Ireland's Foreign Aid in 2009

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ABSTRACT

This paper reviews Ireland's official development assistance (ODA) programme in 2009. The paper opens with an overview of developments relating to the global economy in 2009 and the gradual emergence of a new international economic order. It then presents an overview of official aid flows from DAC donors. Irish ODA in 2009 amounted to €718.1 million, a fall of €202.7 million or 22% compared with 2008. As a percent of gross national income (GNI), Irish ODA fell to 0.54% in 2009 compared with 0.59% in 2008. These reductions reflect the continued tightening of budgets nationally and sectorally. The paper provides data on total Irish ODA for selected years since 1974, and a detailed breakdown of bilateral and multilateral aid expenditures for 2008 and 2009. The bilateral section focuses on gender issues and on management for development results, the new approach being taken by Irish Aid in designing its country strategy papers (CSPs). This year's review includes a major section on the multilateral side of the programme, showing how Ireland works with the EU, the international financial institutions and the United Nations to implement its aid programme.

GLOBAL BACKGROUND AND DEVELOPMENTS IN 2009

The global financial crisis turned into a broad and synchronised global economic recession in late 2008 and early 2009. Global output and investment and global trade flows fell in 2009. According to the United Nations Department of Economic and Social Affairs, world gross product (WGP) is estimated to have fallen by over 2% in 2009, the first actual contraction since the Second World War (WW2).[1] A mild growth is forecast for 2010, but global economic recovery is expected to be sluggish, employment prospects will remain bleak and inflation will stay low. Overall, the level

[1]United Nations Department of Economic and Social Affairs (hereafter cited as UNDESA), *World economic situation and prospects 2010* (*WESP 2010*) (New York, 27 May 2010). Full report available at: http://www.un.org/esa/policy/wess/wesp2010files/wesp2010.pdf (3 July 2010). This report is a joint product of UNDESA, the United Nations Conference on Trade and Development (UNCTAD) and the five UN regional commissions (the Economic Commission for Africa (ECA), the Economic Commission for Europe (ECE), the Economic Commission for Latin America and the Caribbean (ECLAC), the Economic and Social Commission for Asia and the Pacific (ESCAP) and the Economic and Social Commission for Western Asia (ESCWA)).

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of world economic activity will be 7% below what it might have been had pre-crisis growth continued. Flows of foreign direct investment (FDI) fell by 30% in 2009 and the volume of global trade contracted by 12%—again, the largest contraction since WW2. No progress was made in 2009 on completing the Doha Round of multilateral trade negotiations.

The major industrialised countries (ICs) are not expected to provide a strong stimulus to global growth in 2010, and this has implications for their willingness to invest abroad, to import commodities and manufactures from developing and emerging economies and for their ability to meet their ODA commitments as domestic fiscal policies continue to tighten. Many of the least-developed countries (LDCs) are expected to experience much slower economic performance in the years ahead compared with the robust growth they witnessed in the years before the crisis. Unemployment is rising worldwide. In developing countries (DCs) as a whole, the share of working poor (many of whom are employed in export industries) is estimated to have increased to 64% in 2009, up from 59% in 2007. In sub-Saharan Africa, most of the region's labour force is engaged in subsistence agriculture and other low-productivity economic activities without any form of social protection. Workers' remittances to DCs fell from US$336 billion in 2008 to US$ 316 billion in 2009, creating further adverse impacts on households and national budgets.

The UNDESA report acknowledges that, since the adoption of the Monterrey Consensus in 2002,[2] the international community has made notable progress in reducing the external debt burden of developing countries. The ratio of debt-service payments of the 35 post-decision-point heavily indebted poor countries (HIPCs)—those qualified for debt relief—declined from 3.2% of GDP in 2001 to 1.1% of GDP in 2008. Nevertheless, owing to the global financial crisis, a large number of DCs are facing renewed fiscal stress. All these factors pose serious risks to the debt sustainability of DCs and their capacity to service or roll over their external debt. Thus, there is a danger that a new international debt problem may emerge in the medium-term. The current crisis has also had an adverse impact on poverty in DCs. According to *WESP 2010*, between 47 million and 84 million more people are estimated to remain poor or to have fallen into extreme poverty in DCs than would have been the case had the crisis not occurred. Major setbacks in the progress toward the achievement of the Millennium Development Goals[3] are to be expected,

[2]The Finance for Development Conference took place in Monterrey, Mexico in March 2002. Its objective was to mobilise resources for development from all possible sources, including domestic savings, ODA, debt relief, foreign direct investment and international trade. The fact that it was jointly organised by the UN, the World Bank, the International Monetary Fund (IMF) and the WTO attested to a new determination to develop a global partnership for development by strengthening the coherence of the international monetary, financial and trading systems. The 'Monterrey Consensus' included commitments on the part of the ICs to increase their ODA, to improve market access for exports from DCs and, in cooperation with the World Bank and IMF, to help speed up the exit of heavily indebted poor countries (HIPCs) from unsustainable debt. The developing countries committed themselves to political reforms, including promotion of good governance, democracy and human rights and economic and institutional reforms.

[3]The eight MDGs originated in a set of goals first agreed within the Organisation for Economic Cooperation and Development (OECD) in the early 1990s and published by it in its seminal document *Shaping the 21st Century* in 1996. At the UN Millennium Summit held in New York in 2000, the eight goals were accepted by all the member states and then became the Millennium Development Goals. The first seven goals are focused on the achievement of objectives within developing countries. They include: eradicating extreme poverty and hunger in DCs; achieving universal primary education; promoting gender equality; reducing child mortality; improving maternal health; combating HIV/AIDS, malaria and other diseases; and ensuring environmental sustainability. Each goal includes a number of quantified targets to be achieved by 2015. The eighth goal, developing a global partnership for development, calls on DCs to do more to ensure their own development and poverty reduction and calls on industrialised countries to support them through increased aid, debt relief and improved opportunities for trade.

especially for the vulnerable populations in low-income countries. Where the adverse impacts such as falling household incomes, rising unemployment and pressure on social services cannot be countered because of weak social safety nets and lack of budgetary resources to protect social spending and promote job creation, there are high risks of long-lasting setbacks in human development. According to a second report published by the United Nations Department of Economic and Social Affairs in June 2010,[4] the number of the world's poor living in extreme poverty (less than US$1.25 per day) had decreased from 1.8 billion in 1990 to 1.4 billion in 2005, but nearly all that reduction was concentrated in China. In sub-Saharan Africa and South Asia, the absolute number of poor people increased during the same period, as economic growth was insufficient to counter the effect of population growth. The current crisis has pushed around 90 million people into extreme poverty in low-income countries.

A new economic reality or 'order' has been emerging during the past decade. In the wake of the fall of the Berlin Wall in 1989 and the collapse of the Soviet Union in 1991, it looked as if there was then only one superpower—the US—in the world. It is already clear that that was merely a 'unipolar moment'. Today, a significant shift in economic power has occurred from West to East, with the rise of China and India being particularly noteworthy. A new 'group' has been identified, namely, the BRICs (Brazil, Russia, India and China) and, although they are heterogeneous, there is no denying their economic strength and influence. Other manifestations of the new reality include the realisation of a globalised world economy; a global technological revolution, including internet communications; and global financial trading. The institutional economic order, established after WW2, that included the establishment of the Bretton Woods system (World Bank, IMF and GATT [later transformed into the World Trade Organisation]), served its architects (the Western powers) well for many years. Even so, as early as the 1970s, spurred on by the 'oil crises' that gave temporary power to oil-exporting DCs, developing countries and development academics and NGOs were calling for a new international economic order (NIEO) that would be more supportive of the development efforts of the DCs.[5] Proposals included a system to regulate trade in primary commodities, rules for transnational corporations investing in DCs and reform of the international monetary system, to bring it into line with the development needs of DCs. However, the asymmetry in economic and political power between the DCs as a group and the ICs (or 'West') as a group proved to be overwhelming and was a main cause of the failure of the DCs' demands for an NIEO in the 1970s and 1980s.

Today, as a multipolar world emerges, the Bretton Woods institutions are no longer seen by the new powers as serving their needs or reflecting their importance in the global system of production and trade. Moreover, the global financial system has collapsed. The call for a new NIEO is again loud and clear. The *WESS 2010* calls for a fundamental revision of the existing institutions for global economic governance, including a smaller role for the US dollar as a reserve currency, closer coordination across the trading system, massive funding to help DCs cope with climate change and a reformed aid architecture. The new aid architecture is to include full implementation of the Accra agenda.[6]

[4]UNDESA, *World economic and social survey 2010: retooling global development* (*WESS 2010*) (New York, 29 June 2010). Full report available at: http://www.un.org/esa/policy/wess/wess2010 files/wess2010.pdf (5 July 2010).

[5]O'Neill, 'What new international economic order?', *Irish Studies in International Affairs* (1) (1980), 32–44.

[6]The Accra Agenda for Action (AAA) was adopted at the third High-Level Forum on Aid Effectiveness, held in Accra, Ghana, 2–4 September 2008. Its objective was to accelerate an effective use of ODA and help ensure the achievement of the MDGs by 2015. Key points in the AAA are: (1)

How is the new global reality to be managed? How is a 'fair' NIEO to be negotiated? The oil shocks of the 1970s led to the establishment of the Group of Seven (G7) rich nations who met regularly from then on to agree actions relating to the international financial and trading system. After the collapse of the Soviet Union, the G7 became the G8 when Russia joined the group. The G8 has become increasingly irrelevant in the area of economics in recent years and has been replaced by a much broader grouping, the Group of Twenty (G20).[7] When set up in 1999—in response to the Asian financial crisis of 1997–99—meetings of the G20 were confined to finance ministers and central bank governors but regular 'summits', involving heads of state of the member countries, began in 2008. The group is increasingly making major decisions: at its Capetown meeting in November 2007, central banks agreed to pump liquidity into markets in response to the start of the global financial crisis; at the London summit in April 2009, the group pledged US$500 billion to refinance the IMF; at the Pittsburgh summit in September 2009, heads of state agreed to expand the role of the G20, thus putting it at the centre of international economic policy making. The G7 or G8 are not to be abolished: they are to focus on broader international relations—especially security issues—and foreign policy.[8]

The G20 is a heterogeneous group. Moreover, it has as yet no permanent secretariat. It remains to be seen whether this heterogeneous group can agree the agenda for an NIEO and see it through. It also remains to be seen whether this group will be any better than earlier ones at looking after those left outside—the one-third of the world's population that is very poor and accounts for only 15% of global GDP. These countries will need huge increases in aid, both from DAC donors and from new donors, if they are to achieve the MDGs by 2015.

GLOBAL ODA FLOWS IN 2009

ODA performance

According to the most up-to-date data available from the DAC[9] at the time of writing (July 2010), total net ODA flows from DAC members amounted to US$119.6 billion

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Predictability: DCs will strengthen the linkages between public expenditures and results, and donors will provide 3- to 5-year forward information on their planned aid to partner countries; (2) Ownership: DC governments will engage more with parliaments and CSOs; (3) Country systems: Partner country systems, rather than donor systems should be used; (4) Conditionality: Conditions will be based on DCs' own development objectives; (5) Untying: donors will further untie their ODA; (6) Aid fragmentation: donors will avoid creating new aid channels; (7) Partnerships: all actors are encouraged to use Paris Declaration principles and the value of South–South cooperation is welcomed; (8) Transparency: donors and DCs will increase efforts to have mutual assessment reviews in place by 2010. These will involve stronger parliamentary and citizen engagement and will be complemented with credible independent evidence.

[7]The Group of 20 (G20) emerged in 1999 as a group of finance ministers and central bank governors from 19 of the largest and 'systemically important' countries plus the EU (represented by its rotating presidency provided that country is not a member of the G7). The country members include Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the UK and the US. In addition to these 20 members, the World Bank, IMF, International Monetary and Financial Committee and the Development Committee of the World Bank and IMF participate in the meetings of the G20. Collectively, the G20 accounts for 85% of global GDP and 80% of global trade (including intra-EU trade) and two-thirds of global population.

[8]In a world of proliferating G-groups, the multidimensional rise of China—economically, politically, militarily and as an aid donor—reminds us that the key group consists of just two countries, the US and China or the G2.

