

Chapter 22 International Co-operation

Official Development Assistance

Official Development Assistance

22.1 Official development assistance (ODA) comprises transfers of resources by official agencies — either in cash or in the form of commodities or services — to developing countries or territories, or to multilateral development institutions. These transfers only qualify for inclusion in estimates of ODA if they are directed towards the promotion of the economic development and welfare of developing countries⁷⁴.

22.2 Irish Aid is the division within the Department of Foreign Affairs set up to administer the Government of Ireland's programme of ODA.

22.3 Most Irish ODA expenditure is accounted for under Vote 29: International Co-operation. In 2008, this represented 83.5% of the total contributed by Ireland. The rest of the expenditure is made up mainly of Ireland's contribution to the EU development co-operation budget, some payments to international bodies by the Department of Finance and the Department of Agriculture, Fisheries and Food (and accounted for in their respective votes) and payments by the Revenue Commissioners in respect of the Tax Deductibility Scheme for donations to relevant charities.

Report Focus

This Chapter has been compiled to present the full expenditure on ODA in one statement.

Overall Expenditure

22.4 Irish ODA totalled €21 million in 2008, up from €71 million in 2007. This represented an increase of 5.7%.

22.5 A breakdown of how Irish ODA funding was applied is presented in Figure 82. This distinguishes between

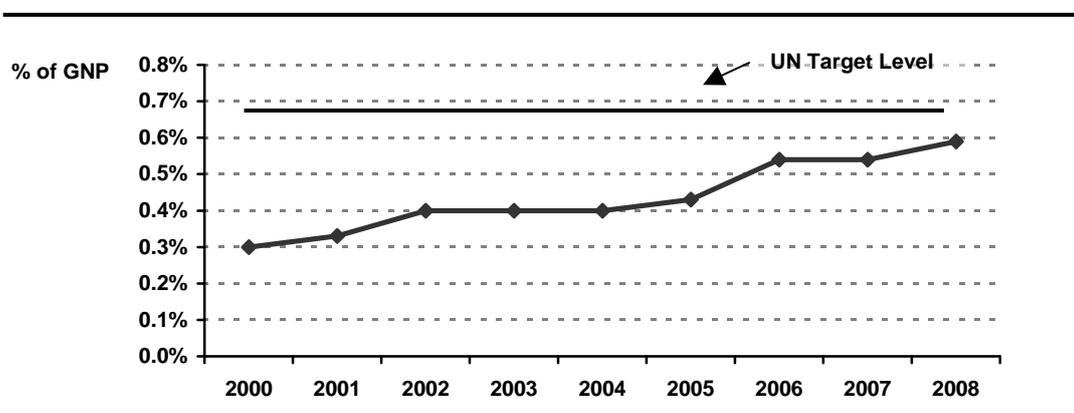
- **Bilateral assistance** — undertaken by a donor country directly with a developing country, and delivered through the developing country's government or through non-governmental organisations (NGOs), including missionary societies. Bilateral assistance also includes development transactions such as interest subsidies, spending on promotion of development awareness and debt reorganisation.
- **Multilateral assistance** — involving contributions to international agencies, institutions or organisations that pool contributions from member countries and apply them for development purposes.

⁷⁴ See OECD Development Assistance Committee factsheet, *Is it ODA?* (May 2007) for an explanation of the criteria that are applied in estimation and recording of ODA. Loans may be included in estimates of ODA if they involve interest rates below market levels, and involve a grant element worth at least 25%.

Figure 82 Official Development Assistance, by Type, 2007 and 2008

	2007	2008
	€m	€m
Bilateral Assistance	576.0	614.8
Multilateral Assistance	264.8	270.7
Administration Costs (Vote 29)	30.1	35.1
Total Gross Expenditure	870.9	920.6

22.6 The United Nations has set a target for developed countries to contribute official development assistance equivalent to 0.7% of their Gross National Product (GNP) each year. As Figure 83 indicates, Ireland's ODA increased from 0.3% of GNP in 2000 to 0.59% in 2008. The Government's stated objective is to reach the 0.7% target level by 2012.

Figure 83 Irish Official Development Aid as a Percentage of GNP, 2000 to 2008

Source: Department of Foreign Affairs

22.7 Only five donor countries exceeded the UN target in 2008: Sweden (0.98%), Luxembourg (0.92%), Norway (0.88%), Denmark (0.82%) and the Netherlands (0.8%). Ireland's ODA contribution was the next highest among the OECD countries⁷⁵.

