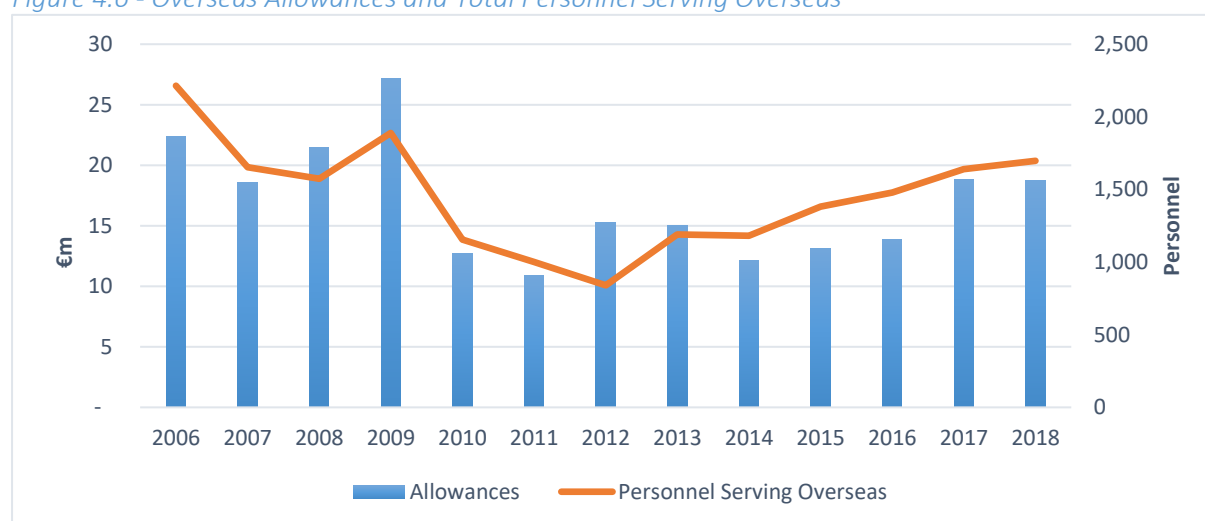
³⁸ Due to unavailability of further breakdown, Allowances in this subsection includes Overseas Allowances, other allowances (Financial Support Package), and other similar payments.

³⁹ Including MSA, as noted in Section 2.1.

that the amounts of pay expenditure outlined here would be the same regardless of what participation took place, even in the case that no personnel served abroad at all.

In contrast, fluctuation in amounts spent on Overseas Allowances are based entirely on operations – the numbers of personnel serving on overseas peace support missions and the particular circumstances of those missions - as shown in Figure 4.6.

Figure 4.6 - Overseas Allowances and Total Personnel Serving Overseas



Source: Department of Defence data;

From 2008 to 2009, expenditure on overseas allowances increased by 26% (€5.7m), and total personnel serving overseas increased by 20% (+314 personnel). Based on financial reports for the years in question the difference appears due to Overseas Allowance payments to personnel deployed on the MINURCAT (Chad) mission in 2009. The mission in Chad was a physically challenging and logistically complex mission requiring the deployment of armed personnel. Personnel were therefore entitled to OAPSA, as is the case with all personnel on armed deployments.

While the correlation between PDF members serving overseas and overall allowance expenditure is clear, the relationship is not a direct parallel. The average spend on allowances per person varies significantly due to the nature of the mission, primarily regarding the armed or unarmed nature of the mission, and the proportion of each rank of PDF personnel in service. From 2009 to 2018, the average annual cost of allowances per person is **€9,258**, though has ranged from €8,209 in 2017 to over €11,244 in 2013. The per-person cost of allowances in 2018 was **€9,432⁴⁰**. This average figure should not be taken as a representation of actual allowance accruing to any individual PDF member. Based on aggregate information available, these figures do not account for duration of participation (typically PDF personnel deploy on missions of 6-month duration), mission circumstances, or actual amounts paid to personnel involved.

⁴⁰ These figures are based on Appropriation Account data, and include all recipients of overseas allowances. Due to availability of data, the total direct costs figure identified in this paper does not allow for consistent breakdown of remuneration for years 2006-2013. In addition, the recipients figure includes numbers on short periods of overseas service, not part of mission deployments, and may also refer to prior years and payment of related allowances in arrears. As such, this should not be treated as definitive.

Table 4.3 - Total Overseas Allowances⁴¹

Year	Total Overseas Allowances - Pay (€'000)	Total Overseas Allowances - Recipients
2009	27,157	3,240
2010	12,727	1,550
2011	10,915	1,223
2012	15,254	1,388
2013	15,023	1,336
2014	12,127	1,249
2015	13,113	1,466
2016	13,906	1,629
2017	18,840	2,295
2018	18,768	1,990

Source: Department of Defence Appropriation Accounts

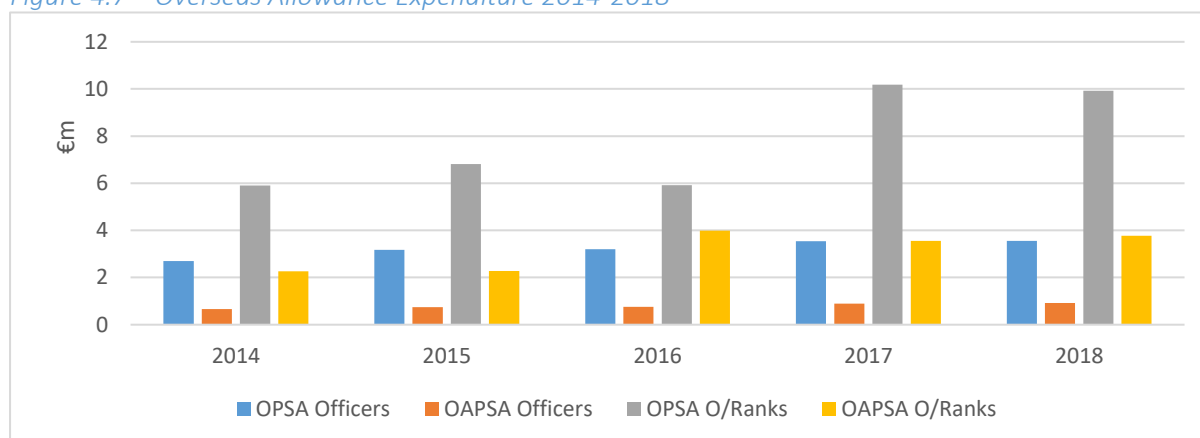
4.2.2 Mission Circumstances

The key drivers behind expenditure on Overseas Allowances are the numbers of personnel serving abroad and the nature and duration of the missions on which they are serving. As outlined in Section 2 of this review, PDF personnel are paid Overseas Peace Support Allowance (OPSA) in respect of each day of service within the 'theatre of military operations' on a qualifying mission overseas. Overseas Armed Peace Support Allowance (OAPSA) is an additional payment made to members of an armed contingent serving within the 'theatre of military operations' on such a mission.

A detailed breakdown of the Overseas Allowance amounts paid to officers and PDF personnel of other ranks are available only for the period 2014-2018. Reporting methods for 2006-2013 do not allow for this level of detail, and inconsistencies may arise if these data were included.