[9]The 23 countries that are members of the DAC are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Korea, Luxembourg, the Netherlands, New

in 2009, a small increase of 0.7% in real terms compared with 2008.[10] The rise is 6.8% once debt relief, a volatile item, is excluded. Thus, total ODA from DAC members continues to grow despite the economic crisis. As was the case in 2008, it represented 0.31% of DAC members' combined gross national income (GNI) last year. However, this latter percentage has been exceeded heretofore: in 2005, it was 0.33%. In 2006 it fell to 0.31% and in 2007, it fell further to 0.28%. Thus, as a percent of the members' combined GNI, total DAC aid flows had been falling since 2005, made only a slight recovery in 2008 and remained at the same percentage in 2009.

Leading places in the 'league of donors' have changed over the years, but the top spot has been held by the United States since 2001. In 1992, it had been the largest donor in volume terms but lost this position for a decade to Japan—a donor that has now slipped to fifth place. The top five donors in volume terms in 2009 were the United States (US$28.7 billion), France (€12.431 billion), Germany (US$11.98 billion), the UK (US$11.5 billion) and Japan (US$9.48 billion). In terms of the amount of ODA that donors provide as a percent of their respective GNIs, the US and Japan were, for a number of years, at the bottom of the league. However, in 2009, Korea—a new DAC member—came in last at 0.10%, while Italy and Japan took the penultimate and ante-penultimate places. As has been the case for a number of years, only five countries, all EU member states, exceeded the UN target of 0.7% of GNI in 2009. These are Denmark (0.88%), Luxembourg (1.01%), the Netherlands (0.82%), Norway (1.06%) and Sweden (1.12%).

Taken as a group, the 15 EU member states that are members of the DAC provided $67.1 billion, or 56% of total ODA flows, in 2009. Net ODA from the European Commission (the 'twenty-eighth' European donor) rose by 4.4% to reach US$15 billion. In 2008, fourteen of the DAC-EU countries increased their ODA contributions. In 2009, no doubt reflecting the economic downturn and significant cuts in public expenditure, only seven DAC-EU donors (Belgium, Denmark, Finland, France, Luxembourg, Sweden and the UK) increased their ODA budgets, while eight (Austria, Germany, Greece, Ireland, Italy, the Netherlands, Portugal and Spain) cut their budgets. Ireland's cut of 18.9% was the third-largest after those of Austria (31.2%) and Italy (31.1%). The overall ODA/GNI ratio of the 15 DAC-EU donors was 0.44% in 2009: this is off track in terms of meeting its collective target of 0.56% by 2010.

In its latest presentation, the DAC provided data on ODA flows from four of the ten EU member states that joined the Union in 2004—and which are not members of the DAC. These are the Czech Republic (US$224 million or 0.12% of its GNI), Hungary (US$116 million, 0.09%), Poland (US$343 million, 0.08%) and the Slovak Republic (US$74 million, 0.08%). It is interesting to note that Poland provided more ODA in 2009 than did New Zealand (US$313 million), while Korea, the newest member of DAC, provided ODA amounting to €816 million in 2009, a figure that exceeded the contributions of Greece (€607 million), Portugal (€507 million), Luxembourg (€403 million) and New Zealand (€313 million).

Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States. The European Commission brings the membership to 24.

[10]Organisation for Economic Cooperation and Development, Development Assistance Committee (OECD/DAC), 'Development aid rose in 2009 and most donors will meet 2010 aid targets', News release, 14 April 2010, available at: http:/www.oecd.org/documentprint/0,3455,en_2649_34487_44981579_1_1_1_1,00.html (14 April 2010).

Are donors likely to meet their ODA commitments in 2010 and beyond?

In 2005, at both the Gleneagles G8 meeting and the UN Millennium +5 summit, donors made commitments to increase their aid from US$80 billion in 2004 to US$130 billion in 2010, at constant 2004 prices. This target implied that ODA would be 0.36% of estimated GNI of DAC donors in 2010. According to the 2009 DAC estimates, revised commitments implied that total ODA in 2010 would reach only US$121 billion (expressed in 2004 dollars), or an increase of US$20 billion compared with 2008. This implied that at least US$10–15 billion would still need to be added to 2009 forward spending plans if donors were to meet their 2010 commitments.[11] Where do these commitments now stand according to best estimates available in the middle of 2010?

The OECD/DAC published a survey in 2009 on donors' forward spending plans for the years 2009–11.[12] This survey, the second in a new series, is the only regular process at the global level that brings together most bilateral and multilateral aid spending plans, one to three years ahead. It identifies gaps, overlaps and opportunities in future aid allocations. It is intended for policy-makers in partner countries as a guide to overall planning for use of aid, and for managers in donor countries and international agencies in their allocation decisions. The survey is also designed to reduce uncertainty about future aid flows at global, regional and national levels. The 2009 edition covers all DAC donors and seventeen multilateral agencies. Since 2004 total ODA from DAC members has been growing at an average annual rate of 6% (10% in real terms). In 2008 it reached its highest dollar figure ever recorded and movement was in the right direction. Most members' ODA commitments are expressed as a share of their GNI. The recession has resulted in GNI falling in a number of donor countries. Given these reductions in actual and expected GNI, the DAC stated that meeting commitments projected to 2010 would necessitate maintaining that rate of annual increase in ODA for two further years. It also stated that donors' contributions to core development programmes at country and regional levels, measured in terms of country programmable aid (CPA), are a critical vehicle to deliver aid commitments in support of the MDGs. The data in the 2009 survey suggested that planned increases of CPA up to 2010 were only around 4% per annum, and thus still fell well short of what was needed. For Africa, donors were shown to be lagging well behind the Gleneagles target. The Gleneagles commitments in relation to Africa implied annual increases in ODA of 11% but, since 2004, aid to Africa had been following the same trend as the global trend, about half the required rate of increase. Aid to Africa has been increasing more slowly than to other regions, particularly Asia.

The DAC has now updated its 2009 estimates in light of actual expenditures by donors in 2009 and some further adjustments to the 2010 targets. The DAC now estimates that recent economic contractions have, by cutting nominal GNI, reduced the dollar value of the commitments made for 2010 to around US$126 billion (in constant 2004 dollars) or US$46 billion over the 2004 level, compared with the original estimate of US$50 billion. A number of donors, including some of the large donors, have reduced or postponed the pledges they made for 2010. Thus, on the basis of current 2010 budget proposals and most recent estimates of donors' GNI in 2010, the overall expected ODA level for 2010 is now estimated at US$108 billion

[11]OECD/DAC, 'Development aid at its highest level ever in 2008', News release, 30 March 2009, available at: http:/www.oecd.org/documentprint/0,3455,en_2649_34487_42458595_1_1_1_1,00.html (1 April 2009).

[12]OECD/DAC, *2009 DAC Report on aid predictability* (Paris, 2009), available at: http:www.oecd.org/dataoecd/46/19/43161677.pdf (19 January 2010).

(in 2004 dollars), an increase of only US$28 billion over the 2004 baseline, with the ODA/GNI ratio rising from 0.26% to an estimated 0.32% over the same period. The latter target was 0.36%. The shortfall is US$18 billion (in 2004 dollars) against the 2005 commitments, once the effects of reduced GNI are taken into account. Moreover, the shortfall impacts particularly on Africa. It is likely to receive only about US$11 billion of the US$25 billion increase envisaged at Gleneagles. This is due mainly to some European donors who give large shares of their ODA to Africa, not meeting their targets.

For EU donors, 2010 is a very important milestone. In 2005, they set a target of reaching a collective total of 0.56% of GNI in net ODA for this year, with a minimum country target of 0.51%; 2010 is also special because it represents the midpoint between the 2005 commitments and the 2015 target date for meeting the UN 0.7% ODA/GNI goal. According to the DAC, some EU donors will surpass the 0.51% goal. Among them are expected to be Sweden, Denmark, the Netherlands, Luxembourg, Belgium, the UK, Finland, Spain—and Ireland. Those expected to fall short include France, Germany, Austria, Portugal, Greece and Italy. It is also worth remembering that the consolidated ODA/GNI ratio for DAC-EU donors in 2009 was 0.44%, a long way off the 0.51% minimum country target for 2010.

Does all this mean that EU donors, who between them provide more than half of total ODA, are losing their appetite for providing development assistance to developing countries? Not necessarily so, according to the latest Eurobarometer study published by the Directorate-General for Development in October 2009.[13] That survey states that Europeans are staunch supporters of development aid, despite the economic crisis. However, although Europeans are reported to have a good perception of the challenges faced by people in developing countries (poverty being the greatest challenge), their level of knowledge about their governments' aid programmes and of the MDGs is very poor. Crucially, they support a strategy of 'keeping promises': 72% of Europeans are in favour of honouring or going beyond existing aid commitments. Interestingly, high taxpayers (51% of those aged 40 to 54 years) are the least likely to go beyond what has already been promised. Around two-thirds of respondents cite self-interested motivations for giving aid, namely trade, terrorism, migration and political relations with third countries. In spite of that, one in three Europeans agree that the United Nations is the best placed to provide assistance to DCs. The EU (26%) and the US (20%) take second and third places. Of course, this is consistent with a poor understanding of the aid programmes of their governments and that of the European Commission. When the views of Irish respondents are examined, their responses were broadly consistent with those of Europeans as a whole. However, Irish people appear to be focusing more on Ireland's own problems and their impact on its ability to provide aid to DCs. Half of Irish respondents stated that we should keep our initial ODA promises to DCs but no more (in comparison with 48% for Europeans as a whole); only 15% stated that we should increase European aid beyond what has already been promised (the Europe-wide comparison figure was 24%); and 13% stated that we should reduce aid as we can no longer afford it (European comparison 11%).

[13]European Commission, Directorate-General for Development, *Development aid in times of economic turmoil* (Brussels, October 2009), available at: http:europa.eu/public_opinion/archives/ebs_318_en.pdf (14 December 2009)

IRELAND'S FOREIGN AID PERFORMANCE IN 2009

Ireland's performance slipped slightly in CGD's 2009 index

The Center for Global Development (CGD) in Washington, DC, produces an index every year called the Commitment to Development Index (CDI). The index rates 22 donors on how they help promote development and security in DCs. Each donor receives scores in seven policy areas (aid, trade, investment, migration, environment, security, and technology). These scores are then averaged to produce an overall score. In addition to rating donors under these headings for all DCs as a group, the CGD also rates donors under the same headings for the six sub-regions of the developing world (sub-Saharan Africa, Latin America and the Caribbean, Middle East and North Africa, South Asia, East Asia and the Pacific, and Europe and Central Asia).

Ireland's score had been rising steadily in recent years. In 2008 it was rated fifth overall among the 22 donors, having climbed from twelfth in 2006 and seventh in 2007. However, in 2009, it slipped to sixth place.[14]

The CGD has described Ireland's strongest contributions to the development of poor countries as its high quality foreign aid programme, its lack of arms exports to undemocratic governments and its low barriers to entry for immigrants from DCs. Most ODA comparisons among donors are based on how much aid each donor provides. For the CDI, quantity is merely a starting point in a review that also assesses aid quality. The index penalises the tying of aid to purchases from the donor. It also subtracts debt repayments made by DCs on loans from donors. It also discounts very heavily the value of ODA transfers to corrupt DCs. For example, aid to Iraq in 2009 was counted at 13 cents to the US dollar, while aid to Malawi was counted at 94 cents to the US dollar. Donors were also penalised if their aid consisted of a large number of small aid projects that had significant transaction costs for DCs. Overall, under the heading of aid, Ireland was ranked fifth. Within that overall ranking, it was first on the basis of no tied aid and first because of its large amount of private charitable contributions attributable to tax policy; it was second on the basis of its large share of aid provided to relatively poor countries with more democratic governments; and fifth on the basis of its ODA/GNI ratio.

