

## **Chapter 24**

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### **Official Development Assistance**

**Vote 29 International Cooperation**



## Official Development Assistance

24.1 Official development assistance (ODA) is the transfer by State agencies of resources – either in cash or in the form of commodities or services – to developing countries or territories, or to multilateral development institutions<sup>208</sup>.

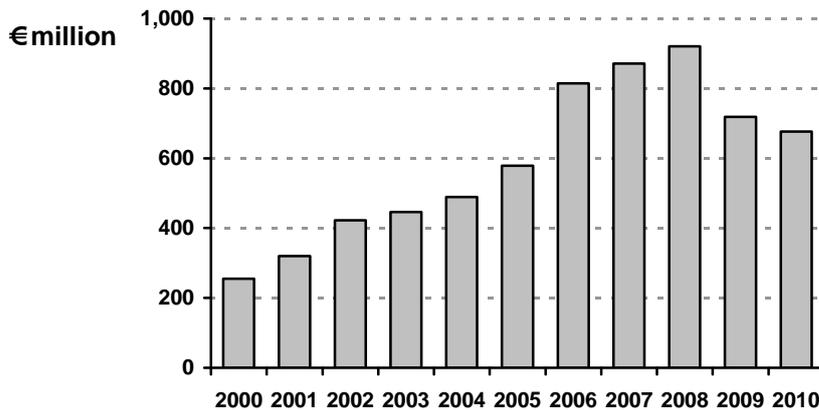
### Chapter Focus

This chapter has been compiled to present the full expenditure on ODA in one statement. It also outlines the systems in place for audit and evaluation of the major components of the Irish ODA programme.

### Expenditure on Development Aid

24.2 Irish ODA expenditure totalled €76 million in 2010, down from a peak of €21 million in 2008. This represents a decrease of €245 million, or almost 27%, over the last two years. Figure 112 shows the trend in the level of Irish ODA expenditure since 2000.

**Figure 112 Irish Official Development Assistance Expenditure (€million), 2000 to 2010**



Source: Irish Aid Annual Report

24.3 Irish Aid<sup>209</sup> is the division within the Department of Foreign Affairs and Trade that administers Ireland's programme of ODA. ODA expenditure processed through Irish Aid is accounted for under Vote 29: International Co-operation, but some expenditure is processed through other government departments and accounted for on other votes. In 2010, €522 million of ODA expenditure was accounted for under Vote 29, representing 77% of total Irish ODA.

<sup>208</sup> Transfers only qualify for inclusion in estimates of ODA if they are directed towards the promotion of the economic development and welfare of developing countries.

<sup>209</sup> This is the Development Co-operation Division of the Department of Foreign Affairs and Trade.

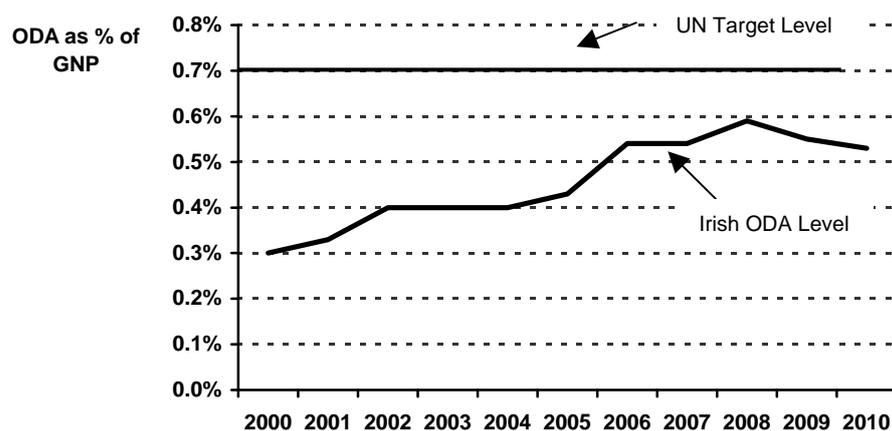
24.4 Other ODA expenditure consists mainly of Ireland's contribution to the EU development co-operation budget, payments to certain international bodies by the Department of Finance, the Department of Environment, Community and Local Government and the Department of Agriculture, Fisheries and Food (accounted for on their respective votes) and repayments by the Revenue Commissioners in respect of the Tax Deductibility Scheme for donations to relevant charities.