As stated previously, during this period total direct costs rose by 44% from c. €37.2m in 2014 to c. €53.1m in 2018. The breakdown of the amounts paid on these two allowances is shown in Figure 4.7.

Figure 4.7 – Overseas Allowance Expenditure 2014-2018

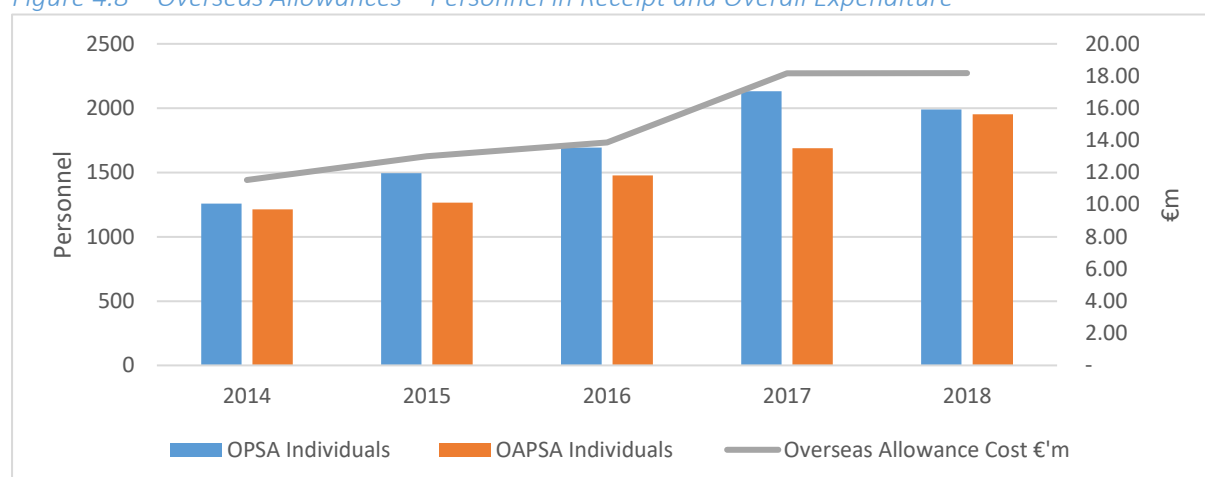


Source: Department of Defence data

⁴¹ These figures are based on Appropriation Account data, and include all recipients of overseas allowances. In addition, the recipients figure includes numbers on short periods of overseas service, not part of mission deployments, and may also refer to prior years and payment of related allowances in arrears. The amounts for each year can include payments of arrears, adjudication awards and back payments.

Figure 4.8 compares the numbers of personnel claiming Overseas Allowances in the years 2014-2018 and the overall allowance spend. Between 2017 and 2018, while the number of personnel eligible for overseas allowances reduced by 142 individuals, overall costs remained broadly static. During this same period, the proportion of individuals on armed, rather than unarmed, deployments increased from 79% to 98%.

Figure 4.8 – Overseas Allowances – Personnel in Receipt and Overall Expenditure



Source: Department of Defence data

As outlined in Section 2, membership of an armed contingent of the PDF participating in a peace support mission overseas warrants the payment of between €23.58 (Enlisted Ranks) and €24.71 (Officers) per day in addition to OPSA. While this increase may account for costs remaining at c. €18.2m, the differences in proportion of officers to enlisted personnel of other ranks may also drive the costs of allowances.

While OAPSA rates are broadly equivalent between ranks, Officers are entitled to €15-€27 more on OPSA per day than Enlisted Ranks. Therefore missions with a higher proportion of Officers deployed incur higher costs for the Defence Organisation. Over the period 2014-2018, the 58% increase in Overseas Allowances expenditure is matched by an equivalent 58% increase in personnel numbers. However, during this period, 70% of the additional personnel were Enlisted Ranks, while 30% were Officers. Throughout this period Officer and Enlisted personnel deployments have fluctuated, as outlined in Table 4.4 below.

Table 4.4 - PDF Personnel Serving Overseas 2014-2018⁴²

	2014	2015	2016	2017	2018
Officers					
Number	341	376	397	359	436
% of Overall Personnel	27%	25%	23%	17%	22%
Other Ranks					
Number	917	1119	1297	1773	1554

⁴² This table uses payroll data numbers. This includes personnel on short periods of overseas service, not recorded as mission deployments, and may also contain references to other years and payment of allowances in arrears. As such, this should not be treated as definitive. Figures are used to provide an indicative breakdown of overseas allowances between Officers and Enlisted Ranks, not the definitive 2018 position, for which we use the 1,696 figure provided elsewhere.

% of Overall Personnel	73%	75%	77%	83%	78%
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Source: Department of Defence data

As an illustration of the above, Table 4.5 shows a number of figures for some of the missions Ireland contributed personnel to in 2018. Each of these missions was ongoing throughout 2018. While the table is based on one year of activity alone, it appears that the higher proportion of officers on the KFOR, EUFOR, and Other UN missions result in higher per person allowance cost on average.

Table 4.5 – Mission Comparison 2018⁴³

Mission	Personnel Numbers	% of Officers	% of Personnel Armed	Average Allowance Cost per Person
UNIFIL (Lebanon)	1,248	18.1%	100.0%	€8,954.33
UNDOF (Golan Heights)	443	19.2%	100.0%	€9,349.89
KFOR (Kosovo)	36	41.7%	100.0%	€11,444.44
EUFOR (BiH)	13	76.9%	100.0%	€12,076.92
EUTM (MALI)	68	38.2%	100.0%	€9,955.88
Other UN Missions	46	100.0%	26.1%	€12,565.22
Mediterranean Search & Rescue	136	20.6%	97.1%	€7,639.71 ⁴⁴

Source: Department of Defence data

The particulars of any potential mission are examined in detail when considering any particular request for Irish participation. Costs incurred are one element of this. While mission mandates must issue from the United Nations, Ireland, though largely participating in UN-led missions such as UNIFIL and UNDOF, also participates in missions led by the EU (such as EUFOR Chad/RCA and EUTM Mali) and NATO (such as KFOR). The UN supports troop contributing countries by reimbursing certain personnel and contingent-owned equipment costs in respect of contributions of personnel to UN led operations. The overseas missions for which Ireland has to date received reimbursement of some troop and equipment costs are UNIFIL and UNDOF. Costs incurred on EU or NATO led missions and UN Observer missions are not reimbursed by the UN, the EU or NATO. It should be noted that amounts reimbursed are not included in the calculation of average allowance cost per person.

4.2.3 External Circumstances

Although expenditure on overseas missions is largely driven by the number of missions Ireland participates in and the numbers of personnel serving on those missions, there are additional factors outside of the Department of Defence's direct control which can impact on expenditure.