The CGD ranked Ireland sixth overall under the heading of migration, describing it as open to accepting both skilled and unskilled immigrants. It was ranked second in terms of number of immigrants from DCs as a share of population. Ireland was ranked ninth under the heading of environment. Its strengths were listed as low growth of greenhouse gas emissions in 1997–2007 despite rapid GDP growth, and a very low level of imports of endangered species, especially hardwoods. On the other hand, it was penalised for its high greenhouse gas emissions per capita. Under the heading of trade, donors are penalised for trade barriers to exports from DCs. In common with other EU member states, Ireland was ranked low on trade. It came out sixteenth on the list, having been penalised for high tariffs on agricultural products and high agricultural subsidies. The CGD described Ireland as the least supportive donor in terms of investment in DCs, and one of the least supportive in terms of government support for technology creation and dissemination.

Ireland came out on top in terms of its overall score for helping to promote development in sub-Saharan Africa. It was also ranked number one in terms of aid to sub-Saharan Africa and migration from that region to Ireland.

[14]Center for Global Development, *Commitment to Development Index 2009*, available at: http://www.cgdev.org/section/initiatives/_active/cdi/ (22 October 2009). The complete text of the report on Ireland is available at: http://www.cgdev.org/doc/CDI/2009/country_reports/Ireland_2009.pdf (10 July 2010).

2009 characterised by a series of ODA cuts

The 2009 Budget Estimates, published in October 2008, included a cut of €14 million in Vote 29 (International Development), which relates to Irish Aid's budget, bringing the 2009 estimate to €754 million. A further €137 million was allocated to ODA expenditure by other government departments (including Finance, Environment, Education and Science and Agriculture and Food). Thus, the estimate for total ODA in 2009, as announced in October 2008, amounted to €891 million. At that date, this was estimated at 0.56% of GNI in 2009. As Table 1 below shows, the outturn figure for 2008 was €920.8 million. Thus, the 2009 budget figure for ODA of €891 million, announced in October 2008, represented a reduction of €29.8 million compared with the 2008 outturn figure.

By February 2009, the deterioration in Ireland's public finances was accelerating at an alarming rate. The government reacted by cutting current expenditure across a wide range of government departments in a total expenditure reduction programme amounting to €2.1 billion. The 2009 ODA budget was cut by €95 million—reducing it to €796 million less than two months into the new budgetary year. In April 2009, as part of another package of public expenditure cuts in an emergency budget, ODA was cut by a further €100 million, thereby reducing the 2009 budget to €696 million. This brought total cuts since the announcement of the 2009 budget in October 2008 to €209 million. Since July 2008, total cuts amounted to €254 million. This figure for total cuts between July 2008 and April 2009 is exactly equal to the level of total ODA in 2000—the year when Taoiseach Bertie Ahern announced that Ireland would reach the UN target of 0.7% of GNI by the end of 2007. Addressing the Select Committee on Foreign Affairs on 16 June 2009, the minister for foreign affairs, Micheál Martin, TD, stated that, on current projections, €696 million would represent approximately 0.48% of estimated 2009 GNI and would maintain Ireland's position as the sixth most generous donor internationally, on a per capita basis. As Table 1 shows, the actual ODA/GNI ratio in 2009 was 0.54%. However, this apparently positive outcome resulted from a very serious reduction in GNI in 2009.

Table 1 provides an overview of total Irish ODA and its distribution between bilateral and multilateral flows in 2009, and for selected years since the programme was launched in 1974. As this table shows, total ODA in 2009 was €718.1 million, a fall of €202.7 million in nominal terms and 22% in percentage terms compared with 2008. The ODA/GNI ratio decreased from 0.59% to 0.54% between the two years.

In recent years, the bilateral/multilateral distribution of Ireland's ODA has tended to be 2:1—which accords with one of the longstanding principles of the Irish official aid programme. In 2008 and 2009, the figure was slightly over that level.

Table 1. Irish ODA, selected years 1974–2009 (€m and %)

	1974	*1984*	*1994*	*2004*	*2008*	*2009*
Total ODA	1.9	42.2	95.5	488.9	920.8	718.1
Bilateral aid[a]	0.3	16.9	50.2	329.7	650.2	496.8
Multilateral aid	1.6	25.3	45.3	159.2	270.6	221.3
Bilateral as % of ODA	15.8	40.0	50.7	67.4	70.6	69.2
ODA as % of GNI	0.05	0.22	0.24	0.40	0.59	0.54

[a] = This figure includes all administration costs associated with managing the entire aid programme, both at headquarters and in the field. (€35.1m in 2008 and €32.2m in 2009)

Sources: Department of Foreign Affairs, *Ireland's official development assistance*, various years, and data kindly supplied by Irish Aid in May 2010.

THE BILATERAL SIDE OF IRELAND'S OFFICIAL AID PROGRAMME IN 2009

Data extracted from Irish Aid's annual report in 2009 (covering 2008) together with data supplied by Irish Aid in May 2010 provide the basis for compiling Tables 2 and 3 below. The bilateral side of the Irish aid programme is delivered through its country programmes to its programme countries (PCs) and other countries; co-financing with civil society organisations; emergency and recovery assistance in countries affected by major emergencies; major funding to combat HIV/AIDS, malaria and other diseases; volunteer-related programmes; a scheme to provide fellowships to students from developing countries; and support for development research and development education in Ireland.

Overview of bilateral aid expenditure in 2009

As Table 2 shows, total bilateral assistance fell from €615.1 million in 2008 to €464.6 million in 2009, a decrease of €150.5 million or nearly 25%. This reduction followed the savage cuts amounting to €209 million imposed on the total ODA budget in 2009. Interestingly, the reduction in the size of the bilateral programme was proportionately much greater than that to the multilateral side of the total ODA programme (18%). This was not the first time that the bilateral programme had been disproportionately cut following general budgetary tightening. In 1987, at a time of recession and widespread cuts in the public finances, the bilateral aid programme was also severely reduced. Indeed, given the much smaller size of the total ODA budget at that time, and the mandatory nature of most of the multilateral payments (mainly to the EC and the World Bank), cuts to the bilateral programme were much greater in proportion to those on the multilateral side of the programme. Moreover, as a percentage of total ODA, bilateral aid fell from a peak of 45% in 1986 to 31% by 1991 and did not regain its 1986 position until 1993.

The biggest item on the bilateral side of the programme in 2009 was payments to PCs, which amounted in total to €195 million. This represented 27% of total ODA in 2009, compared with 24% in 2008 and over 30% in 2006. Comparing expenditures on individual PCs in 2009 with those in 2008, it is clear that not only has total expenditure on PCs fallen between the two years (by 10.8%), but also that expenditure on seven of the nine individual PCs has been reduced. These reductions ranged from over 30% in the cases of Timor Leste and Vietnam, to 24% in Ethiopia, 15% in Uganda, 11.8% in Tanzania and 9.6% in Zambia. In the case of Malawi, a newly chosen PC in 2007 and one for which a country strategy programme was first drawn up in 2008, the fall was 9%. In the cases of only two PCs (Mozambique and Lesotho) did expenditure rise in 2009 (by 18% and 14%, respectively). Continuing the analysis of Table 2, it is evident that the reduction in contributions to 'Other Countries', at 36%, was even greater than the reduction in contributions to PCs. These countries include Sierra Leone, Liberia, South Africa and the Palestine Administered Areas, all of which are post-conflict or conflict societies.

It is clear that the reductions in the contributions to country programmes were induced by the savage cuts in total ODA in 2009—itself the result of huge and widespread cuts across the public finances last year. Following years of increases in ODA, these reductions have tightened expenditures under almost all individual expenditure headings.

Almost all of the other expenditure headings in Table 2 were subject to cuts in 2009. Interestingly, one of those that increased was 'Tax deductability'. This shows that, despite cuts in official development assistance, Irish people continued to contribute to private aid (NGOs) during a very difficult economic period.

Table 2. Bilateral ODA flows, 2008 and 2009 (€m)

	2008	*2009*
Programme countries	*218.6*	*195.0*
Ethiopia	36.1	27.3
Lesotho	9.2	10.5
Malawi	9.8	8.9
Mozambique	34.2	40.5
Tanzania	38.0	33.5
Timor Leste	5.0	3.4
Uganda	41.7	35.4
Vietnam	20.7	13.9
Zambia	23.9	21.6
Other countries	38.2	24.5
Civil society	134.2	105.0
Emergency humanitarian assistance	89.0	56.0
Post-emergency recovery	17.0	7.2
Rapid response initiative	4.5	4.5
HIV and AIDS initiatives	42.9	16.0
Global health initiatives	15.6	9.0
Global education initiatives	9.0	8.6
Global hunger initiatives	—	6.7
Stability fund	8.8	6.9
Fellowships, courses and training	3.0	2.6
Development education	5.7	5.0
Information	2.3	1.0
Cooperation with third-level institutions	3.6	1.4
Other cross-cutting programmes	9.8	4.0
Volunteer-related programmes	1.6	2.7
Tax deductability	5.6	6.9
Other programmes	4.4	1.6
Total bilateral ODA[a]	**615.1**	**464.6**

[a] =Net of administration costs. (€35.1m in 2008 and €32.2m in 2009)

Sources: Department of Foreign Affairs, *Ireland's official development assistance 2008* (Dublin, 2009), and data kindly supplied by Irish Aid in May 2010.

'Global hunger initiatives' constituted a new expenditure heading in 2009. This is a manifestation of Ireland's promise to implement an action programme (at both national and international levels) to tackle world hunger and reach MDG 1. The impetus came from the establishment by the Irish government of the Hunger Task force (HTF) in 2007 and the publication of its report in 2008.[15] It recommended an action programme at both national and international levels, the former to include: declaring hunger eradication a cornerstone of Ireland's development aid programme and a key component of its foreign policy; taking a strong leadership and advocacy role internationally to ensure that MDG1 is reached and, if possible, exceeded; working toward spending an indicative target of 20% of ODA, on a phased basis up

[15]The Hunger Task Force was established to examine the particular contribution that Ireland could make to tackling the root causes of hunger, especially in Africa, and was chaired by former minister for agriculture and food, Joe Walsh, TD. See Hunger Task Force, *860 million people is enough: Report to the government of Ireland* (Dublin, 2008). The text of this report is available at: http://www.irishaid.gov.ie/uploads/hunger_task_force.pdf (11 July 2010).

to 2012, on hunger eradication and alleviation; and appointing a special Envoy for Hunger who would engage across government departments and with development NGOs and represent Ireland in important international fora. Last year, this review[16] expressed doubts about spending 20% of total ODA on hunger eradication and alleviation, seeing it as a move toward creating policy expenditure 'silos' and reducing expenditure flexibility over time—a significant danger during a period of expenditure cuts. Of course, if we include expenditure on agriculture and rural development in the PCs, it is clear that Ireland is already spending much more on hunger eradication and alleviation than the €6.7 million under 'Global hunger initiatives' in Table 2.

Another warning sign was raised—a lesson from past expenditure patterns, so to speak—regarding the really huge amounts spent on HIV and AIDS initiatives. As Table 2 shows, this expenditure amounted to €42.9 million in 2008—and had been €54.9 million in 2007 and €52 million in 2006.[17] Expenditure under this heading in 2009 was reduced to €16 million, which is probably a more sustainable figure.

The Civil Society budget was also cut significantly—from €134.2 million in 2008 to €105 million in 2009. This represented a cut of 21.7%. Expenditure in 2008 had increased by 19% compared with 2007.[18] There were a variety of reasons for the cuts in 2009: a number of the civil society partners were experiencing problems in absorbing the allocations made to them, and Irish Aid had decided to work with a smaller number of such partners. Expenditure under the multiannual programming scheme (MAPS) was reduced from €69 million in 2008 to €57 million in 2009.[19] Missionaries (under Misean Cara) received €16 million in 2009 while expenditure on micro projects—which are delivered by Irish embassies in the non-PCs—amounted to €1.5 million in 2009.

Dramatic and unexpected expenditure reductions in 2009 were made under the headings of emergency humanitarian assistance (down from €89 million in 2008 to €56 million in 2009, a cut of 37%) and post-emergency recovery (down from €17 million in 2008 to €7.2 million in 2009, a cut of 57.6%). Emergency humanitarian assistance had been €60 million in 2006 and €92 million in 2007, while post-emergency recovery expenditure in those years had been €24.4 million and €25.8 million, respectively.[20] Thus, together, they had grown from €84.4 million in 2006 to € 117.8 million in 2007 and had experienced just a small reduction to €106 million in 2008. Put another way, expenditure under these two headings had grown from 7.7% of total ODA in 2005, to 10.5% in 2006, to 13.5% in 2007. It fell to 11.5% in 2008, and the cuts in 2009 further reduced it to 8.8% of total ODA. This is regarded by Irish Aid as a more 'sustainable' level.