### **United Nations Target**

24.5 The United Nations (UN) has set a target for developed countries to contribute ODA equivalent to 0.7% of their Gross National Product (GNP) each year<sup>210</sup>. In 2005, the EU Council set an objective for Member States, except those who have joined since 2002, to reach the 0.7% target level by 2015<sup>211</sup>. The current Programme for Government contains a commitment to reach the 0.7% target level and states that the Government will seek to achieve this by 2015.

24.6 Ireland's ODA contribution in 2010, at 0.53% of GNP, was ninth highest among OECD countries.<sup>212</sup> As Figure 113 indicates, Ireland's ODA progressively increased from 0.3% of GNP in 2000 to 0.59% in 2008, but has fallen back over the last two years.

**Figure 113 Irish Official Development Aid as a Percentage of GNP, 2000 to 2010**



Source: Department of Foreign Affairs and Trade

24.7 Only five donor countries exceeded the UN target in 2010: Norway (1.1%), Luxembourg (1.1%), Sweden (1%), Denmark (0.9%) and the Netherlands (0.8%). Luxembourg reached the target level in 2000 and has continued to meet it since then. The other four countries have consistently met the target since the 1970s.

<sup>210</sup> UN General Assembly Resolution 2626 (XXV), 24 October 1970.

<sup>211</sup> Council of the European Union Meeting No. 2660, External Relations Council, Brussels, 24 May 2005

<sup>212</sup> OECD, Net Official Development Assistance in 2010, April 2011.

## Application of Development Aid

24.8 A breakdown of how Irish ODA funding was applied is presented in Figure 114. This distinguishes between

- Bilateral assistance — involving the provision of direct assistance to a developing country. Ireland delivered bilateral assistance worth €413 million in 2010, through a variety of channels, including governments of developing countries, Irish non-governmental organisations (NGOs) and missionary societies.
- Multilateral assistance — involving contributions to international aid organisations that pool funds from member countries and apply them for development purposes. Ireland contributed €233 million in multilateral assistance during 2010.

**Figure 114 Official Development Assistance, by Type, 2007 to 2010**

	2007	2008	2009	2010
	€m	€m	€m	€m
Bilateral assistance	576.0	614.8	454.9	412.9
Multilateral assistance	264.8	270.7	231.1	232.6
Administration costs (Vote 29)	30.1	35.1	32.2	30.5
<b>Total gross expenditure</b>	<b>870.9</b>	<b>920.6</b>	<b>718.2</b>	<b>676.0</b>

Source: Department of Foreign Affairs and Trade

24.9 The largest single element (€182 million) of bilateral assistance was funding for nine programme countries<sup>213</sup>, with which Ireland has an agreement to provide support on a long-term basis. The balance of Irish bilateral assistance (€231 million) consisted of a mix of multi-annual measures including civil society projects, health and education initiatives and recovery programmes in selected countries and more immediate measures including funding for emergency and humanitarian causes.

24.10 Annex A outlines the key programmes under which assistance is provided.

## Evaluation and Audit of ODA Expenditure

24.11 The Department of Foreign Affairs and Trade (the Department) operates an Evaluation and Audit Unit, the main aims of which are to provide assurance that public funds administered by the Department are used for their intended purposes and that value for money is achieved. The Unit's work covers both the activities of the main Department, accounted for under Vote 28: Foreign Affairs and the development co-operation work accounted for under Vote 29: International Co-operation. In view of the relative size of the budgets<sup>214</sup> and the nature of the expenditure programmes, the Unit focuses particularly on Irish Aid operations funded under Vote 29. The annual work plan for the Unit is approved by the Accounting Officer and agreed by the Department's Audit Committee.

<sup>213</sup> Funding is provided under strategic partnerships with the governments of certain priority countries to support poverty reduction and development on a long-term basis.

<sup>214</sup> The total gross expenditure for Vote 28: Foreign Affairs and Vote 29: International Co-operation, in 2010, was €224 million and €524 million respectively.

24.12 The activity of the Unit in relation to ODA funding takes two main forms.

- The objective of the audit function is to assess the Department's systems of internal control and provide assurance that funds are used for their intended purposes.
- The evaluation function assesses the design, implementation and results of ongoing and completed initiatives in order to determine their efficiency, effectiveness, impact and sustainability.

### **Audit**

24.13 Audit work focuses particularly on the appropriateness of the accounting and financial management systems of partner organisations<sup>215</sup>, whether they are NGOs, multilateral organisations, Government agencies or other bodies in receipt of funding. Where funds are delivered through governments, an assessment is made of the overall public financial management environment, including the capacity and independence of the national audit offices.