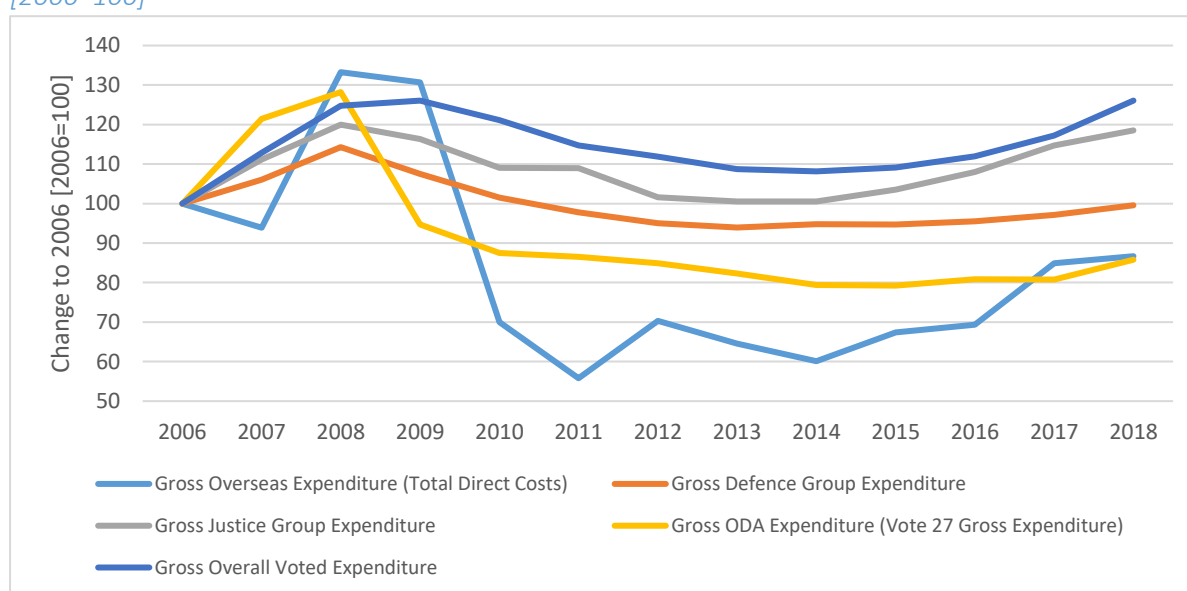
⁴³ The average allowance costs shown here are on the basis of the total amounts, and are included as an illustration of mission differences based on the preceding detail. This should not be taken as a representation of actual allowance accruing to any individual PDF member. These figures do not account for the realities of overseas participation, including duration of participation, mission circumstances, or the personnel involved.

⁴⁴ Mediterranean Search and Rescue missions during 2018 differed from standard overseas peace-support operations in a number of respects, including that were of shorter duration. Deployments were of 3 - 4 months rather than the standard 6 months, leading to lower annual allowance cost per person.

The first such factor is that the manner in which participation is requested and the availability of personnel will determine the scale of participation. The Defence Forces has a capacity constraint in personnel numbers in terms of the number of major missions which it can support, arising from the predominantly volunteer nature of overseas service, and available concentration, training and exercising capacity within existing Defence Forces infrastructure. Generally, the UN requests Ireland to deploy any of the personnel pledged under the Peacekeeping Capability Readiness System (PCRS) or any other capabilities which may be required for a mission⁴⁵. Various missions are considered on a case-by-case basis, and before a decision is taken, military authorities will advise on the capacity of the Defence Forces to undertake all required and potential assignments and duties at home and overseas. The military authorities must be satisfied that the capacity to undertake all required and potential assignments and duties, at home and overseas, notwithstanding the deployment of troops to peacekeeping roles overseas, is retained. In this context, overseas deployments are constantly reviewed to ensure that the contribution reflects the capacity and capability to address domestic security and defence requirements while also addressing the Government's commitment to Ireland's responsibilities in the area of international peace and security.

The second external factor is the general expenditure trend. Overseas expenditure has broadly tracked trends in comparable sectors but is noticeably more variable between years, as is shown in Figure 4.9, which details the movement in spending in a number of comparator sectors using 2006 as a base. As detailed above, the years from 2010 to 2014 represented the lowest levels of both personnel numbers overseas and overseas expenditure in the period examined. This timeframe also marked the most challenging years of the post-2008 economic downturn. Equally, the increase in expenditure and numbers serving overseas from 2014 to 2018 occurred alongside an increase in the overall gross expenditure of the Defence Group and in overall voted expenditure more broadly.

Figure 4.9 – Expenditure for Selected Comparators 2006-'18 - Measured by Difference to 2006 [2006=100]



Source: D/PER Databank

⁴⁵ PCRS is a system under which Member States submit a pledge, approved by the relevant member State's Governments, advising the UN of additional capabilities (over and above troops already deployed overseas) which that member State is prepared to make available to UN Peacekeeping Operations if requested by the UN Secretariat.

While overall voted expenditure shows a gradual decrease from 2009 to 2014 and a subsequent steady increase to 2018, expenditure on overseas peace support operations, while broadly following this trend, has been much more variable. The years from 2010-2014 show relatively low levels of overseas participation, corresponding to the most acute period of the post 2008 economic downturn, though it is impossible to say from the data available whether there is any direct correlation between the two.

The increase in overseas expenditure from 2007 to 2008⁴⁶ and the subsequent drop from 2009 to 2011 are both proportionally larger than any of the other spending areas chosen for comparison. It is also notable that while the Defence Group 2018 gross expenditure is at approximately the same level as 2006, expenditure on overseas missions is at c.87% of what it was in 2006.

Indeed the level of involvement in peace support also fluctuated greatly in the decade prior to the period for this review; overseas involvement was at an all-time high in 2005, while 2002 and 2003 were the lowest levels of involvement in decades.

4.3 Potential future expenditure drivers

There are a number of aspects, both those listed above and others, which could put pressure on expenditure on overseas peace support missions going forward. These are described in Table 4.6, below. As has been acknowledged in previous sections, the interrelated and interdependent roles of the Defence Forces do not easily lend themselves to separation, and so while domestic and international trends are treated separately in the following, these roles are considered in complement to one another.

Table 4.6 - Potential expenditure pressures

Domestic	Overall overseas expenditure and composition	The gradual increase in expenditure on overseas peace support from 2015 to 2018 has continued into 2020. The figure of €51m reported for overseas missions in the 2018 Appropriation Accounts will rise to €56.3m in 2019. In addition, the implementation in late 2019 of the Public Sector Pay Commission recommendation of a 10% increase in certain allowances (including overseas allowances) is also likely to affect expenditure. Overseas allowances increased by 10% to €20.7m during 2019. The full-year cost of this increase is set to be felt from 2020 onwards. Basic pay, however, has not increased by the same proportion. ⁴⁷
	Numbers serving overseas	The recruitment and retention issues in the Defence Forces are being tackled through a variety of measures, including the re-enlistment and re-commissioning of former personnel and ongoing recruitment campaigns. In this context, the Department of Defence advises that the ongoing level of participation in overseas missions will continue to determine the numbers and costs involved. The Government remains committed to returning to and maintaining the agreed strength of the Permanent Defence Force at 9,500 personnel as set out in the White Paper on Defence (2015) and, in that context, recruitment is ongoing. With regard to participation in future missions, the intention is that Ireland will continue to meet its commitments

⁴⁶ 2007/2008 costs include substantial infrastructure, equipment and set-up costs for the EUFOR Chad mission unique to this mission.