At the Climate Change Conference in Copenhagen in December 2009, it was announced that 2009 was considered a relatively 'quiet' year for disasters in general, with the exception of climate-induced disasters. The year witnessed the fewest natural disasters in a decade, but floods, droughts and other extreme weather continued to account for most of the deaths and economic losses that did occur.[21] Of

[16] O'Neill, 'Ireland's foreign aid in 2008', *Irish Studies in International Affairs* 20 (2009), 193–222: 217.

[17] O'Neill, 'Ireland's foreign aid in 2008', 206, and Helen O'Neill, 'Ireland's foreign aid in 2007', *Irish Studies in International Affairs* 19 (2008), 249–75: 256.

[18] O'Neill, 'Ireland's foreign aid in 2008', 206.

[19] The MAPS is a multi-annual scheme for strategic partnerships between Irish Aid and the five largest development NGOs. The amounts allocated to each in 2009 were: Concern €20.8 million; Trócaire €16 million; GOAL €14.23 million; Christian Aid Ireland €2.86 million; and Self-Help Africa €2.8 million.

[20] O'Neill, 'Ireland's foreign aid in 2007', 256.

[21] UN International Strategy for Disaster Reduction, 'Natural Disasters at decade low in 2009', available at: http://www.alertnet.org/thenews/newsdesk/LDE5BDOWO.htm (14 December 2009).

the 245 disasters experienced during 2009, 224 were weather-related and accounted for 55 million people out of the 58 million affected, and 7,000 deaths out of a total of 8,900. The World Disasters Report was published by the Red Cross and Red Crescent Societies in 2009 (covering the period up to 2008). Its sub-title was 'Focus on early warning, early action'.[22] The report emphasised the importance of establishing early warning systems so as to minimise climate-related disasters. It also stated that seismic disasters are devastating when they occur. The report was published on the fifth anniversary of the Indian Ocean tsunami, described as probably the worst natural disaster of its kind in recorded history.

If 2009 was a relatively quiet year for natural disasters, 2010 did not start off that way. On 12 January 2010 a devastating earthquake struck Haiti. Irish Aid responded immediately, with a pledge of assistance amounting to €13 million over three years. This includes almost €1 million towards the cancellation of Haiti's remaining debt to the World Bank. It also includes €4 million already provided in aid to Haiti. Speaking ahead of an international donors' conference in the UN in New York on 31 March 2010, Minister of State for Overseas Development Peter Power, TD, said that, over the next three years, Ireland would support the Haitian government's action plan, which is strongly focused on rebuilding the country's shattered infrastructure; strengthening security, justice and planning systems; reducing the country's vulnerability to natural disasters; and providing health, education and housing. He added that stimulating economic growth will also be a priority to support the Haitian people in rebuilding their lives.[23]

Irish Aid's post-emergency recovery expenditure heading (see Table 2) includes expenditure on disaster preparedness. Thus, expenditure on emergencies and recovery is an expenditure continuum: it has to be stitched as seamlessly as possible into a renewal of the long-term development process. It is to be hoped that the new 'sustainable' level of expenditure under both headings will not be further reduced, given the unpredictable nature and arrival of natural disasters and the expected increase in the number of climate-related disasters in the future.

All development workers, but especially those working in situations of humanitarian relief, face huge risks. Irish Aid has been putting procedures and protocols in place to enhance the safety of aid workers on humanitarian missions. A special team called the Emergency Civilian Assistance team has been established. In addition, Irish Aid (with the Estonian official aid programme) has been co-chairing the International Humanitarian Good Donorship group for the past year. Its objective is to bring to bear on emergency work the same rigour as operates in the design and implementation of development work. Irish Aid took the lead in negotiating the release of two Goal humanitarian workers—Sharon Commins from Ireland and Hilda Kawuki from Uganda—who were kidnapped in North Darfur, Sudan on 3 July 2009. They were finally released on 18 October. The safety and protection of development workers is paramount. Irish Aid and Irish NGOs are currently working together to ensure that all agencies invest in the new procedures and protocols.

The whole issue of security is crucial in conflict zones and in countries that have emerged from conflict. Strengthening community policing and public order are especially important. The Garda Síochána and the Emergency Response Unit are assisting Liberia to establish police structures in order to protect businesses and

[22]International Federation of Red Cross and Red Crescent Societies, *Climate change: the ultimate early warning*, available at: http://www,ifrc.org/Docs/News/opinion09/09061701/indix.asp (14 December 2009).

[23]Statement by Minister of State for Overseas Development Peter Power TD, before the international donors' conference at the UN in New York, available at: http://www.irishaid.gov.ie/print.asp (6 April 2010).

communities from disorder. The United Nations, with whom the Garda are cooperating, is very supportive of this assistance. The Garda, together with the Police Service of Northern Ireland, are also assisting the police service of Uganda to establish a system of community policing and to improve public order. This assistance is helping to build up trust in communities and protecting rights—while, at the same time, allowing legitimate protest to be expressed.

Making country strategy papers (CSPs) more results-focused

Donors, including Irish Aid, have been making concerted efforts in recent years to improve the design of their country strategy papers (CSPs) and to make their aid interventions more effective and more focused on results. These attempts can be dated back to 2000 when the MDGs were agreed at the Millennium Summit. Eight goals and 18 specific targets were set, and 48 key indicators were identified to measure the extent to which these were or were not being achieved. In effect, the goals and targets became the agreed results of donors' aid programmes. The World Bank organised a Roundtable on Measuring, Monitoring and Managing for Results in Washington, DC in 2002.[24] This was the first attempt to put managing for development results (MfDR) into practice. A series of important international meetings followed. The first High-level Forum (HLF) on Aid Effectiveness in Rome in 2003 stressed the importance of harmonisation of aid policies among donors and alignment by them of their aid programmes with the priorities of their partner countries.[25] The second Roundtable on MfDR, held in Marrakech in 2004, stressed the importance of five principles: focusing the dialogue between donor and partner on results at all phases; aligning programming, monitoring and evaluation with results; keeping measurement and reporting simple; managing for, not by, results; and using result information for learning and decision making.[26] The second HLF on Aid Effectiveness in Paris in 2005 reiterated the five key concepts of aid effectiveness: ownership; harmonisation; alignment; managing for results; and mutual accountability. The third Roundtable on MfDR in Hanoi in 2007 established the link between planning and budgeting. The central pillars of MfDR were stated to be: leadership; evaluation and monitoring; accountability and partnerships; planning and budgeting; and reliable data.[27] The third HLF on Aid Effectiveness took place in Accra in 2008. The Accra Agenda for Action (AAA) stressed the need to meet three major challenges: improving country ownership by partner countries and building more effective partnerships, and achieving development results and openly accounting for them must be at the centre of all donor-partner relationships and all CSPs.

In translating these conclusions and concepts into practice, MfDR is a management strategy that focuses on results and on sustainable improvements in the lives of people in partner countries. It includes practical tools for strategic planning, risk management, monitoring progress and evaluating outcomes. At the international level, it focuses on country ownership, harmonisation among donors, alignment of donor programmes with partner systems and objectives, participation of civil society

[24]World Bank, 'First Roundtable on development results', Washington, DC, June 2002; the text is available at: http://www,.mfdr.org/1stRoundtable.html (1 July 2010).

[25]OECD, Rome 2003, Paris 2005, Accra 2008, available at: http:www.aideffectiveness.org/Events-Processes-Rome-Paris-Accra-Korea.html (1 July 2010).

[26]Details of the Marrakech Roundtable and its outcome are available at: http://www.mfdr.org/2ndRoundtable.html (1 July 2010).

[27]Further details regarding the Hanoi Roundtable are available at: http://www.mfdr.org/3rdRoundtable.html (1 July 2010).

and accountability to citizens in both donor countries and DCs—and between donors and partner countries. Practitioners of the MfDR approach regularly use 'results chains' in an effort to link expenditures and interventions to results and improve monitoring and evaluation. These results chains are shown in 'logic diagrams', showing the strategies and assumptions linking inputs, outputs, outcomes and the impacts to which they contribute. Thus, they include far more information than the earlier 'logical framework' diagrams and show the links between inputs and development outcomes/results much more clearly than did the earlier approaches. The results chains are shown for each separate year in the CSPs, thus making it easier to monitor progress in achieving results as CSPs are being implemented, as well as to take remedial action if progress is not as expected.

Both donors and partner countries are currently undergoing training to enable them to use the MfDR approach. Irish Aid commenced its work on MfDR in 2006 as part of a quality assurance commitment in the White Paper on Irish Aid.[28] It revised the CSP Guidelines over the period 2007–08, and a results-based approach to country strategies was approved in May 2008. Work is also underway on a more comprehensive, organisation-wide results approach. Irish Aid staff and consultants involved in CSP appraisal have been trained in the MfDR approach. Irish Aid staff are also involved in training programmes in the PCs. The Joint Learning Event (JLE) on MfDR is a multi-donor initiative, bringing together those members of a group called Train4Dev willing to contribute to and jointly finance the JLE. The target of the JLE is to have conducted ten three-day, country-specific learning events by 31 December 2010. Pilot courses were conducted in Zambia and Uganda in June 2009 and further courses were conducted in Tanzania and Malawi in early 2010. Most of the attendees on these JLE courses come from the public sector, but civil society and donor staff are also represented. Of course, reliable data are essential for monitoring and evaluation, and the new MfDR approach emphasises the need for PCs to build up their statistical capabilities. Most PCs are not yet armed with reliable sources of data or performance-monitoring systems—or capabilities for forecasting expected results. It will take many years for the new approaches to be implemented in partner countries and, in the meantime, PCs will need assistance such as training on JLE courses to build up their capabilities. Irish Aid is also working with its multilateral and civil society partners to improve their focus on results.

Gender equality and women's empowerment

Irish Aid takes four cross-cutting issues into consideration when designing, implementing and evaluating all its programmes, including its CSPs. These issues are: gender; governance (including democracy and human rights); HIV and AIDS; and environment. Gender is a priority issue because it cuts across all Irish Aid's development cooperation activities and is interconnected with the other three cross-cutting issues. As the 2006 *White Paper* put it: 'Addressing gender inequality is about implementing the fundamental human right to equality. It is also essential to effective poverty reduction'.[29] Women account for two-thirds of the world's poor. HIV and AIDS are affecting women disproportionately today, and they also bear 'an intolerable burden' of care for people living with HIV/AIDS; women are increasingly experiencing gender-based violence; rural women are responsible for 60–80% of food production but have limited control over land and other necessary assets; and the terms of their employment are often exploitative.[30]

[28]Government of Ireland, *White Paper on Irish Aid* (Dublin, 2006), 110.
[29]Government of Ireland, *White Paper on Irish Aid*, 62.
[30]Government of Ireland, *White Paper on Irish Aid*, 62.

Irish Aid is supporting gender equality and women's empowerment (GEWE) in a number of ways. In 2004 it launched its Gender Equality Policy document, which guides interventions in this area. It stresses the importance of three areas of advancement: full achievement of human rights; equal access to resources and services; and equal participation in political and economic decision-making.[31] Gender mainstreaming—which had been introduced first after the 1995 UN international conference on women in Beijing—was introduced into the design of CSPs from 2005.[32] Fostering GEWE is crucial for attainment of the MDGs and for achieving peace and security. The EC also tries to mainstream these issues.