24.14 The audit arrangements in respect of ODA funding provided through Vote 29 address three broad areas of expenditure

- programme country expenditure (€182 million)
- other bilateral assistance programmes (€25 million)
- multilateral assistance programmes (€84 million).

### *Programme Country Expenditure*

24.15 Assistance is given to nine programme countries in accordance with approved multi-annual strategic plans. There is an element of ex-ante assessment for this expenditure, as the internal control systems of potential partner organisations are examined prior to the country strategy papers being approved. The Evaluation and Audit Unit is working increasingly 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.

24.16 Coverage by audit of approximately 95% of expenditure is being achieved in recent years. The approach taken to gaining that assurance is influenced by the funding channel used by Irish Aid in particular countries, e.g. where funding is channelled through government systems, coverage will generally be achieved through reports received from the national audit office of the recipient country.

24.17 The ways in which audit assurance is achieved include

- audit reports commissioned by partner organisations, such as those carried out by UN funds and programmes, national audit offices in recipient countries and NGOs
- audits commissioned by Irish Aid and carried out by internationally recognised audit firms
- audits of specific programmes or projects, jointly funded by Irish Aid and one or more other donor countries
- work carried out directly by the Evaluation and Audit Unit and by internal auditors posted at missions in recipient countries.

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<sup>215</sup> Partner organisations are the intermediary bodies through which funding is delivered from Irish Aid to the developing countries.

24.18 Expenditure in programme countries was €218.6 million in 2008 which is the latest year for which the audit programme has been substantially completed. The level of audit assurance achieved to date in respect of 2008 expenditure is 94% - Figure 115 outlines the source of that assurance.

**Figure 115 Source of audit assurance for 2008 programme country expenditure<sup>a</sup>**

Programme Country	Partner commissioned audits (including NAOs) <sup>b</sup>	Commissioned by Irish Aid	Joint Donor Funded	Internal Audit	Total
	€m	€m	€m	€m	€m
Uganda	27.0	5.0	2.9	5.9	40.8
Mozambique	6.9	7.5	17.8	—	32.2
Tanzania	29.6	5.3	2.3	—	37.2
Ethiopia	23.8	5.8	6.1	—	35.7
Zambia	14.9	6.7	—	1.9	23.5
Vietnam	9.3	5.8	—	—	15.1
Lesotho	5.3	2.6	0.1	—	8.0
Malawi	0.3	5.8	2.0	—	8.1
Timor Leste	—	3.8	—	—	3.8
<b>Aggregate</b>	<b>117.1</b>	<b>48.3</b>	<b>31.2</b>	<b>7.8</b>	<b>204.4</b>

Source: Department of Foreign Affairs and Trade

Notes: a This figure captures assurance up to 1 May 2011.

b NAOs are the national audit offices of the respective countries.

### *Other Bilateral Assistance*

24.19 In the case of other types of bilateral development assistance, the contract with the partner organisation stipulates that audit reports prepared by independent bodies must be submitted to the Department. Responsibility for the collection and review of these audit reports lies with management of the section within Irish Aid that deals with the partner organisation. The Evaluation and Audit Unit may be consulted by the section on specific issues. It also reviews controls relating to schemes or partners in case of identified risk. However, the Department does not have a structured system in place to ensure that reports are submitted as required or for the review of reports by the Evaluation and Audit Unit.

### *Multilateral Assistance*

24.20 Given the nature of multilateral assistance programmes, involving the application of a pool of funds from multiple donor countries for development purposes, it is difficult to isolate and carry out an ex-post audit of the specific funds contributed by Ireland. Reliance is placed on the existing audit arrangements in force for the international aid organisations.

24.21 In the case of UN organisations, funds are subject to audit by the UN Board of Auditors and each organisation's internal audit function reports to the governing body, on which Ireland is represented. Individual audit reports are made available to Ireland on request.

### *Response to Audit Reports*

24.22 In cases where material issues have been identified, audit reports may contain qualified audit opinions. The general practice is to discuss the nature of the qualification with the partner organisation and work together to agree an action plan to resolve the issue.

24.23 The Department stated that there have been a number of cases where it has delayed or suspended funding, pending resolution of issues highlighted in audit reports. On occasion, the Department has requested and obtained refunds from partner organisations.