⁴⁷ Basic Pay increases since the application of the PSPC recommendations include the September 2019 annualised salaries increase of 1.75%, and the January 2020 annualised salaries of up to €32,000 increase of 0.5%. Take-home pay was increased for most ranks of the PDF due to the increase in Military Service Allowance under the PSPC measures.

	<p>to UN and other multilateral peacekeeping operations in support of international peace and security into the future. In this context, the deployment of Defence Forces personnel overseas is constantly reviewed to ensure that the current contributions to overseas missions reflects the capacity and capability to address domestic security and defence requirements while also addressing the Government's commitment to Ireland's responsibilities in the area of international peace and security.</p> <p>Government policy will determine future trends in relation to numbers of personnel serving overseas. The three years to end-2018 saw total numbers serving abroad per year grow by 15% and between 2018 and 2019 the proportion of the total PDF strength serving abroad increased from 18.9% to 20.6%. However, these numbers represent the circumstances of the time: Ireland's 2017 and 2018 commitment of ships to missions in the Mediterranean (including the CSDP Operation Sophia) did not continue past 2018 and in November 2018 Ireland was required to backfill an additional 140 personnel to UNIFIL on the departure of the Finnish battalion. Neither of these commitments exist today at the same scale, and overall numbers serving abroad have therefore reduced in 2020, currently varying between 520-580 on a monthly basis⁴⁸.</p>
Domestic security	<p>While the international roles of the Defence Forces are essential, in certain circumstances, domestic safety, security and defence may take precedence, as the COVID-19 pandemic has recently brought to the fore. Were a crisis at home to require mobilising the Defence Forces domestically, it is entirely possible that the ability of the Defence Forces to commit significant numbers of personnel abroad could be reduced. This could take the form of a situation where there is prolonged focus on a domestic emergency. Alternatively, should recruitment and retention difficulties continue despite the measures to increase pay and allowances on foot of the 2019 Public Sector Pay Commission Report, there may be limits on the number of personnel available for overseas duty. While UN Peacekeeping and EU CSDP remain central to Ireland's foreign, security and defence policy, such situations may serve to make <i>non</i>-UN-led overseas peace support missions more challenging in the future, particularly where Ireland bears the full cost of participation.</p> <p>Indeed, the 2000 White Paper on Defence details that decisions for participation will be made in light of "the need for overseas peace support operations to be balanced and proportionate with respect to the defence budget, resources and other commitments,⁴⁹" and the 2015 White Paper on Defence notes that "a key challenge in framing a defence policy response is to balance expenditure on maintaining and developing a specific set of military capabilities, against the risk of not being in a position to respond comprehensively if and when required to do so." In any decision to participate in operations, specific considerations of domestic security requirements and "the level of existing commitments to peacekeeping operations and security requirements at home"⁵⁰ are undertaken and</p>

⁴⁸ D/Defence Information.

⁴⁹ White Paper on Defence 2000, pp.63-64.

⁵⁰ *Ibid.*

		balanced against Ireland's continued commitment to active and positive engagement in the EU CSDP, and more broadly, in international peacekeeping, as outlined in the 2015 White Paper ⁵¹ .
International	EU - CSDP	<p>Closer EU co-operation on defence could primarily impact on the cost of overseas operations through higher contributions (which would arise irrespective of peacekeeping operations).</p> <p>Having been on the agenda since at least the 1992 Maastricht Treaty, there has been a renewed push in the area of Common Security and Defence Policy (CSDP) since 2013. The framework for the current status of CSDP is laid out in the publication <i>EU Global Strategy</i> (June 2016) and the subsequent <i>Security and Defence Implementation Plan</i> (December 2016), which coincide with the UN's continued reliance on regional organisations to implement Security Council resolutions.</p> <p>Defence co-operation is manifested in a number of European instruments, existing and proposed, only some of which relate specifically to overseas operations. PESCO is a capability development initiative aimed at supporting the EU's capacity to respond to international crises, including in support of the UN. For Ireland, participation in PESCO is specifically aimed at enhancing Ireland's military capabilities for participation in UN mandated peace support operations. There are currently 47 PESCO projects that are being developed and Ireland is currently a participant in one project - the upgrade of Maritime Surveillance - and is an observer on a further nine projects. While PESCO does not of itself involve any additional costs to the Exchequer, additional costs may arise, similar to cases where the Defence Forces have participated in EDA Projects.</p> <p>The most likely source of increased spending on international defence aspects is the European Peace Facility, a proposal of the HR/VP for an off-EU-budget instrument to finance defence and security, replacing the current African Peace Facility and the Athena mechanism, and expanding the scope of military capacity building:</p> <ul style="list-style-type: none"> • Currently the African Peace Facility is funded through Vote 27 – International Co-operation, corresponding to its aim to bring peace as a basis for sustainable development.⁵² • The ATHENA Mechanism is the current off-EU Budget instrument whereby EU Member States can bypass the Treaty on the European Union restrictions⁵³ on expenditure of a military nature and finance security and defence operations led by the EU. The EUTM Mali and EUFOR missions are funded in this way. Payments to the ATHENA Mechanism come through Vote 36. <p>The EPF will replace both of these instruments and comprise a €5 billion fund both to finance missions on an ongoing basis, and to maintain a contingency fund for emergency deployments. This facility would be off-EU budget. Given</p>

⁵¹ White Paper on Defence 2015, p.28.

⁵² https://ec.europa.eu/international-partnerships/system/files/apf-brochure-final_en.pdf

⁵³ Treaty of European Union, Article 41(2) stipulates that EU funding may not be used to finance recurrent military expenditure, arms and ammunition procurement, or training that is solely designed to contribute to the fighting capacity of the armed forces.

		the scale of the facility, there are likely to be significant cost implications for the Exchequer arising, although some of the costs will be offset by existing contributions to the APF and Athena. It should be noted that these costs will arise in the normal course as a result of EU membership and participation in EU CSDP rather than any link to participation in peacekeeping operations.
	BREXIT	Britain's exit from the EU could have unforeseen ramifications for defence expenditure. Even in the absence of any expansion of the common costs for EU missions, the loss of the United Kingdom as a contributor means that remaining States, including Ireland, may have to contribute more if the level of funding is expected to remain the same.
	United Nations	<p>As set out in the 2015 White Paper on Defence, "Ireland has a long and proud tradition of participation in UN mandated peace support operations. The deployment of the Defence Forces on such missions continues to provide an active and very tangible demonstration of Ireland's commitment to supporting the maintenance of international peace and security"⁵⁴.</p> <p>With this in mind, there are a number of developments at UN level which may have financial repercussions for Ireland's participation in Peacekeeping missions in the future.</p> <p>The UN Peacekeeping budget is funded through assessments whereby states are legally obliged to pay an amount that is referenced to their GNI, GNI per capita, and debt burden. This budget has suffered from financial constraints in recent years⁵⁵. Ireland pays a proportional rate of GNI, as do most developed nations, while the five permanent members of the Security Council make larger contributions because of their special responsibility with respect to the maintenance of international peace and security⁵⁶. The accruing of arrears from states who do not pay or who pay only a proportion of their assessment⁵⁷ means that missions are somewhat cash constrained, effecting the overall effectiveness of missions, and the ability of Ireland to recoup costs from the UN within a timely period. As outlined above, while the timing of amounts recouped have been more regular in recent years, there have been amounts outstanding at the end of each year in the period reviewed. In 2019, this amount was c. €3m⁵⁸.</p> <p>Additionally, climate change and environmental concerns have come into focus in the context of peacekeeping operations since the early 2010s⁵⁹, accelerated by a 2012 report by the UN Environmental Program titled</p>

⁵⁴ White Paper on Defence 2015 (<https://assets.gov.ie/21963/f1e7723dd1764a4281692f3f7cb96966.pdf>)

⁵⁵ <https://www.un.org/press/en/2019/gaab4326.doc.htm>

⁵⁶ <https://peacekeeping.un.org/en/how-we-are-funded>

⁵⁷ The USA, for instance, was assessed at c. 28% of the Peacekeeping budget for 2020, but as has been the case since 1994, the US Congress has unilaterally capped its payment at 25-27%.