At EU level, the Foreign Affairs Council adopted the 'Comprehensive approach to the EU implementation of the United Nations Security Council resolutions (UNSCRs) 1325 and 1820 on women, peace and security' in December 2008.[33] This recognises the close links between issues of peace, security, development and gender equality. That same month, the Foreign Affairs Council adopted the 'EU Guidelines on violence against women and girls and combating all forms of discrimination against them'.[34] In early 2010 the EU launched an action plan on GEWE for 2010–15, which proposes a series of activities to be carried out by the EU member states and the EC during the period 2010 through 2015.[35] The overriding objectives are to accelerate the achievement of the MDGs, especially MDG3 (Promoting gender equality and empowering women) and MDG5 (Improving maternal health), as well as to attain the goals set out by the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW), the Beijing Platform of Action and the Cairo Programme of Action.[36] In order to reach the above objectives, the EU action plan is based on a three-pronged approach consisting of political and policy dialogue; gender mainstreaming; and specific actions.

In the framework of political dialogue, the EU will discuss with partner countries or regional organisations how they are implementing international legal obligations on women's rights and possible ways and means to support efforts in this regard. Already, implementation of these obligations is regularly monitored by independent bodies, such as the CEDAW Committee, other human rights treaty monitoring bodies, and Special Procedures of the UN Human Rights Council. Political dialogue provides the opportunity for discussing not only civil and political rights, but also the implementation of economic, social, cultural and labour rights, which are vital for achieving women's empowerment. The results of the political dialogue should be continued in the policy dialogue, which relates to development issues and sector processes and covers a range of issues from health, education, environment, governance, water, sanitation and infrastructure to management of migration and

[31]Development Cooperation Ireland, *Gender Equality Policy* (Dublin, 2004).

[32]Rachel Waterhouse and Charlie Sever, *Gender mainstreaming in Development Cooperation Ireland: Country Strategy Papers* (Dublin, 26 October 2005).

[33]Council of the European Union, 'Comprehensive approach to the EU implementation of the United Nations Security Council Resolutions 1325 and 1820 on women, peace and security', 1 December 2008; the text is available at: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/hr/news187.pdf (12 July 2010).

[34]The text of these guidelines is available at: http://www.consilium.europa.eu/uedocs/cmsUpload/16173cor.en08.pdf (12 July 2010).

[35]European Commission, *EU plan of action on gender equality and women's empowerment in development 2010–2015* (Brussels, 8 March 2010); hereafter cited as *EU plan of action*.The text of this plan of action is available at: http://ec.europa.eu/development/icenter/repository/SEC_2010_265_gender_action_plan_EN.pdf (13 July 2010).

[36]For the text of CEDAW, please see: http://www.un.org/womenwatch/daw/cedaw/text/econvention.htm; for the Beijing Platform of Action, see: http://www.un.org/womenwatch/daw/beijing/platform/; and for the Cairo Programme of Action, see: http://www.un.org/popin/icpd/conference/offeng/poa.html (13 July 2010).

food security. Gender equality perspectives should be integrated into poverty reduction strategy papers; in national sectoral planning documents on health, education, finance, and agriculture; in EU CSPs, in member states' CSPs, in joint assistance strategies, and in the national annual planning and budgeting cycle in conformity with the aid effectiveness agenda.

Gender mainstreaming is described in the EU action plan as 'the backbone for progressing on the gender equality agenda'.[37] Essential elements to promote mainstreaming gender equality include: gender disaggregated data and qualitative information on the situation of women and men; gender analysis highlighting the differences between and amongst women, men, girls and boys in terms of their relative distribution of resources, opportunities, constraints and power in a given context; and the establishment of a gender-sensitive monitoring and evaluation system, including the establishment of indicators to measure the extent to which gender equality objectives are met and changes in gender relations achieved.

The EU action plan states that gender mainstreaming must be complemented by specific actions to catalyse or give added impetus to reducing gender inequality. These include supporting the advocacy capacity of stakeholders; building up analytical or implementation capacity, data collection and/or monitoring activities; targeted approaches such as gender discrimination and strengthening female political candidates where there is particular disadvantage; and assistance to CSOs and women's rights activists in countries neighbouring those where, for cultural reasons, gender equality is not yet allowed.

The EU action plan on GEWE fits well with Irish Aid's gender equality budget line for 2007–09. The overall goal of the budget line is to enhance the capacity of Irish Aid and key partners to improve responses to gender inequalities and the disempowerment of women. Its objectives include; strengthening gender equality knowledge and skills both inside and outside Irish Aid through networking, research and information dissemination; enhancing Irish and international efforts to address gender-based violence through humanitarian and development assistance; and empowering women by supporting indigenous women's rights organisations and movements to mobilise and advocate change for gender equality. A new version will be proposed in 2010.

As reported in this review article last year, the OECD/DAC published guiding principles on gender equality and women's empowerment in 2008.[38] Those guidelines, like those of Irish Aid and the EU, endorsed the twin-track approach that included gender mainstreaming and targeted interventions. The DAC also developed a 'gender policy marker' that set out to track how much money was being spent by DAC donors on gender issues. To count as expenditure on gender activities, this marker requires activities to be classified as either principal (for example, expenditure on a literacy programme for women and girls) or significant (for example, expenditure on a social safety net project that focuses on the community as a whole and ensures that women and girls benefit equally with men and boys). Irish Aid did not undertake the classification of gender activities and quantification of expenditure according to the gender marker in 2006–07. It intends to do so. However, one might question the logic of the exercise. Given the new focus on management for development results, why should a great deal of effort be put into measuring inputs—which the DAC's gender marker requires?

[37]European Commission, *EU plan of action*, 8.
[38]O'Neill, 'Ireland's foreign aid in 2008', 209–12.

THE MULTILATERAL SIDE OF IRELAND'S OFFICIAL AID PROGRAMME IN 2009

Table 3 shows total expenditure on the multilateral side of the ODA programme in 2009. It also shows comparable data for 2008. In contrast to the bilateral programme—over which Irish Aid has control once it has been given its budget by the Department of Finance—expenditure on the multilateral side, which is channeled through the European Commission, the international financial institutions (IFIs) and the UN, is subject to greater fluctuations comparing one year with another.

Contributions to European aid policies

The first heading in Table 3 shows Ireland's contribution to the European Commission's own aid programme. Ireland, in common with other EU member states, is assessed under two headings. The first shows its contribution to that part of the overall EU budget that is spent on development cooperation. This money finances the EU's food aid programme, as well as its aid to the Mediterranean area, Latin America and Asia (ALA) and other states that are not members of the African, Caribbean and Pacific (ACP) group. The Department of Finance makes these payments or, more correctly, it is netted out by the Commission from the total of assessed inflows and outflows between Ireland and the EU. It is not known what these payments will amount to until the end of the year in question. During 2009, Ireland's assessed contribution to the EU budget for development cooperation was €95 million, or €9.7 million higher than it had been in 2008. This is a bigger increase than normal and it exerted significant pressure on other budget sub-headings last year when budgets were being squeezed.

The second sub-heading under the EU relates to Irish Aid's contributions to the European Development Fund (EDF) that had been financing the Lomé Conventions between the EU and the ACP countries since 1975 and has been financing the Cotonou Convention signed in 2000 for a period of 20 years. Relative GNI determines a member state's assessment over a three-year period. It is up to the member state to decide how to distribute its annual payments. As Table 3 shows, Ireland's contribution toward the EDF in 2009 was €22 million, the same as it had been in 2008. Thus, overall, Ireland's contributions to the EU's own aid programmes were just under €10 million more in 2009 than they had been in 2008.

The Cotonou Agreement is the successor to the Lomé agreements that operated from 1975. Together, they are the foundation of the special relationship between the EU and the ACP nations. The Cotonou Agreement aims at reducing and eventually eradicating poverty; promoting sustainable development; and creating a stable and democratic political environment. It is also aimed at gradually integrating the ACP states into the global economy. Because it runs for 20 years, it has always been envisaged that it could be revised every five years. The first revision occurred in 2005 when the political dimension was expanded to include security issues, adding provisions on cooperation in countering the proliferation of weapons of mass destruction, provisions on the Statute of the International Criminal Court and provisions on international cooperation in the fight against terrorism. On 22 June 2010, the agreement was amended for the second time. This revision streamlines the text, adapting it to changes in trade and aid policies that occurred in the past five years. Provisions against the proliferation of small arms and light weapons were strengthened, as were those against new security threats, such as organised crime and trafficking of human being, drugs and weapons. The revised agreement also facilitates assistance to ACP states for adapting to global warming and for integrating climate change into their development strategies. It also improves support to the aquaculture and fisheries sectors in ACP states and to the fight against HIV and

Table 3. Multilateral ODA flows, 2008 and 2009 (€m)

	2008	*2009*
European Union	*107.3*	*117.0*
EU Budget (Development Cooperation)	85.3	95.0
EDF (Lomé/Cotonou Conventions)	22.0	22.0
IFIs: World Bank/IMF and ADB	*40.2*	*30.2*
IDA	24.2	18.0
WB/IMF HIPC and PRGF	6.5	0.1
WB & IMF Trust Funds	2.1	1.0
Asian Development Bank	7.4	11.1
United Nations and other multilateral institutions	*108.1*	*60.8*
Voluntary contributions to UN agencies	96.5	50.7
of which:		
UNDP	22.5	10.7
UNICEF	16.6	8.0
UNHCR	14.4	6.0
UNFPA	5.5	3.0
WHO	3.9	1.5
UNAIDS	6.0	11.8
Other voluntary contributions	27.6	9.7
Other contributions to United Nations and multilateral institutions	11.6	10.1
of which:		
FAO	1.4	1.3
Global Environment Facility	1.4	1.4
LDC Fund for Climate Change	2.3	0.1
WTO	1.7	1.6
Other UN and multilateral institutions	4.8	5.7
Co-financing with multilateral agencies	*15.0*	*13.3*
Total multilateral ODA	**270.6**	**221.3**

Sources: Department of Foreign Affairs, *Ireland's official development assistance 2008* (Dublin, 2009) and data kindly supplied by Irish Aid in May 2010.

AIDS. It will also accelerate work towards mutual recognition of higher education qualifications and reinforce regional cooperation within the ACP group of states.

Recognising that the current global crisis has resulted in many more millions of people in DCs descending into poverty in 2009, the EU set up three specific instruments to help the world's poorest to cope with the triple economic, food and environmental crises.[39] The first of these was the 'EU vulnerability FLEX instrument' to assist those DCs worst hit by the downturn in trade and falling foreign exchange earnings. The instrument focuses on ensuring social safety net spending. It acts counter-cyclically, based on forecasted export losses and other vulnerability criteria, helping to cushion the blow rather than acting after the event. It acts in full complementarity with the World Bank, the IMF and the Regional Development Banks. It disbursed €500 million very quickly in 2009.

[39]European Commission, '2010 European Aid report: read how EU's action helps the poorest countries to develop', available at: http://www.europa-eu-un.org/articles/en/article_9884_en.htm (12 July 2010).

The second specific instrument was a new ‘Food Facility’ that had been set up at the end of 2008 to provide a fast and efficient response to tackle food insecurity. By the end of 2009, this €1 billion facility had disbursed €837 million of that amount. The third facility was ‘fast-start’ funding of €2.4 billion annually for 2010–12 to assist DCs in adapting to climate change.

On 23 November 2009, South Africa presented a request to the ACP-EU Council of Ministers for accession to the revised Cotonou Agreement. The request was approved by the Council of Ministers on 16 April 2010.[40]

Policy coherence for development (PCD)

The entry into force of the Lisbon Treaty on 1 December 2009 marks a new era in EU development policy, with the EU and its member states set to coordinate their policies more closely than heretofore.

Ireland has been working with other donors to advance the Paris and Accra agendas on improving aid effectiveness and policy coherence. It has also been working with other donors in relation to accelerating progress on achievement of the MDGs by 2015. In particular, all donors, including Ireland, are making preparations for the High-level Plenary Meeting (HLPM)—or MDG summit—to be held at UN headquarters in September 2010. Despite remarkable progress in some countries, collectively DCs are falling short of reaching the goals. The consequence of these shortfalls, further aggravated by the combined effects of the global food, climate, energy and economic crises, is that improvements in the lives of the poorest are happening at an unacceptably slow pace, and in sub-Saharan Africa and many LDCs, several of the MDGs and associated targets are likely to be missed altogether. The summit is expected to undertake a comprehensive review of successes, best practices and lessons learned, obstacles and gaps, challenges and opportunities, which are expected to lead to concrete strategies for action to accelerate progress to meet the goals.