### **Evaluation**

24.24 A peer review of Irish ODA, carried out in 2009 by the OECD's Development Assistance Committee, noted that Irish Aid dedicates significant effort and resources to demonstrate the impact of its aid programme. Evaluation strategy is considered and developed at the planning and design stage of new initiatives, which ensures clarity from the outset in relation to how performance will be measured and what constitutes success.

24.25 Evaluation reports are submitted to the Department's Senior Management Group and its Audit Committee and give rise to formal responses from management in the area under review. In instances where management does not agree with a particular recommendation, it can challenge the recommendation by submitting a case to the Evaluation and Audit Unit, which then issues a determination as to whether or not the recommendation is justified. The final reports are published and made available on the Irish Aid website.

### *Overall Effectiveness*

24.26 During 2010, a formal review was carried out of Ireland's ability to implement its aid commitments under the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action.

#### ***The Paris Declaration and Accra Agenda***

The Paris Declaration consists of five principles in respect of development aid, arising from a forum of donor and recipient countries that took place in 2005

- Ownership – allow recipient countries to set their own development strategies
- Alignment – donor countries to act in accordance with local systems and objectives
- Harmonisation – donor countries to coordinate actions and share information
- Results – greater focus on measuring the results of development assistance
- Mutual accountability – both donor and recipient countries are responsible for results.

The Accra Agenda for Action, agreed in 2008, sought to accelerate progress on implementation of the Declaration principles. In particular, it promotes the use of partner country systems to deliver aid and it emphasises the need for predictability for recipient countries in relation to the level of aid to be received. In addition, indicators were developed to assess the progress of individual countries in implementing the Paris Declaration and Accra Agenda principles.

24.27 The review team consisted of an independent evaluator and two senior staff from the Department. There were three dimensions to the report.

- In relation to the level of commitment within Irish Aid to making any necessary changes to its aid delivery policies, procedures and practices, the evaluation team found a high level of dedication among its staff to aid effectiveness generally and to implementation of the Paris Declaration and Accra Agenda principles in particular. However, it was noted that although certain elements were prioritised, the agenda had not been fully absorbed by staff within the remainder of the Department of Foreign Affairs and Trade.
- The evaluation team did not identify any constraints on the capacity of Irish Aid structures and personnel to understand and implement any necessary policy changes. However, the report noted that although the policy development and planning processes in place are excellent, the lack of an effective system of performance reporting on aid effectiveness is a key deficit. In addition, the report stated that the emphasis within Irish Aid on financial accountability should be complemented with public financial management expertise. Other capacity issues identified include budget constraints arising from the global recession and potential staff retention and turnover difficulties arising from Irish Aid's decentralisation move to Limerick and government-wide embargoes on recruitment.
- In relation to the strength of the incentives driving institutional behaviour, the report found that the perception among politicians of the Paris Declaration and Accra Agenda priorities as a means to advance Irish foreign policy represented a key driver, but it was noted that there was little pressure on Irish Aid to deliver improved aid effectiveness coming from external sources, such as academics and NGOs.

24.28 The review made a number of key recommendations for Irish Aid and the Department to improve the effectiveness of Ireland's international aid. These included

- to develop more systematic dialogue within Irish Aid and the Department in relation to implementation of the Declaration and the Accra Agenda principles
- to improve the robustness of results management, impact assessment, evaluation and audit
- to strengthen management practices through increased delegation, introduction of a mentoring system and formal training on aid effectiveness and public financial management
- to further develop the departmental strategy for engagement with the public on international development
- to ensure that opportunities to work in Irish Aid are available to departmental staff.

24.29 The Accounting Officer has stated that work undertaken to address the issues highlighted includes

- development of a results and performance management system by Irish Aid
- capacity building for management and staff in performance and results based management
- establishment of a dedicated team to provide ongoing quality assurance and support in the areas of policy, planning and effectiveness.

24.30 It was noted that an independent research report on the quality of development assistance by a range of countries and multilateral aid agencies, published in 2010, found that Ireland was the only bilateral donor that ranked in the top ten across all key dimensions of aid quality examined.<sup>216</sup>

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<sup>216</sup> Brookings Institute/Centre for Global Development (2010), Quality of Official Development Assistance Assessment.

### *Evaluation Programme*

24.31 The selection process for evaluation topics takes account of the level of strategic importance of particular initiatives to the Irish Aid overseas development programme and the amount of expenditure involved. The broad scope of evaluation work is set out below.