⁵⁸ As amounts are paid in arrears of generally 90 days, amounts outstanding at year end are unavoidable.

⁵⁹ See for example: <https://www.greeningtheblue.org/news/un-peacekeeping-operations-go-green>

		<p>'Greening the Blue Helmets'⁶⁰. It has been acknowledged that UN peacekeepers "import massive amounts of materials and people into the areas where they operate, increasing their environmental footprint. Moreover, these missions are often situated alongside fragile rural and urban communities, exposing wide disparities between these communities and the peacekeepers in their consumption and waste patterns."⁶¹ MINUSMA, the UN's mission in Mali to which Ireland contributes forces, was the first to be given a mandate to address the environmental fallout of its activities. Given the present focus on the climate emergency, calls for incorporating environmental protection into missions may increase mission costs and have already led to calls for an increase in reimbursement of participating countries for the use of equipment⁶².</p>
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⁶⁰ Jensen and Halle, Greening the Blue Helmets: Environment, Natural Resources and UN Peacekeeping Operations (Nairobi, Kenya, United Nations Environment Programme) 2012
https://operationalsupport.un.org/sites/default/files/unep_greening_blue_helmets_0.pdf)

⁶¹ Maertens and Shoshan, Greening Peacekeeping: The Environmental Impact of UN Peace Operations, (International Peace Institute), 2018.

⁶² As in the "Manual on Policies and Procedures Concerning the Reimbursement and Control of Contingent-Owned Equipment of Troop/Police Contributors Participating in Peacekeeping Missions", UN Doc. A/72/288, August 4, 2017.

5. International Expenditure

International comparison is made difficult by the lack of publicly available data, and by the breadth of difference between nations in their international security and defence policies. As such, the international perspective is best used for context rather than comparison between militaries.

In exploring international comparison for Ireland's Defence sector, a key conclusion drawn from the 2017 Spending Review of the Defence Vote Group was that "[t]here is ultimately no 'one size fits all' global or regional benchmark, either for overall defence spending or for individual categories of expenditure. This is true even for comparably-sized nations and militaries." Having sought an international comparison with New Zealand (due to the relative sizes and populations of the two countries, and personnel numbers in the militaries of each), that Review found that policy differences and differing definitions of the roles of armed forces accounted for differences in spend, making comparison with any similar sized nation difficult. This is particularly so due to the differences in pay costs nationally and regionally and conscription policies practiced by a significant number of states. The global comparison presented here on the amounts and proportions of overall defence spending Ireland commits to international peace support operations will not attempt to provide a like-for-like, country to country comparison, but rather will seek to provide context in which to view Ireland's Defence expenditure.

The nature of defence and security means that data for such a comparison is not as readily publicly available as perhaps would be for other sectors. That said, there are high-level figures available for national defence expenditure worldwide from organisations such as the **Stockholm International Peace Research Institute (SIPRI)** and the **Bonn International Center for Conversion (BICC)**. While this will not shed any light on overseas peace support expenditure, it will provide context for those figures. Expenditure on international operations by selected militaries is available from a number of sources such as the **European Defence Agency (EDA)** (of which Ireland is a member) and non-governmental organisations (NGOs) such as **International Peace Institute**.

To further develop the above caveat, it should be acknowledged that Ireland's status and defence and security policy, within its multilateral foreign relations policy, make the country somewhat unique in the international context. In this regard, Ireland is:

- Militarily neutral⁶³,
- Non-aligned to NATO or other military alliances,
- An EU Member State, and strong supporter of co-operative and collaborative security arrangements therein⁶⁴,
- An active and engaged supporter of UN peacekeeping and crisis management, and
- A small, advanced, open economy.

All data in this Section, and any comparisons made between militaries or nations, should be considered with these features in mind.

⁶³ As characterised in the White Paper on Defence 2015 as non-membership of military alliances and non-participation in common or mutual defence arrangements.

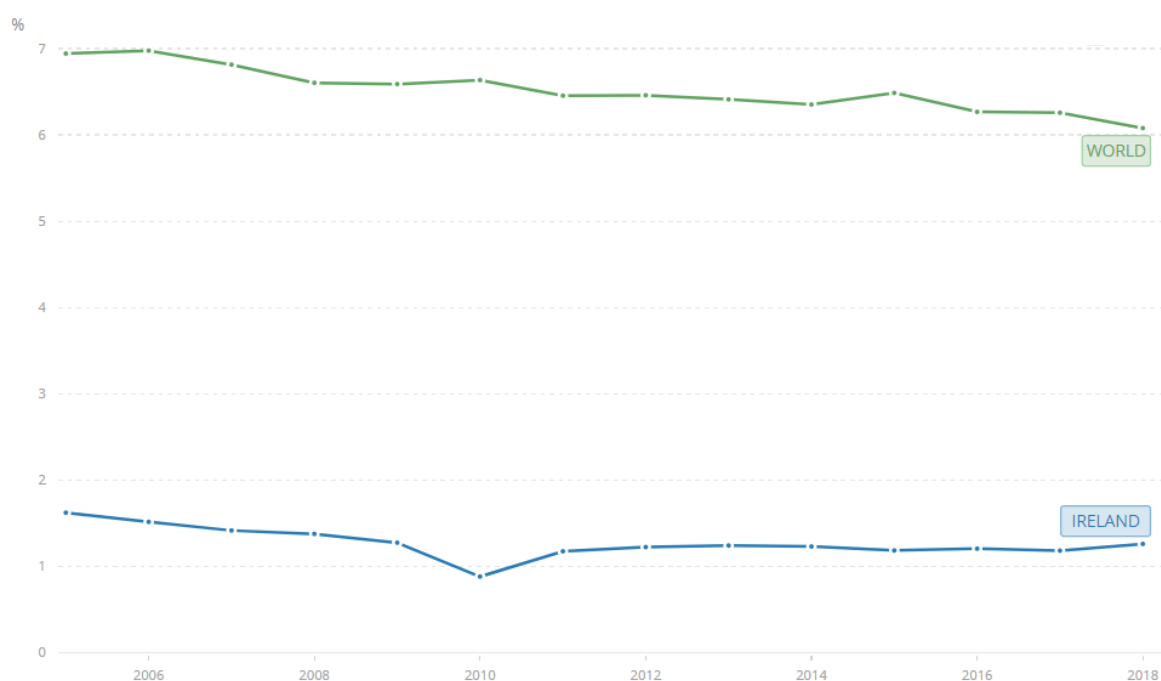
⁶⁴ Within the framework of multilateralism and collective security and in support of international peace and security.