In terms of preparing for the MDG summit, the EU has been taking the lead. A number of very important meetings took place in 2009 and the first half of 2010. The Foreign Affairs Council held an exchange of views in preparation for the September summit on 14 June 2010. It also held a brief exchange of views on gender equality and development policy, endorsing the aforementioned EU plan of action on gender equality and women’s empowerment in development. A further meeting of the Foreign Affairs Council was held on 17 June 2010. In the Conclusions of that meeting, EU heads of state agreed to commit to the achievement of the MDGs by 2015, and to use the Conclusions of the 14 June meeting of the Council as the basis for a common EU position at the UN summit in September 2010.[41] The Council Conclusions also drew heavily on the European Commission’s Communication on achieving the MDGs, which was presented in April 2010 to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions.[42] This set out a twelve-point action plan in support of the MDGs.

[40]Council of the European Union, ‘Council decision on the position to be adopted by the European Union within the ACP-EU Council of Ministers concerning the accession of the Republic of South Africa to the revised ACP-EU Partnership Agreement’, Brussels, 16 April 2010 (7932/10, ACP 82, COAFR 107, PTOM 11), available at: http://register.consilium.europa.eu/pdf/en/10/st07/st07932.en10.pdf (10 July 2010).

[41]Council of the European Union, ‘Council Conclusions on the Millennium Development Goals for the United Nations High-Level Plenary meeting in New York and beyond’, Brussels, 14 June 2010 (herafter cited as ‘Council Conclusions’), available at: http://www.consilium.europa.eu/App/DevelopmentPolicy/latestNews.aspx?lang=en&cmsid=1601 (10 July 2010).

[42]European Commission, ‘Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A twelve-point action plan in support of the Millennium Development Goals’, Brussels, 21 April 2010,

Key actions proposed in relation to the MDGs include:

- trying to persuade EU donors that are behind schedule to reach the collective EU intermediate target of 0.56% of GNI to ODA by 2010—as a step toward reaching the UN target of 0.7% of GNI by 2015;[43]
- stepping up commitments on advancing the Paris Declaration and the Accra Agenda for Action on Aid Effectiveness—with concrete results to be shown ahead of the fourth High-Level Forum on Aid Effectiveness in Seoul in 2011;
- prioritising action to the most off-track goals and countries (including 'aid orphans') in relation to the MDGs;[44]
- fostering ownership of MDGs in partner countries by promoting the inclusion of MDG targets in DCs' own development strategies;
- promoting policy coherence for development (PCD) by making other policies beyond aid more supportive of development objectives;
- mobilising domestic resources in the DCs through raising more taxation;
- enhancing regional integration through promotion of Economic Partnership Agreements;
- working toward the conclusion of the Doha Round of multilateral trade negotiations;
- promoting security by supporting the 'EU Action Plan for situations of fragility and conflict';[45]
- implementing EU commitments on annual fast-start funding for climate change; and
- supporting the ongoing reform process for increased UN system-wide coherence and effectiveness.

The Council Conclusions of 14 June 2010 reiterated the points made in the action plan of April 2010. The Conclusions stressed the interdependence between the individual goals. A very helpful paragraph 4 reads as follows:

> Progress on MDGs depends to a great extent on the quality and coherence of development partners' policies. The EU remains convinced that the MDGs are interlinked, mutually dependent and reinforcing and therefore require a holistic, rights-based approach which takes into account local contexts. The EU wishes to underline the interdependence of the MDGs with human rights, gender equality, democracy, good governance, development, peace and security, as well as climate and energy. The EU also underlines the important role of non-development policies in achieving the MDGs.[46]

COM(2010)159 final, available at: http://ec.europa.eu/development/icenter/repository/COMM_COM_2010_0159_MDG_EN.PDF (12 July 2010).

[43]The Commission's Communication, called the 'spring package', dated 8 April 2010 and debated in the Foreign Affairs Council, included suggestions on possible ODA legislation in member states setting out binding national yearly timetables or action plans on the UN ODA target of 0.7% of GNI. The text of this communication is available at: http://ec.europa.eu/development/icenter/repository/COMM_PDF_COM_2009_0160_F_EN_ACTE.pdf (20 May 2010).

[44]EU coordination for taking decisions and organising the division of labour in fragile states has already started in Haiti. (See note 27 above.)

[45]European Commission, 'Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions: Towards an EU response to situations of fragility—engaging in difficult environments for sustainable development, stability and peace', Brussels, 25 October 2007, COM(2007) 643 final; available at: http://ec.europa.eu/development/icenter/repository/COMM_PDF_COM_2007_0643_F_EN_ACTE.pdf (13 July 2010).

[46]'Council Conclusions', 14 June 2010, 2 (para. 4).

The Conclusions called on all partners in the international community to place the excluded and most vulnerable, the poor and the hungry and people with disabilities at the centre of development efforts, with a specific focus on women, and to enhance their participation and empowerment. An appendix to the Conclusions sets out the previously discussed *EU plan of action on gender equality and women's empowerment in development (2010–2015)*.[47] The EU also declared its firm support for the establishment of a composite UN 'Entity for gender equality and the empowerment of women', and the swift and adequate implementation of the April 2010 plan to reform developing and transition countries' voting power in the World Bank.

In a Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, dated 15 September 2009, a 'whole of the Union approach' was said to be necessary.[48] Such an approach would establish a policy framework to better harness other policies and non-ODA financial flows to development objectives. In relation to such non-ODA financial flows (for example, investment, remittances, technology transfers), the Communication stated that an 'ODA-plus' approach would be developed and that the EU's PCD work programme would provide guidance for this concept.

Irish Aid will influence the MDG summit, first, by influencing the EU position (through its work on the Foreign Affairs EU Council) and, second, by influencing the summit's final outcome document. It has developed its own position in preparation for the MDG summit. It is focused on four issues. On the whole, they are compatible with the EU approach.

- MDG1 on halving hunger by 2015: this is in line with Irish Aid's policy priority on hunger as set out in the report of the Hunger Task Force. Ireland will be co-hosting (with the United States) a special side event at the MDG summit to ensure that the issue of hunger is kept high on the international agenda.
- Focus on regions and countries most in need: in line with the central focus of Irish Aid's programmes.
- A strong focus in those countries on the marginalised, especially women and children.
- How the donor community works: making the aid effectiveness agenda more results-focused.

Irish Aid (as well as the Like-minded group) had some reservations regarding the 'whole-of-the-Union' approach and the 'ODA-plus' approach set out in the Council Conclusions on policy coherence for development. Their reservations centred around concerns that support for new 'ODA-plus' innovative funding approaches might lead to a reduction in support for ODA itself. However, Irish Aid is in favour of identifying new sources of development finance. One of these is taxation. As pointed out in an earlier review paper[49], not only does taxation provide resources for a DC to finance its own development, but an equitable taxation system also promotes good governance by making governments more accountable to taxpayers. In this regard, it

[47]See note 35 above.

[48]European Commission, Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions: *Policy Coherence for Development – establishing the policy framework for the whole-of-the-Union approach*, Brussels, 15 September 2009, COM(2009) 458 final, available at: http://ec.europa.eu/development/icenter/repository/COM_2009_458_part1_en.pdf (17 May 2010).

[49]O'Neill, Ireland's foreign aid in 2007', 263.

is relevant to note that the Irish Revenue authorities are currently assisting Rwanda to set up an equitable tax system.

Minister of State for Overseas Development Peter Power, TD, has suggested that the EU should use Haiti as an example of coordination in aid effectiveness by establishing an 'EU House' in Haiti. Ireland already contributes to the World Bank Trust Fund for Haiti as another means of coordination through the Foreign Affairs Council. Spain, which held the presidency of the EU for the first half of 2010, suggested that the EU should speak with one voice on the Trust Fund.

Working with the international financial institutions (IFIs)

The Department of Finance pays the majority of Ireland's ODA contributions to three IFIs out of the Central Fund. The three institutions are the World Bank, the International Monetary Fund (IMF) and the Asian Development Bank.

As Table 3 shows, total contributions to the World Bank/IMF and ADB during 2009 amounted to €30.2 million. The first sub-heading relates to Ireland's contributions to the International Development Association (IDA), the soft-loan window of the bank, which lends to the least-developed countries (LDCs) for very long periods at very low or zero rates of interest. Ireland paid the final instalments to the thirteenth and fourteenth replenishments of IDA—€900,000 and €23,333,334, respectively—during 2008. Ireland pledged €90 million to the fifteenth replenishment in December 2007. Payments began in 2009 (€18 million) and were to have been phased in over three years. However, World Bank members are free to decide their own payment schedules. Thus, with the agreement of the Bank, and given the pressure on the Irish aid budget in 2009, it was decided to phase in payments on the fifteenth replenishment over five years (€18 million per year). Ireland's commitment to the Bank remains unchanged, and the total payment of €90 million will be made to the fifteenth replenishment of IDA.

A total payment of €100,000 was made to the IDA HIPC Trust Fund for heavily indebted poor countries in 2009. This looks very low in comparison with the 2008 contribution. However, as well as a scheduled payment to the Trust Fund, the 2008 figure included a once-off payment of €6 million, pledged by Ireland in response to requests made for additional funding during the IDA15 replenishment negotiations. Finally, in 2005, Ireland agreed to contribute €500,000 over a period of five years to subsidise emergency assistance for natural disasters to countries eligible for the Poverty Reduction Growth Facility (PRGF). PRGF loans are designed for low-income member countries with protracted balance of payments problems: €100,000 was paid into its Exogenous Shocks Facility (ESF) in 2009. This facility provides emergency assistance for natural disasters to PRGF-eligible countries. Modifications to the ESF, approved in September 2008, will make it capable of providing more financing and make it faster to access, easier and more flexible to use. The IMF has now replaced the PRGF with a new, more flexible facility—the Extended Credit Facility—which will be tailored more to country needs. This new lending facility is in line with the objectives of a country's own poverty reduction strategy and is aimed at preventing and resolving liquidity crises in low-income countries.

In addition to the contributions made by the Department of Finance to the IFIs, Irish Aid supports a number of World Bank Group Trust Funds. Payments to other World Bank and IMF Trust Funds amounted to €1 million during 2009. These payments included a contribution of €500,000 to the Foreign Investment Advisory Service (FIAS) of the International Finance Corporation (IFC), which promotes development of the private sector in DCs. This payment assists governments in DCs and transition economies in promoting investment climate and business reforms. In

2009 Irish Aid continued its support to the IFC's advisory work in conflict-affected African countries and contributed €190,000 toward this programme. Irish Aid also engaged actively in a consultative group that guides the IFC's work in post-conflict and fragile countries and contributed €210,000 to the World Bank Institute (WBI), the training and human resource development agency of the Bank. The funding was provided as co-financing for a small number of projects in the fields of education, health/HIV and water and rural development, which together complement Irish Aid's overall strategies in these areas.

Irish Aid, together with the Department of Finance, attends the Spring meetings and annual meetings of the IMF and World Bank and actively participates in regular donor consultation meetings and bilateral meetings in Washington, DC. Irish Aid is also the conduit between PC country offices and embassies and the World Bank.

The international financial system is in need of reform. A number of attempts are currently underway. In April 2009 the G20 leaders agreed to increase the resources available to the IMF by up to US$500 billion, thereby tripling the total pre-crisis lending resources of the IMF to US$750 billion. The aim is to support growth in developing and transitional countries (DTCs). The G20 also agreed a new allocation of special drawing rights (SDRs), the IMF's international reserve asset, of US$250 billion. The increase in IMF resources is to be made in two steps: (a) through the immediate provision of bilateral loans up to US$250 billion from IMF member countries to the IMF and (b) by subsequently rolling over these loans and making additional provision into an expanded and more flexible New Arrangements to Borrow (NAB), which is to be increased by up to US$500 billion. Ireland has agreed in principle to participate in a new, expanded NAB, subject to terms and conditions being finalised. The NAB is a voluntary multilateral framework for calling on the loans that individual countries have committed to making to the IMF in case of need.[50] Speaking at the Joint Annual Discussion in Istanbul, Turkey, in October 2009, Dr Martin Mansergh, Governor of the IMF, stated that Ireland is committed to playing its part in contributing to the EU's share in supplementing the IMF's financing capacity.[51] Accompanying the increase in IMF resources, is a process to reform the voting power of IMF members that would redistribute a higher percentage of votes to DCs.