### *Programme Countries*

24.32 In relation to the nine programme countries, evaluations of each were carried out during the period 2004 to 2010. Funding agreements for programme countries cover a five-year period and the policy is to carry out an evaluation in the final year of each cycle.

24.33 Three formal evaluations of partner country aid programmes were completed in 2010. These related to

- the country strategy paper for Vietnam (2007 – 2010)
- the country assistance programme for Tanzania (2005 – 2010)
- the joint assistance strategy for Zambia (2007 – 2010).

24.34 Summaries of all three evaluations are set out at Annex B.

### *Other Bilateral Programmes*

24.35 There are a variety of arrangements in place for the evaluation of other types of bilateral development assistance.

24.36 In relation to Civil Society Support, accounting for €9.9 million in 2010, the Multi Annual Programme Scheme is evaluated towards the end of each five-year funding cycle, with the latest evaluation nearing completion at present. The evaluation arrangements in respect of the Civil Society Fund are stipulated in the individual funding contracts with recipients. With regard to Mísean Cara, the next independent review is scheduled to take place towards the end of the current phase of funding (2012/13).

24.37 In the areas of emergency and humanitarian assistance and emergency preparedness and post recovery, accounting for expenditure of €64.2 million in 2010, most of the funding goes to international bodies with established evaluation practices and procedures<sup>217</sup>. On issues of strategic interest to Irish Aid, the Evaluation and Audit Unit can take an active part in some of these evaluation exercises. For example, the Unit is currently participating in the evaluation of the UN Central Emergency Response Fund.

24.38 For global health, hunger and education initiatives, accounting for €18.6 million in 2010, most of the funding is provided jointly with other donors and the various components are evaluated at agreed intervals.

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<sup>217</sup> Including UN agencies, multilateral agencies and international NGOs.

### *Multilateral Assistance Programmes*

24.39 In relation to multilateral development assistance, accounting for €84.5 million under Vote 29 in 2010, the UN agencies involved have evaluation units which conduct regular reviews of all aspects of their operations. All of the evaluation reports are routinely made available to Irish Aid and the other donors contributing to the initiatives evaluated. In relation to funding provided through EU bodies, evaluative work is carried out through the Evaluation Unit of the European Commission. Most of the remaining multilateral assistance is channelled through jointly funded capacity building programmes, including the World Bank Institute and the International Finance Corporation, each of which has its own evaluation function. All reports from EU and World Bank evaluations are publicly available.

### *Follow-up on Completed Evaluations*

24.40 During 2010, the Evaluation and Audit Unit further developed its system of tracking the implementation of evaluation recommendations made. A template is used to track both the post-completion status of the evaluation report itself (e.g. submitted for internal review, submitted to Audit Committee) and the implementation status of all individual recommendations. Meetings are held with management in the area covered by the review, to discuss developments in relation to the agreed recommendations.

24.41 Figure 116 summarises the position in relation to implementation of recommendations arising out of each of the 2009 evaluations.

**Figure 116 Status of recommendations from evaluations completed in 2009<sup>a</sup>**

Status <sup>b</sup>	Evaluation of Uganda Aid Programme	Evaluation of support for Sierra Leone	Evaluation of HIV and AIDS support
Total number of recommendations in report	18	15	7
Number accepted by management <sup>c</sup>	17	14	7
Number implemented	17	13	7
Number in progress	—	1	—
Number not commenced	—	—	—

Source: Department of Foreign Affairs and Trade

- Notes:
- a An evaluation of support for Liberia was also completed in 2009, but details are not included above. 2011 is an election year in Liberia and given the potential for instability to affect Irish Aid's programming, the development of a new country strategy has been postponed until after the election. The new strategy, when developed, will address the issues raised in the 2009 evaluation.
  - b The status shown is as at 1 May 2011.
  - c In both cases where recommendations were not accepted by management, the Evaluation and Audit Unit agreed that the recommendations were not justified.

## **Conclusion**

Irish ODA expenditure totalled €676 million in 2010, of which €522 million was processed through Irish Aid and accounted for under Vote 29: International Co-operation.

Between 2000 and 2008, Ireland made steady progress towards the UN target for developed countries to contribute ODA equivalent to 0.7% of GNP each year. However, having reached 0.59% in 2008, the figure has fallen back in both of the last two years, with the level for 2010 being 0.53%.