5.1. Global Comparison of Military Expenditure

The 2017 Spending Review on the Defence Vote Group found that the level of Irish expenditure on defence appeared low by a number of international indicators. As in 2018, total defence spend as a percentage of GDP and as a percentage of overall Government spending has consistently been low relative to other nations. In comparing defence expenditure with other European Defence Agency members, however, the Spending Review found that the proportion of expenditure on personnel was high. As noted in the paper, while Ireland ranked comparatively low for overall defence expenditure as a percentage of its GDP, it led on its defence personnel spending as a proportion of overall spend. This is due to the fact that Ireland's defence expenditure on equipment is low by international standards, as outlined in the 2017 Spending Review, and the majority of annual Irish defence spending is accounted for by personnel costs incorporating both pay and pensions.

The paper also found that Ireland's actual annual financial spend on defence and defence expenditure per capita were closer to average European figures, and, though military spending has declined globally in the post-Cold War era, Ireland's decline in spending has been less severe than global and European comparators. This was found to be the case with military expenditure as a percentage of GDP, GNP, and as proportion of overall Government expenditure. Global military expenditure as a proportion of GDP by 1.13% declined from 1990 to 2018, compared to Ireland's decline of 0.087% over the same period.⁶⁵ However, considering military expenditure as a proportion of general government expenditure may provide a more accurate analysis. Using this metric, Ireland's spend is lower than average, and from 2005 to 2018, world military expenditure declined by 12.4%, while Ireland's expenditure declined by 22.3% over the same period. In 2018, Ireland's expenditure on the Defence Vote Group (c.€944m) was 0.48% of Modified Gross National Income (€197.5bn)⁶⁶.

Figure 5.1 - Military Expenditure as % of general government expenditure 2005 - 2018



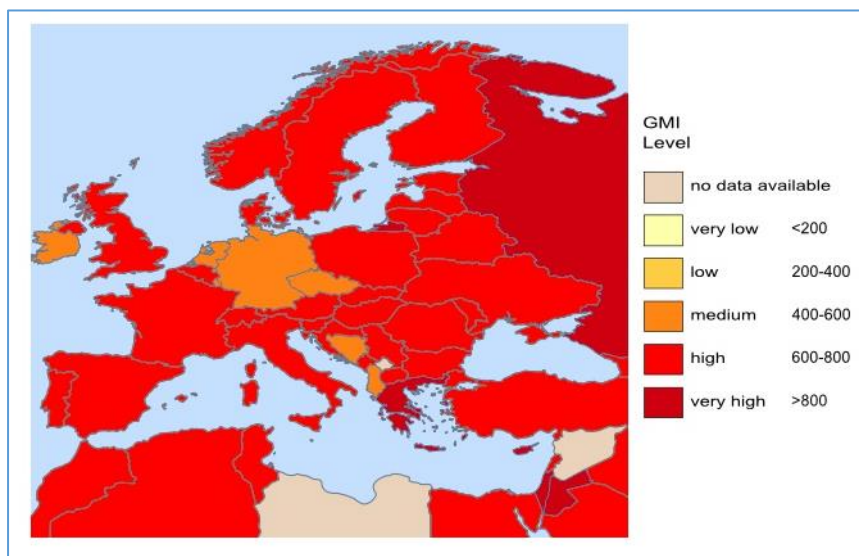
⁶⁵ This was noted in the Spending Review 2017 noted that a calculation on the basis of GDP may be deceptive. This figure, extracted from the World Bank dataset [data.worldbank.org], is presented as an indication of the trend. See Spending Review – Defence Vote Group, D/PER 2017 for further detail.

⁶⁶ Central Statistics Office, July 2019.

Source: World Bank Databank

The Global Militarization Index (GMI) produced each year by the BICC scores the overall defence expenditure, personnel numbers, and heavy weapons of 154 countries, and provides a point of comparison between countries for the purposes of studying regional developments⁶⁷. As illustrated in Figure 5.2., Ireland's GMI ranked lower than most other European nations. Ireland also ranked 118 out of 154 countries internationally according to the 2018 list⁶⁸. So, while the GMI shows Ireland has higher per capita and personnel costs than average⁶⁹, the country's level of military expenditure is relatively low by international and regional standards.

Figure 5.2. Global Military Index Map 2018



Source: adapted from <https://gmi.bicc.de/>

5.2. Ireland within Europe

The dataset collated by the European Defence Agency (EDA) is used here to provide context for Ireland's expenditure on overseas participation among other European nations. The EDA, set up in 2004 as an agency of the European Council, is an intergovernmental instrument at EU level to support defence capability development in support of Common Security and Defence Policy (CSDP). It is headed by the EU High Representative of the Union for Foreign Affairs and Security Policy, and, alongside its primary function in support of capability development, it also functions as the secretariat for other co-operative instruments such as Permanent Structured Co-operation (PESCO) and the Co-ordinated Annual Review of Defence (CARD)⁷⁰.

⁶⁷ This is calculated on the basis of weighted scores for the following variables: (a) military spending in relation to GDP and health spending, (b) number of military personnel relative to general population and number of physicians, and (c) number of heavy weapons in relation to total population. Further detail on method available at: gmi.bicc.de.