A parallel set of reforms is underway in the World Bank. Agreement on a general increase in its capital was reached in April 2010—the first such increase since 1988—in return for a slight shift of voting power toward DTCs. The capital of the Bank is to be increased by over US$86 billion. This is to be made up as follows: an increase of US$86.2 billion in capital for the International Bank for Reconstruction and Development (IBRD), which is the part of the World Bank group that lends to middle-income member countries, and an increase of US$200 million in the capital of the IFC, which, as noted above, is the group's window that lends to the private sector in DCs. The share of voting power allotted to DTCs on the board of the IBRD is to rise from 44.06% to 47.19%, while the increase in their voting power at the IFC is to rise by 6.07% to 39.48%. There is an agreement to review IBRD and IFC shareholdings every five years, with a commitment to 'equitable voting power between rich countries and DTCs over time'.[52]

[50]Department of Finance, *Ireland's participation in the International Monetary Fund and the World Bank 2009* (Dublin, March 2009), 9.

[51]Department of Finance *Ireland's participation*, 30; see also the statement by Dr Martin Mansergh, TD, Governor of the International Monetary Fund and Governor of the World Bank for Ireland, at the Joint Annual Discussion of the World Bank Group, held in Istanbul, Turkey, 6–7 October 2009. The text of the statement is available at: http://www.imf.org/external/am/2009/speeches/pr26e.pdf (16 July 2010).

[52]World Bank, Washington DC, 'World Bank reforms voting power, Gets $86 billion boost', Press release no. 2010/363/EXT, 25 April 2010, available at: http://web.worldbank.org/WBSITE/

The claim of the Bank that DCs would get around 47% of the vote in the IBRD may not be correct. In defining DTCs, the Bank uses the classification in the IMF's *World Economic Outlook*, which includes 16 countries, of which three are Saudi Arabia, Hungary and Kuwait. These countries are classified by the World Bank as high-income countries and already hold 5% of the vote. This means that DCs would end up holding only 42% of the vote. In the case of IDA, the soft-loan window of the Bank that lends to LDCs, a number of high-income countries are included in the LDC category, including OECD members such as the Czech Republic and South Korea as well as Israel and Saudi Arabia. This group already holds around 7% of IDA votes, meaning that the real LDCs' voting share will also be just over 40% of the total vote. A further proposal for reform of the voice of LDCs in the World Bank is a new chair for sub-Saharan Africa (SSA). This would bring to three the number of seats for SSA on the Bank's 25-member Board.

As regards improving the voice of the 27 members of the EU within the IFIs, Ireland shares the view that there is scope to improve the voice of the EU27 but is not in favour of the EU27 speaking with a single voice in the IFI's governing bodies. Nevertheless, Ireland continues to support calls by the EU for better coordination of common positions at international fora.

An increase in the capital base of the regional development banks was also agreed in April 2010. The only regional development bank to which Ireland belongs is the Asian Development Bank (ADB), which it joined in 2006. In contrast to its payments to the IMF and World Bank group last year, the contribution made to the ADB rose significantly in 2009. This is explained by Ireland's contribution of €9.25 million (the first of three instalments) to the tenth replenishment of the Asian Development Fund as well as €1.8 million to ADB's capital base (the final instalment of Ireland's initial shareholding subscription). Participants at the forty-second annual meeting of the Board of Governors of the ADB highlighted the need to address the fallout of the economic crisis in terms of job losses, increasing poverty and exacerbation of inequality and gender considerations in ADB operations and policies.[53] Speaking at the meeting, Mr Richard O'Brien, head of the Irish delegation, stated that, while it was clear that the increase in the ADB's ordinary capital resources would enable it to respond to the growing demands of middle income countries across the region, he was especially encouraged by the determination heard at the meetings that the Bank must not lose sight of its poorest Asian and Pacific member countries. He urged the Bank to maintain its over-riding goal of poverty reduction. He also stated that, in line with Ireland's development cooperation policy, he was keen to encourage gender mainstreaming across the range of the Bank's operations and welcomed the timely decision of the Bank to recruit more country-based gender specialists.[54]

Working with the UN and other multilateral institutions

Ireland has always been a strong supporter of the United Nations, in terms of both policy dialogue and financial support for various UN agencies and organisations. Its contributions to these agencies and organisations and other multilateral institutions had been increasing strongly in recent years, in line with the general growth in

EXTERNAL/NEWS/0,,contentMDK:22556045~pagePK:34370~piPK:34424~theSitePK:4607,00.html (15 July 2010).

[53]Sandra Lodoen, 'Surviving the global crisis: ADB annual meeting emphasizes challenges to growth and poverty reduction', available at: http://www.adb.org/annualmeeting/2009/ (15 July 2010).

[54]Department of Finance, 'Address by Mr Richard O'Brien, Head of Delegation of Ireland at the 42nd annual meeting of the board of governors of the Asian Development Bank, Bali, Indonesia, 4–5 May 2009'.

Ireland's ODA budget. Total contributions amounted to €108.1 million in 2008—slightly more than the total amount contributed to the EU that year. However, as the cuts to the overall ODA budget began to bite, contributions to UN agencies and organisations were cut back sharply. These expenditures can be compared with the movements of a concertina. Because almost 90% of these payments are voluntary, they can be expanded easily and significantly when the ODA budget is growing fast and can be squeezed when there are budgetary cuts. In contrast to the bilateral side of the programme, where absorptive capacity can impose constraints on short-term growth—increased expenditure normally necessitates increased staff to manage it—it is relatively easy to spend increases in the overall ODA budget by providing more voluntary contributions to UN agencies when budgets are growing. Associated administration costs within Irish Aid are relatively low. During the period 2004 through 2008, as the total ODA budget grew strongly, voluntary contributions to UN agencies grew from under €44 million to over €96 million. As budgetary cuts begin to bite last year, Irish Aid attempted to protect spending in the programme countries. Co-funding with CSOs and expenditure on emergency humanitarian assistance and post-emergency recovery were also protected as fully as possible. It was considered that voluntary contributions to the UN agencies could absorb the impact of the budgetary squeeze in the short term.

Total contributions to UN agencies and other multilateral institutions fell, therefore, from €108.1 million in 2008 to €60.8 million in 2009—a reduction of nearly 44%. The cuts in voluntary contributions to UN agencies were even more severe, at over 47%. These payments fell from €96.5 million to €50.7 million. As Table 3 shows, of the €96.5 million paid in voluntary contributions to UN agencies in 2008, €73 million, or 76%, was paid to the six agencies with which Irish Aid has formed 'strategic partnerships'. These agencies are the UN Development Programme (UNDP), the UN Childrens' Fund (UNICEF), the UN High Commission for Refugees (UNHCR), the UN Fund for Population Activities (UNFPA), the World Health Organisation (WHO) and UNAIDS. The total amount contributed to these six 'strategic partnerships' in 2009 was €41 million, or 79% of total voluntary contributions to UN agencies last year. In other words, while the euro amount was cut significantly, the percent of total voluntary contributions represented by these payments to these six agencies remained very high and even increased slightly in 2009.

The UN has come under severe criticism in recent years—with repeated calls for its reform—as a result of its continuing 'fragmentation' and failure to coordinate its many agencies and organisations and the numerous funds that finance them. The 'One-UN' or 'Delivering as One' initiative are the names applied to describe efforts within the UN family to deliver in a more coordinated way at the country level, through rationalising funding and expenditure. In 2006, a report by the Secretary-General's High-Level Panel set out the elements of the initiative.[55] This report built on numerous prior UN General Assembly (UNGA) resolutions on coherence dating back to 2001. The aim of the One UN initiative is to reduce duplication and transaction costs so that the UN can use resources more effectively to support partner countries to achieve their development goals. System-wide coherence (SWC) is the UN's response to the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action.

Ireland has been a keen supporter of UN reform and improved coherence and rationalisation. It has demonstrated leadership on the aid effectiveness agenda.

[55]United Nations, *Delivering as One: report of the Secretary-General's High-Level Panel* (New York, 9 November 2006), available at: http://www.un.org/events/panel/resources/pdfs/HLP-SWC-FinalReport.pdf (16 July 2010).

Principles of national ownership and leadership, results-based management and mutual accountability are cornerstones of the Paris and Accra Agenda. The One UN initiative represents the implementation of these principles at the level of the UN system.

In 2007 eight pilot DCs were chosen to test the One UN approach. These countries are Albania, Cape Verde, Pakistan, Rwanda, Uruguay, Mozambique, Tanzania and Vietnam. The last three are Irish Aid programme countries. The eight pilot countries are making reforms based on four principles: One Leader; One Budget; One Programme; and, where appropriate, One Office. Other Irish PCs—Malawi, Ethiopia, Lesotho, Uganda and Zambia—have expressed interest in the One UN/Delivering as One approach and are moving toward implementing it. Irish Aid is supporting Vietnam, Malawi and Tanzania by providing funding into the 'One Fund', which is pooled funding at country level for joint UN programmes in the areas of maternal and child nutrition, HIV and AIDS, social protection and education. It is important to ensure that progress continues and that the reform process is maintained. Irish Aid supports the proposal for an independent evaluation process that would inform the need for further reforms within the UN system as well as the development of future Delivering as One country programmes. It is envisaged that the independent evaluation will take place at the end of the pilot process in 2010–11.

System-wide coherence (SWC) also has clear links to post-conflict peace-building and fragile states, as well as links to the humanitarian agenda and linking relief to development. The UN presences in Timor Leste and Sierra Leone are 'integrated missions', mandated by the UN Security Council to assist the governments of those countries in their post-conflict peace-building efforts. They are also responsible for coordinating the UN's development efforts. The integrated mission model builds on a number of important elements of SWC.

Irish Aid influences global policy in its funding to the UN and its engagement with it through a number of 'entry points'. These include: the UNGA; the Economic and Social Council (ECOSOC) and its Commissions; the Executive Boards of UN agencies; at country level; and through multi-donor groups

In relation to Ireland's work with the UNGA, the lead is taken by the Permanent Mission in New York. When a resolution is being drafted, Irish Aid may instruct the mission regarding changes it would like to see included. In 2008 the President of the UNGA appointed the ambassadors of Ireland and Tanzania to co-chair discussions on system-wide coherence (including the One UN initiative) for six months. The report from their work resulted in a resolution advancing system-wide coherence at UN level.[56] At country level, the Irish ambassadors in Vietnam and Tanzania have chaired the One UN donor groups and, having consulted with other donors, have reported back on progress to UN headquarters in New York. At country level, not all UN funds are yet pooled in one fund. The Tanzanian government is trying to move to a system where all UN agencies will be delivering as One UN and their activities will be encapsulated as one programme. Irish Aid supported Tanzania when it brought such a proposal to the joint Boards of the UNDP, UNICEF, UNFPA, and WFP in January 2010. Together, they were successful in getting a coalition of twenty countries, including both donors and DCs, to support this approach. On 2 October 2009, the General Assembly had adopted another resolution on SWC,[57] which took up five key areas of continuing concern: strengthening the institutional arrangements for support of gender equality and women's empowerment; strengthening

[56]Resolution A/RES/62/277 was adopted by the General Assembly on 15 September 2008. The text of this resolution is available at: http://www.undg.org/docs/9417/N0748033.pdf (17 July 2010).

[57]See A/RES/63/311, available at: http://www.un.org/ga/president/64/issues/swc.shtml (16 July 2010).

governance of operational activities for development of the UN system; improving the funding system of operational activities for development of the UN system; 'delivering as one'; and harmonisation of business practices.