A review was carried out, during 2010, of Ireland's ability to meet its commitments under the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action. The findings were generally positive but some concerns were noted, including the lack of an effective system of performance reporting on aid effectiveness and a need for increased expertise in public financial management.

The Department has an Evaluation and Audit Unit tasked with ensuring that funds are used for their intended purposes and that value for money is achieved.

### **Audit**

Coverage by audit of approximately 94% of expenditure has been achieved in recent years. This audit assurance is achieved in a variety of ways including reports received from partner organisations, audits commissioned from internationally recognised audit firms and work carried out directly by the Evaluation and Audit Unit.

For bilateral assistance outside of that provided to programme countries, responsibility for the collection and review of audit reports lies with individual sections within Irish Aid. The Department does not have a structured system in place to ensure that reports are submitted as required or for the review of reports by the Evaluation and Audit Unit.

For multilateral assistance programmes, funded through pooled contributions from multiple donor countries, there are limitations on the extent to which the specific funds contributed by Ireland can be isolated and subjected to ex post audit. In these cases, the Department relies for audit assurance on the audit arrangements of the international aid organisations to which the contributions are made.

Where audit reports received have been qualified due to material issues identified, the Department works with the partner organisation to agree an action plan addressing the areas of concern.

### **Evaluation**

The objective of the evaluation function is to determine the impact of initiatives and assess the extent to which value is achieved. Evaluation strategy is being integrated into the design of new interventions, setting in advance the criteria against which success will be measured. The Unit has a structured system in place to track and follow up on evaluation recommendations made.

The funding programmes in each of the programme countries have been evaluated since 2004 and further evaluations are scheduled over the next four years. For the other bilateral assistance programmes, evaluation arrangements vary with the largest single programme, the Multi Annual Programme Scheme, being evaluated once every five years and others on a more ad hoc basis. For multilateral assistance programmes, the Department is reliant on evaluations received from partner organisations including UN organisations and the World Bank.

The evaluation efforts of the Evaluation and Audit Unit are focussed on the funding provided to programme countries. The results of the three evaluations carried out during 2010 are summarised at Annex B.

## Annex A Key Assistance Programmes

Irish Aid provides assistance to developing countries under a wide range of programmes, some of which are delivered through direct contact with the countries themselves and others through international aid organisations.

### *Bilateral Development Assistance*

Most (64%)<sup>218</sup> Irish ODA is provided through bilateral co-operation programmes. Figure 117 presents a breakdown of bilateral transfers.

**Figure 117 Bilateral Official Development Assistance, by Type, 2007 to 2010**

	2007	2008	2009	2010
	€m	€m	€m	€m
<b>Vote 29 International co-operation expenditure</b>				
Assistance to programme countries	185.0	218.6	195.0	181.7
Assistance to other countries	29.4	38.2	24.5	20.2
Civil Society Support, including co-financing with NGOs	117.6	134.2	107.6	99.9
Global health, hunger and education initiatives <sup>a</sup>	96.5	67.6	27.8	18.6
Emergency and humanitarian assistance	120.8	108.4	67.7	64.2
Other programmes	17.8	39.5	25.1	22.2
<b>Bilateral ODA by other Government agencies</b>	8.9	8.3	7.2	6.1
<b>Total bilateral ODA</b>	<b>576.0</b>	<b>614.8</b>	<b>454.9</b>	<b>412.9</b>

Source: Department of Foreign Affairs and Trade

Note: a Expenditure under the global hunger initiative (which commenced in 2009) is now included in this category, rather than in 'other programmes'. The 2009 figures have been adjusted accordingly.

### *Assistance to Programme Countries*

A total of €81.7 million was spent on formal country assistance programmes in 2010. 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 these 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.

Assistance totalling €20.2 million was also provided in 2010 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.

<sup>218</sup> Of the €645.5 million distributed in ODA in 2010, €412.9 million was delivered through bilateral assistance programmes.

### *Civil Society Support*

The Civil Society budget provides NGOs, missionary groups and other civil society partners with funding for development interventions. Expenditure in this area fell by 7% in 2010, to €100 million. 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 2010, some 77 NGOs were funded under this scheme.
- Misesan Cara (formerly the Irish Missionary Resource Service) – this body is a management agent for missionaries, which sub-grants to 87 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's 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.