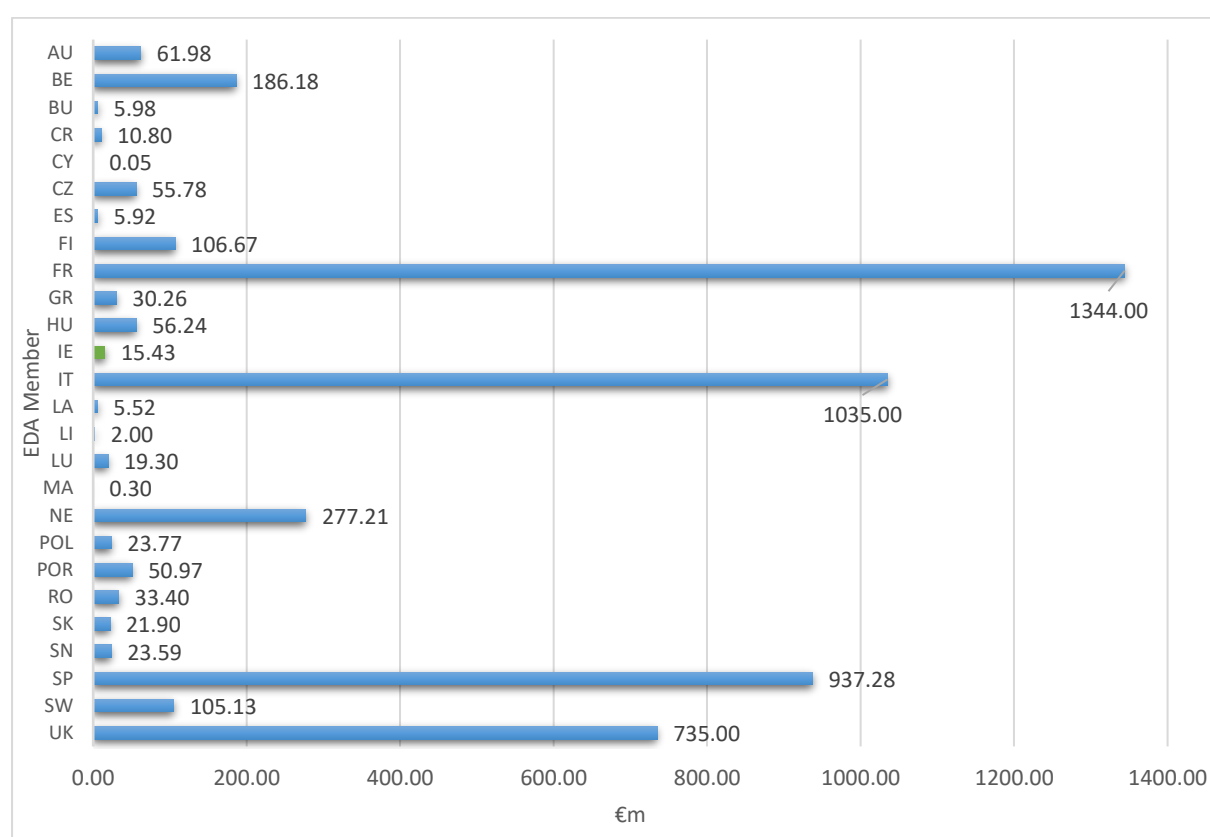
⁶⁸ https://gmi.bicc.de/index.php?page=ranking-table?year=2018&sort=rank_asc

⁶⁹ As noted in the Spending Review 2017 and subsequently in the 2019 Trends in Public Expenditure paper, personnel costs (incorporating both pay and pension expenditure) make up the majority of Defence Group expenditure. Ireland's expenditure on equipment and infrastructure is small by international standards. This accounts for the higher proportion of personnel costs.

⁷⁰ https://www.eda.europa.eu/docs/default-source/eda-factsheets/2020-02-04-factsheet_eda-at-a-glance_a4

The EDA has collected and compiled data on defence spending and force size of the EDA Member States (all EU Member States with the exception of Denmark⁷¹) since 2006. Data for Ireland is compiled by the Department of Defence's Finance Branch on request from the EDA, and is compiled from various civil/military sources. This paper will use the figure reported for **Operations Costs (Deployed)** as the unit of comparison. Operations Costs (Deployed) are defined as "all national expenditure to cover incremental (extra) costs linked to deployed operations outside the EU Member States' territory." In line with EDA requirements, these costs exclude pay and equipment but include spending under various other headings which relate to overseas operations⁷². While this does not represent the totality of expenditure on overseas peace support, it is a useful benchmark, given each country reports on a similar basis. This data is available for the period 2006-2016. Figure 5.3 gives an overview of Operations Costs by the EDA 27 for the year 2016 (the most recent year for which comprehensive data is available).

Figure 5.3 Operations Costs (Deployed) 2016



Source: European Defence Agency – Defence Data Portal

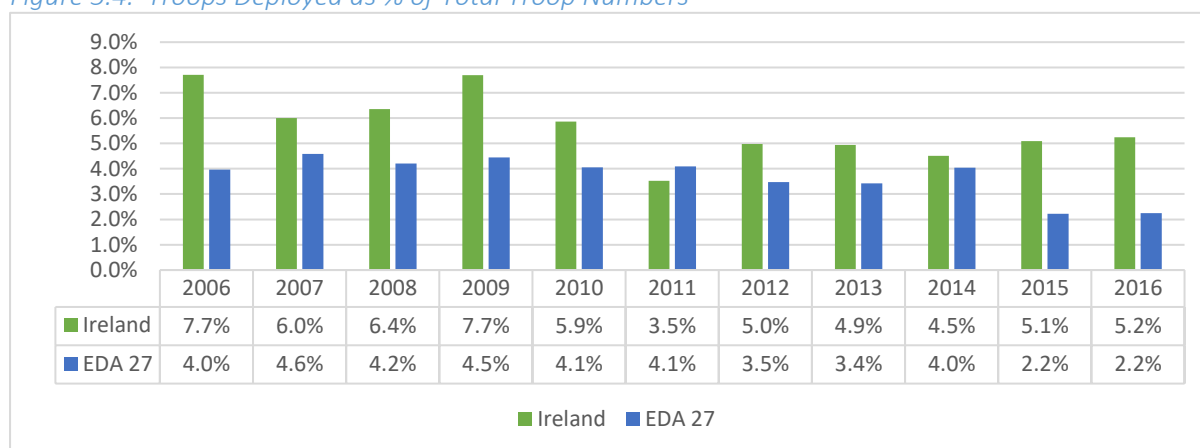
⁷¹ Denmark does not participate in the formulation and implementation of EU decisions and actions which have defence implications – see Article 6 of the *Protocol annexed to the Treaty on European Union and to the Treaty establishing the European Community - Protocol on the position of Denmark*.

⁷² These include, for instance, costs of: transport; deployed personnel (i.e. – extra salaries, insurances, housing, allowances and other benefits; as well as other spending related to personnel deployed in the theatre of operations); logistics, infrastructure (i.e. rents for buildings and fields), C2 systems, support and sustainment ; all Operational and Maintenance expenditure and additional procurement. Common costs of financing operations, such as those related to the ATHENA Mechanism are also included.

Ireland is positioned 19th when compared to other EDA members. Given the relatively small population and the particularities of Ireland's security and defence policy, as outlined above, this is to be expected.

While Ireland appears in the lower third in terms of operations spending, when measured in troop contributions, Ireland's level of participation is above average. In fact, the numbers of troops deployed relative to total troop numbers is far in excess of the EDA average, as seen in Figure 5.4, and, with the exception of operations during the lowest ebb of the economic crisis in 2011, this has consistently been the case over the period in question.