Bilateral Development Assistance

22.8 Two-thirds of Irish ODA is provided through bilateral cooperation programmes. Figure 84 presents a breakdown of bilateral transfers by programme.

⁷⁵ OECD, Net Official Development Assistance in 2008, March 2009.

Figure 84 Bilateral Official Development Assistance, by Type, 2007 and 2008

	2007	2008
	€m	€m
Vote 29 International Co-operation Expenditure		
Assistance to Programme Countries	185.0	218.6
Assistance to other Countries	29.4	38.2
Civil Society Support, including co-financing with NGOs	117.6	134.2
Health and Education Initiatives	96.5	67.6
Emergency and Humanitarian Assistance	120.8	108.4
Other Programmes	17.8	39.5
Bilateral ODA by other Government Agencies	8.9	8.3
Total Bilateral ODA	576.0	614.8

Assistance to Target Countries

22.9 A total of €19 million was spent on formal country assistance programmes in 2008. These programmes are strategic partnerships with the governments of selected countries to support poverty reduction and development on a long-term basis. The countries supported by Ireland under those programmes are Ethiopia, Lesotho, Malawi, Mozambique, Tanzania, Timor Leste, Uganda, Vietnam and Zambia. Development assistance is managed by the Irish embassies in each country, and is provided through support to the partner governments' national development plans and budgets, as well as through civil society organisations and NGOs in these countries.

22.10 Assistance totalling €38 million was also provided in 2008 for selected other countries. A programme is supported in South Africa, supervised by the Irish embassy there. A recovery programme is in place in Sierra Leone and Liberia, delivered mainly through UN specialised agencies and NGOs, and supervised from an office in Sierra Leone. Support was also provided for a programme in the Palestinian administered areas, and for a HIV/AIDS programme in Zimbabwe that is delivered through NGOs. Assistance was also provided for a partnership programme for certain countries of Eastern Europe and Central Asia.

Civil Society Support

22.11 The Civil Society budget includes various schemes designed to provide NGOs, missionary groups and other civil society partners with funding for development interventions. The principal channels of expenditure are

- The **Multi-Annual Programme Scheme** — this provides multi-annual predictable funding to five NGOs based on their strategic plans. The five NGOs are Concern, Trócaire, Christian Aid, Goal and Self Help Africa. Funding through the Scheme is based on the recipient organisation having in place a strategic planning and monitoring framework and a commitment to continuous improvement in line with best international practice.
- The **Civil Society Fund** — this provides multi-annual project funding across a range of social and economic sectors. In 2008, some 130 NGOs were funded under this scheme.
- **Misean Cara** (formerly the Irish Missionary Resource Service) — this body is a management agent for missionaries, which sub-grants to 80 missionary organisations and provides additional capacity building and oversight of their development interventions.
- The **In-Country Micro Projects Scheme** — under this scheme, nine Irish embassies and one consulate have budgets to directly support small-scale development projects. The

scheme operates in developing countries where Ireland has diplomatic accreditation, but where there is no Irish Aid programme.

- **Information Centre and Volunteer-Related Programme** — The centre opened in O'Connell Street in Dublin in 2008. Its purpose is to provide information on the work of Irish Aid, and to provide an information service to individuals who wish to work as overseas development volunteers.

Health and Education Assistance

22.12 The bilateral assistance programme provides support for a number of global health and education initiatives. These are mainly targeted at HIV/AIDS prevention and care and the provision of basic education in less developed countries. Funds for the initiatives are provided via NGOs and missionaries.

Emergency and Humanitarian Assistance

22.13 Emergency and humanitarian assistance is provided during and in the aftermath of emergency situations that arise as a result of natural disasters or humanitarian crises, with the aim of saving lives, alleviating suffering and maintaining human dignity. The funding may be provided to governments dealing with humanitarian crises, through NGOs that are in position to respond quickly to such crises, or through international organisations such as the UN and the International Red Cross. The total expenditure on emergency and humanitarian assistance in 2008 was €108 million, as shown in Figure 85.

Figure 85 Emergency and Humanitarian Assistance, 2007 and 2008

	2007	2008
	€m	€m
Emergency Assistance	90.0	87.0
Rapid Response Initiative	5.0	4.5
Emergency Preparedness and Post Recovery ^a	25.8	16.9
Total Emergency and Humanitarian Assistance	120.8	108.4

Note:

- a In addition, funding was provided through the special programme for post-conflict recovery in Sierra Leone and Liberia referred to earlier.