ECOSOC is one of the five principal organs of the UN responsible for the coordination of economic, social and related work of its specialised agencies, functional commissions and regional commissions. Its main tasks include the promotion of higher levels of living, full employment and economic and social progress; the identification of solutions to international economic, social and health problems; the facilitation of international cultural and educational cooperation; and the advancement of universal respect for human rights and fundamental freedoms. ECOSOC has sixteen Specialised Agencies,[58] nine functional Commissions[59] and five regional Commissions.[60] As noted above, Ireland has strategic partnerships with six UN specialised agencies. Irish Aid (Multilateral section) tends to focus primarily on two Commissions: the Commission on the Status of Women (CSW) and the Commission on Population and Development. During 2009 and early 2010, the major focus was on the CSW. The purpose of this Commission is to monitor the implementation of the Beijing Platform for Action—the primary global agreement on gender, dating from 1995. The Human Rights Unit within the Department of Foreign Affairs at Iveagh House takes the lead, but, insofar as the Commission also covers development issues, the Multilateral section within Irish Aid is also very involved. However, nationally, the Equality Unit (recently moved from the Department of Justice and Law Reform to the Department of Community, Equality and Gaeltacht Affairs) leads on gender issues, so its Minister of State or Head of Equality Unit leads the Irish delegation to gender meetings in ECOSOC.

Efforts to create a new composite gender unit within the UN structure were concluded on 2 July 2010 when the UNGA voted unanimously to create the New Entity for Gender Equality and Women's Empowerment—to be known as UN Women.[61] It is a manifestation of the One UN initiative in action. It merges and will build on the important work of four previously distinct parts of the UN system that focus exclusively on gender equality and women's empowerment: the Division for the Advancement of Women (DAW), established in 1946; the International Research and Training Institute for the Advancement of Women (INSTRAW), established in 1976; the Office of the Special Adviser on Gender Issues and Advancement of

[58]ECOSOC's sixteen Specialised Agencies are: International Labour Organisation (ILO), Food and Agriculture Organisation (FAO), UN Educational, Scientific and Cultural Organisation (UNESCO), World Health Organisation (WHO), World Bank Group (including IBRD, IDA, IFC, MIGA and ICSID), International Monetary Fund, International Civil Aviation Organisation, International Maritime Organisation, International Telecommunication Union, Universal Postal Union, World Meteorological Organisation, World Intellectual Property Organisation, International Fund for Agricultural Development, UN Children's Fund (UNICEF), UN Industrial Development Organisation and UN Development Programme; further information is available at: http://www.un.org/en/ecosoc/about/subsidiary.shtml (16 July 2010).

[59]The nine ECOSOC Functional Commissions are: Statistical Commission, Commission on Population and Development, Commission for Social Development, Commission on the Status of Women, Commission on Narcotic Drugs, Commission on Crime Prevention and Criminal Justice, Commission on Science and Technology for Development, Commission on Sustainable Development and the United Nations Forum on Forests; further information on these agencies is available at: http://www.un.org/en/ecosoc/about/subsidiary.shtml (16 July 2010).

[60]ECOSOC's five Regional Commissions are: UN Economic Commission for Europe, UN Economic Commission for Africa, UN Economic Commission for Latin America and the Caribbean, UN Economic and Social Commission for Asia and the Pacific, and UN Economic and Social Commission for Western Asia; further information is available at: http://www.un.org/en/ecosoc/about/subsidiary.shtml (16 July 2010).

[61]United Nations, 'Statement by the UN secretary-general on the creation of UN Women', 2 July 2010; available at: http://www.unwomen.org/wp-content/uploads/2010/07/UNWomen_SGstatement_20100702.pdf (17 July 2010).

Women (OSAGI), established in 1997; and the UN Development Fund for Women (UNIFEM), established in 1976. Despite significant progress in advancing gender equality, including through agreements such as the Beijing Declaration and Platform for Action and the CEDAW, gender inequalities remain deeply entrenched in every society, especially DC societies. UN Women—which will be operational by January 2011—has two key roles: it will support inter-governmental bodies such as the Commission on the Status of Women in their formulation of policies, global standards and norms, and it will help UN member states to implement these standards, standing ready to provide suitable technical and financial support to those countries that request it, as well as forging effective partnerships with civil society. It will also help the UN system to be accountable for its own commitments on gender equality, including regular monitoring of SWC. The main concern about the new entity is that its funding (from voluntary contributions together with regular UN budget support for its normative work) will be insufficient for its work. Ireland—(and the EU, as noted already)—has declared its firm support for the establishment of UN Women. It contributed to the resolution by which it was established and has provided inputs to the policy work of the emerging organisation.[62]

Membership of the executive boards (EBs) of the UN agencies rotates normally in three-year cycles. Of the six agencies with which Ireland has strategic partnerships, it currently serves on the EBs of two (UNICEF from 2010 to 2012 and UNHCR where, once elected, a country remains on the EB). The EB of a UN agency approves its country programme and its funding. Membership provides an opportunity to contribute to decisions and to emphasise a member's interests and priorities—and get a sense of the extent to which these interests and priorities are shared by other countries. Ireland has been moving beyond the donor world and engaging with DC members of the EBs. It has been trying to get DCs to associate themselves with Irish statements and trying to associate itself with the statements of DCs. One way that Irish Aid monitors the performance of the UN funds, programmes and agencies is to study their annual reports, which document the results achieved against their objectives. Irish Aid is of the opinion that there is much room for improvement in these reports, which tend to focus on the activities undertaken by the agencies rather than on the impact of these activities on poverty reduction. Although it is not easy to measure results and impacts, Irish Aid is working with the agencies to ensure that they adopt a more results-based approach. With a view to improving the effectiveness of UN organisations and promoting reform within the UN system, Ireland has been actively engaging with various multi-donor groups in recent years. These groups include the Utstein group of like-minded donors,[63] which widens Ireland's engagement with UN agencies from the bilateral to the multilateral level and thus promotes coherent and consistent engagement on UN system-wide coherence. Ireland is also an active member of the Multilateral Organisation Performance Assessment Network (MOPAN) group, a network of 16 donor countries with a common interest in assessing the organisational effectiveness of the major multilateral organisations they fund. Members are committed to a joint approach to assessment and focus on whether multilateral organisations have in place four dimensions of organisational effectiveness: strategic, operational, relationship and knowledge management.[64]

[62]See A/RES/64/289, paragraph 49; available at: http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/64/289 (17 July 2010).

[63]The thirteen members of the Utstein group are: Austria, Belgium, Canada, Denmark, Finland, Germany, Ireland, the Netherlands, Norway, Spain, Sweden, Switzerland and the UK; further information on this group is available at: http://www.u4.no/projects/utsteinprinciples.cfm, (16 July 2010).

[64]Members of the MOPAN group in 2010 are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, The Netherlands, Norway, Republic of Korea, Spain, Sweden, Switzerland and the UK; further information is available at: http://www.mopanonline.org/ (16 July 2010).

ODA CONTRIBUTIONS FROM OTHER GOVERNMENT DEPARTMENTS IN 2009[65]

Irish Aid and the Department of Finance between them deliver the bulk of Ireland's overall aid budget. However, a number of other government departments, notably the Department of Agriculture, Fisheries and Food, the Department of Health and Children, and the Department of Environment, Heritage and Local Government, also make substantial contributions to Ireland's official aid programme each year. In addition, relatively small contributions were made in 2009 by the Department of Education and Science, the Department of Enterprise, Trade and Employment, the Department of Defence and the Office of the Minister for Integration. Not all of their contributions are 'DAC-able', that is, may be counted as ODA under DAC rules. The percentage of these payments that is DAC-able varies according to the nature of the programme being funded. In showing the contributions of the 'other' departments below, only the DAC-able amounts are provided. Some of these payments are included under multilateral contributions while others are included on the bilateral side of the programme.

The Department of Agriculture and Food contributed a DAC-able amount of €10.16 million to the World Food Programme and €1.26 million to the FAO in 2009. The Department of Health and Children paid €1.66 million to the WHO. The Department of Environment, Heritage and Local Government made contributions to a number of international organisations, including €1.363 million to the Global Environment Facility, €490,267 to the Montreal Protocol, €428,180 to the International Atomic Energy Agency, €317,000 to the UN Environment Programme and €100,000 to the UN Framework Convention on Climate Change. The Department of Education and Science contributed €410,400 to UNESCO, while the Department of Enterprise, Trade and Employment contributed €183,931 to the International Labour Organisation and €9,409 to the World Intellectual Property Organisation. The Office of the Minister for Integration (Department of Justice, Equality and Law Reform) made a DAC-able contribution of €308,382, which is classified as bilateral aid. The Department of Defence contributed €130,000 to the International Committee of the Red Cross. DAC-able payments to UN peace-keeping operations (UNPKO) amounted to €1.14 million in 2009. Finally, the Revenue Commissioners made a contribution to the aid programme amounting to €6.94 million under the tax deductability scheme. Under this scheme, Revenue refunds to Irish NGOs a sum equal to the tax that would have been paid by private donors on the amounts contributed by them to the NGOs. It is classified as ODA under DAC rules and constitutes income for the NGOs. Irish Aid classifies it under bilateral aid in Table 2.

MANAGEMENT REVIEW OF IRISH AID

The report of the Ireland Aid Review Committee, which was published in 2002, provided a survey of the entire landscape of Irish development assistance policy and management.[66] In contrast, the Management Review that was published in 2009 had a much narrower focus.[67] It arose out of the 2006 *White Paper on Irish Aid*, and its remit was to review the systems, procedures, governance and capacity requirements of a programme that had grown exponentially in the previous three years. It was not

[65]The names of individual government departments are shown here as they were in 2009.

[66]DFA, *Report of the Ireland Aid review committee* (Dublin, 2002).

[67]Farrell Grant Sparks for DFA/Irish Aid, *Management review—final report* (Dublin, 2009), hereafter cired as *Management review*. The complete text of this report is available at: http://www.dci.gov.ie/Uploads/Irish%20Aid%20Management%20Review.pdf (17 July 2010).

required to review the ODA programme *per se*. The review was undertaken by Farrell Grant Sparks on behalf of DFA and the Department of Finance. The report highlighted a number of issues and made a number of recommendations. In common with the earlier review, it emphasised the importance of the Irish Aid programme continuing to be vested in a dedicated Division of DFA and rejected the notion of establishing a stand-alone agency. Indeed, it suggested that Irish Aid operations should be more fully integrated (mainstreamed) with the functions of DFA, and even recommended that the title of the post of the minister and the title of the department should be changed to that of the Minister and Department of Foreign Affairs and International Development (DFAID). The government did not accept this recommendation.

Specific recommendations relating to implementing the integrated model included:

- reorganisation of the functions below Director-General (DG) level into two streams headed at Deputy DG level, one essentially focused on policy and on the multilateral programme and the other focused on delivery of the bilateral programme and associated functions;
- the amalgamation of the Implementation Team and the Policy and Coherence Unit into a single unit;
- the commencement of a process whereby the Policy and Coherence Unit could become a department-wide Strategy and Policy Unit, ensuring more effective cross-departmental integration in that regard;
- the establishment of an integrated Africa Unit combining current Political Division and Irish Aid functions in that regard;
- the integration of the current Political and Irish Aid sections dealing with multilateral organisations into a single organisational unit; and
- the establishment of a single Corporate Services Division, servicing the whole of the department, and the assignment to it of the reporting arrangements for the internal audit functions currently residing within Irish Aid.

In common with all peer reviews of the Irish aid programme carried out by OECD/DAC, this review comments on the small size of the staff in Irish Aid. It assesses in great detail the current staff complement under all headings (diplomatic, development specialists, general service grades and locally-recruited staff in the PCs). It recommends an increase in staff of 84, which would bring total staff to 318. It also considers—and makes general recommendations regarding—competency requirements on both the multilateral and the bilateral sides of the programme. Finally, it concludes that successful implementation of the overall recommended institutional model for delivery of the Irish Aid programme 'will be highly dependent on arriving at a satisfactory resolution to the ongoing problems of dealing with the inextricably intertwined issues of decentralisation and staff rotation/mobility'.[68] Pointing out that, since the implementation of the decision to decentralise Irish Aid to Limerick, 80% of its staffing complement had been replaced, it states that a 'staff churn' of this level is not sustainable. This is one of the key justifications for its 'integrated model', whereby Irish Aid becomes an integrated, mainstream activity of the Department of Foreign Affairs as a whole, 'with the consequent opportunity for more flexible approaches to staff deployment'.[69]

[68]*Management review*, 45.
[69]*Management review*, 46.

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