Figure 5.4. Troops Deployed as % of Total Troop Numbers



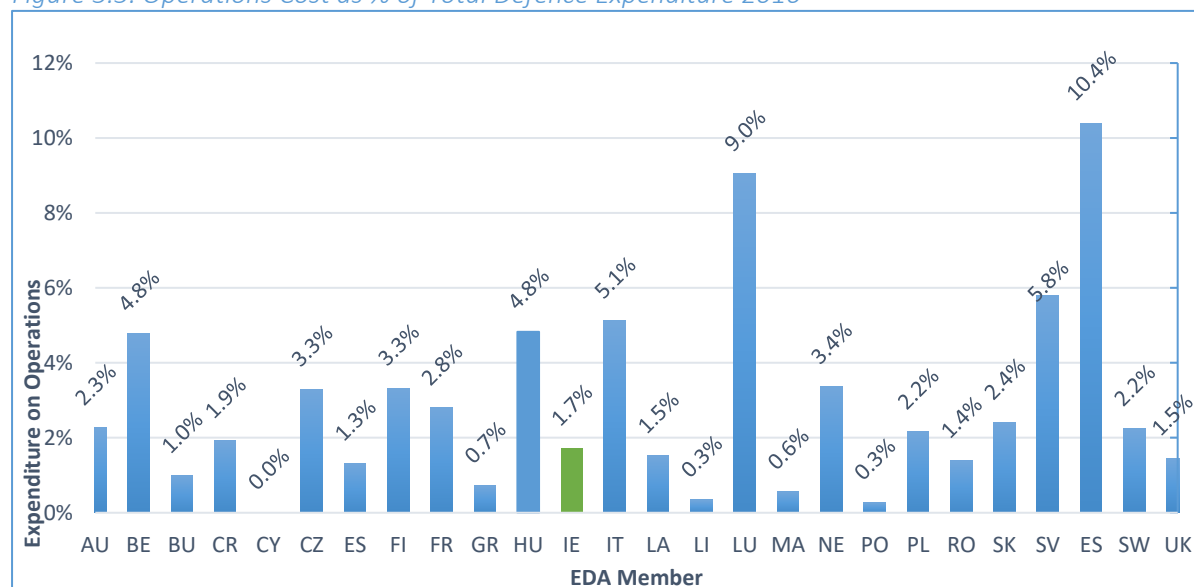
Source: European Defence Agency – Defence Data Portal

It is also worth noting that Ireland contributed a higher number of troops to UN Peacekeeping than nations with much larger populations. At December 2018, Ireland ranked 34th of 122 countries in terms of absolute personnel numbers serving on UN Peacekeeping missions⁷³. This is in line with Ireland's international defence policy, a hallmark of which was reiterated in the White Paper Update 2019 as 'a highly engaged and participative approach internationally, particularly through the UN and the EU'⁷⁴. For 2016, Figure 5.5 shows the proportion of overall Defence Expenditure spent on operations overseas.

⁷³ UN Peacekeeping, 2018. Available at https://peacekeeping.un.org/sites/default/files/2_country_ranking_8.pdf.

⁷⁴ White Paper on Defence Update 2019, Department of Defence, 12 December 2019, p.1.

Figure 5.5. Operations Cost as % of Total Defence Expenditure 2016



Source: European Defence Agency – Defence Data Portal

6. Conclusions

The analysis undertaken here for the Spending Review 2020 has established a baseline for understanding expenditure on overseas peace support missions. The total direct cost of participation in 2018 was €53.1m. This amount includes pay, overseas allowances, and a number of non-pay costs, including overseas sustainment and operational costs.

There are other indirect costs incurred which are not evident in the above calculations. In 2018, the indirect costs of overseas peace support operations comprised €5.1m in additional leave and entitlements provided to members of the Permanent Defence Forces in respect of overseas service, already reported within the Defence paybill and as provided for under Defence Forces regulations, and €5.4m revenue foregone on non-taxation of overseas allowances (i.e. Overseas Peace Support Allowance and Overseas Armed Peace Support Allowance) paid to members of the Permanent Defence Force serving overseas.

Ireland's annual contribution to the UN Peacekeeping Budget (2018: €21.2m made by Vote 28) arises due to Ireland's membership of the United Nations, and is not linked to participation in operations. However, on the basis that recouped amounts in respect of service are drawn from this budget, detail on both contributions and these recouped amounts have been included in this review.

Some personnel and equipment costs can be reimbursed for participation by the Permanent Defence Forces in UN-led operations, relevant to an overall assessment of the net cost of overseas missions. In 2018, the amount received by Vote 36 was €11.1m. Recoupments are paid in arrears, and amounts recouped were found to have varied significantly over the period in review.

Analysis of expenditure from 2006 to 2018 shows that the key expenditure drivers are the number of personnel serving in any one year, the ranks serving, and the mission circumstances. During that period direct costs peaked in 2008 at €82m, decreasing to a low point of €35m in 2011 and rising by €16m in the period 2014-2018. Remuneration has consistently been the largest element of cost, comprising an average of 87% of expenditure over the period, with pay (including both basic pay and Military Service Allowance) accounting for an average of 62% of remuneration and 54% of direct costs. While Defence Group expenditure in 2018 was at approximately the same level as 2006, expenditure on overseas missions in 2018 was 87% of 2006 expenditure. In 2018 the total number of individuals serving abroad accounted for 18.9% of overall PDF strength, though this figure has ranged from 9% in 2008 to 21% in 2006.

Both domestic and international trends could impact the direction of future expenditure. For example, the three years to 2018 saw the overall numbers serving abroad per year grow by 15% to 1,696 or 18.9% of the total PDF strength. Total numbers deployed in 2019 were 1,788 or 20.6% of PDF strength. However, the 2019 numbers are largely explained by temporary increases in participation in Operation Sophia in the Mediterranean and backfilling personnel on the UNIFIL mission in 2018 and, as such, this trend may not continue. Separately, expenditure on Overseas Allowances increased by 10% to €20.7m in 2019. This trend is likely to continue in 2020, when the full-year cost of allowance increases is felt. In terms of international trends, the overall Exchequer cost of Ireland's financial contribution to international operations will increase from 2021 with the introduction of the European Peace Facility, an off-budget €5 billion fund to both finance missions on an ongoing basis and maintain a contingency fund for emergency deployments. These costs, however, arise through European Union membership and participation in EU Common Security and Defence Policy rather than having a link to Defence Forces participation in specific overseas peacekeeping missions.

As was previously shown in Spending Review 2017, international comparison between other militaries

or nations in respect of overseas operations is difficult, particularly given Ireland's somewhat unique defence and security policy, within its multilateral foreign relations policy. Nevertheless, while overseas operational expenditure is low relative to other European Defence Agency members, Ireland's level of involvement in overseas operations (measured in personnel deployed relative to total troop numbers) is more than double the EDA average and has remained above average during the period under review, in line with Ireland's engaged and participative international defence policy.

Continued analysis of this topic would be of benefit going forward. The Department of Public Expenditure and Reform and the Department of Defence should develop a series of key financial metrics with regards to participation in overseas missions, which could be used to better understand the dynamics of a particular year or a particular mission and aid decision-making going forward.

Appendix 1. Defence Forces Participation Overseas 2005-2019

Organisation	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Location	
United Nations	UNIFIL															Lebanon	
	UNTSO															Jerusalem	
	MINURSO															Western Sahara	
	MONUSCO															Congo	
	UNNY															UNHQ New York	
									UNDOF							Golan Heights	
															*	Mali	
	UNOCI																Côte d'Ivoire
	UNMIK															Kosovo	
					MINURCAT												Chad/CAR
	UNMIL																Liberia
	UNFICYP																Cyprus
European Union	EUFOR															Bosnia & Herzegovina	
									EUTM							Mali	
											EUNAVFOR					Mediterranean	
	EUTM															Somalia	
				EUFOR													Chad/CAR
NATO	KFOR															Kosovo	
	ISAF															Afghanistan	
* MINUSMA																	

Quality Assurance process

To ensure accuracy and methodological rigour, the author engaged in the following quality assurance process.

☒ Internal/Departmental

☒ Line management

☒ Spending Review Sub-group and Steering group

☐ Peer review (IGEES network, seminars, conferences etc.)

External

☒ Other Government Department



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