22.14 In order to facilitate rapid response to emergencies, over €34 million was contributed in 2008 to pooled funding arrangements including the UN's Central Emergency Response Fund and special emergency humanitarian funds in both Sudan and the Democratic Republic of Congo. A further €15.5 million was channelled through the Red Cross. UN organisations received €29.9 million, of which the World Food Programme received the largest share (€12.9 million). The NGO sector was provided with €4.5 million, of which €19 million was provided to Irish-based organisations.

Multilateral Development Assistance

22.15 Around 30% of Irish ODA is provided through general contributions to the cost of development work undertaken by a range of international multilateral organisations. Figure 86 presents a breakdown of the organisations funded.

22.16 Multilateral co-operation funding is directed mainly to the following areas

- **UN Agencies** – The UN plays a role in addressing poverty globally and in helping deliver on agreed international objectives and the Millennium Development Goals. Ireland provides a proportion of its ODA to UN funds and programmes, mainly as core funding for their operations and activities, but also in support of reform measures and specific programmes including democracy building and electoral reform, education and training, assistance to refugees, protection of human rights, combating HIV and AIDS, developing health systems and environmental protection.
- **EU Development Cooperation** – The European Union (including the contributions of its member states) is the largest provider of development assistance at a global level and influences development agendas at international level.

Figure 86 Multilateral Official Development Assistance, by Organisation, 2007 and 2008

	2007	2008
	€m	€m
United Nations, including Voluntary Contributions to UN Agencies	111.9	102.1
European Community Agencies and Initiatives		
EU Budget for Development Co-operation	82.0	85.3
European Development Fund	15.3	22.0
World Bank and other Multilateral Institutions	46.4	53.6
Co-financing with Multilateral Agencies	9.2	7.7
Total Multilateral ODA	264.8	270.7

- The **World Bank** and regional development banks are significant aid delivery channels and important agents in policy and reform issues at country level. Ireland, through the Department of Finance, is a significant contributor to the International Development Association and has recently joined the Asian Development Bank. It engages with the banks on debt, aid effectiveness and development financing policy, as well as on specific issues related to Irish Aid programme countries.
- **Co-financing with multilateral agencies** includes support for agricultural research to help the poor through the Consultative Group on International Agricultural Research and the Global Crop Diversity Fund. The development of entrepreneurship and small-scale business is supported through the International Labour Organisation.

Monitoring and Evaluation of ODA Expenditure

22.17 Irish Aid operates an Evaluation and Audit Unit, the main aim of which is to provide assurance that development co-operation funds are being used for the purposes intended and that value for money is achieved.

22.18 The Unit carries out some audit and evaluation work itself, and commissions internationally recognised audit firms to carry out work on its behalf. It also relies on work carried out within programme countries by the respective national audit institutions. Irish Aid is placing an increased emphasis on working closely with national audit institutions in partner countries with a view to improving financial management and accountability, as well as strengthening internal audit capacity at programme country level.

22.19 The major programme evaluations completed in 2008 related to the following

- The **Timor Leste Country Programme** evaluation found that the programme was well aligned with the priorities of the Government of Timor Leste and with the White Paper on Irish Aid. It also found that the results of Irish expenditure were balanced.

- The ***Evaluation of the International Partnership for Microbicides*** found that the Partnership plays a highly relevant role and has contributed significantly toward the goal of developing safe and effective microbicides (substances used to reduce infection). The evaluation team also found that the Partnership's expense allocations were reasonable and that it had appropriately assessed and managed risk. It found there was room for improvement in some of the Partnership's internal systems.
- The ***Evaluation of the Global e-Schools and Communities Initiative*** found that its mission was relevant, its modes of operation appropriate, its choice of focus countries was reasonable and its outputs were useful. However, it also concluded that the initiative needed more focus and that its international planning and monitoring procedures and administrative processes needed to be made more robust.
- The ***Review of the Strategic Partnership Environment Programme*** concluded that the work of the programme's partners is highly relevant and consistent with Irish Aid's objectives for poverty reduction policies, international best practice and current conditions and that the partners have been largely effective in achieving their objectives.

Conclusions

Irish official development assistance has increased substantially in recent years, reaching a level equivalent to 0.59% of GNP in 2008.

Around two thirds of the assistance is provided through a wide range of bilateral assistance programmes.

Irish Aid has in place a programme for systematic evaluation of the operation and effectiveness of Irish development assistance.