### *Global Health, Hunger and Education Assistance*

The expenditure on health, hunger and education schemes in 2010 amounted to €18.6 million, including expenditure under the global hunger initiative, which commenced in 2009. This compares to expenditure on such programmes totalling €6.5 million in 2007. Other expenditure is 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*

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. The objective of this assistance is to save lives, alleviate suffering and maintain 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 2010 was €64.2 million, which represents a reduction of 5% on the 2009 provision.

In order to facilitate rapid response to emergencies, €25.9 million was contributed in 2010 (up from €23 million in 2009) to pooled funding arrangements, including the UN's Central Emergency Response Fund. A further €10.1 million was channelled through the Red Cross. UN organisations received almost €4 million, of which the World Food Programme received the largest share (€2.1 million). The NGO sector was provided with €12.6 million, of which €10.5 million was provided to Irish-based organisations.

## Multilateral Development Assistance

Around 36% of Irish ODA is provided through general contributions to the cost of development work undertaken by a range of international multilateral organisations. Figure 118 presents a breakdown of the organisations funded.

**Figure 118 Multilateral Official Development Assistance, by Organisation, 2007 to 2010**

	2007	2008	2009	2010
	€m	€m	€m	€m
United Nations, including voluntary contributions to UN agencies	111.9	102.1	60.1	59.9
European Community agencies and initiatives				
EU Budget for Development Co-operation	82.0	85.3	95.0	77.5
European Development Fund	15.3	22.0	22.0	23.2
World Bank and other multilateral institutions	46.4	53.6	32.8	28.3
Co-financing with multilateral agencies	9.2	7.7	21.2	43.7
<b>Total multilateral ODA</b>	<b>264.8</b>	<b>270.7</b>	<b>231.1</b>	<b>232.6</b>

Source: Department of Foreign Affairs and Trade

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 Co-operation – 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.
- 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, contributes to the World Bank's International Development Association and the Asian Development Fund. It engages with the banks on debt management, 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.

## Annex B Aid Evaluations 2010

### *Country Strategy for Vietnam*

The evaluation provided an independent assessment of the logic, coherence and strategic direction of Irish Aid's first country strategy paper (CSP) in Vietnam (2007-2010). It also documented lessons learned which can be applied in the design of future country strategies.

The report noted that the socio-economic context in Vietnam has changed dramatically over the last two decades. The country has a population of over 86 million, a flourishing market based economy and GDP growth averaging 7.5% annually over the past ten years. Overall poverty has declined from 58% in 1993 to a projected 10% in 2010, according to the national definition of the poverty line. However, governance challenges remain in relation to issues of transparency, corruption, equality and the distribution of wealth.

Vietnam is the main recipient of aid in East Asia, receiving support from over 50 overseas donors. In 2008, it received aid totalling US\$1.6 billion, which represented about 3% of the country's Gross Domestic Product. By the end of 2009, Irish Aid had disbursed a total of €3.4 million in Vietnam, since the start of the CSP in 2007.

The evaluation found that the overall CSP was appropriately designed to align with both Vietnam's Socio-Economic Development Plan and the Irish Government's White Paper on aid (2005). In particular, it focused on initiatives addressing deep-seated poverty and difficulties experienced by minority groups and contained a portfolio of initiatives that addressed the interests of all stakeholders in a balanced way. However, the report noted that the twin focus on poverty reduction and economic development produced two streams of work, which were linked only to a limited extent.

The evaluation found that the programme performed well but could have been more effective if it had included a greater focus on measuring progress and learning lessons. It was found that efficiency had been achieved through the use of a mix of aid modalities and that sustainability issues were being addressed, but it was too early in most cases to judge their success.

The evaluation's overall assessment of the implementation of the CSP was that it provided important support to the twin agendas of poverty reduction and economic development.

#### **Key Recommendations**

The report contains a number of recommendations for Irish Aid in relation to the next country strategy paper in Vietnam

- identify a limited number of priority partners and focus on areas of comparative advantage, whilst maintaining flexibility to take advantage of emerging opportunities
- continue to focus on poverty, targeting marginalised and disadvantaged groups
- continue and extend successful components such as the Irish Development Experience and Sharing (IDEAS) programme and the CSP scholarship programme
- develop consistent practice for disengagement from programme components, supporting all partners to make the necessary adjustments
- give higher profile to lesson learning, within a clear monitoring and evaluation framework.

## **Joint Assistance Strategy for Zambia**

The purpose of the evaluation was to provide an assessment of the Joint Assistance Strategy for Zambia (JASZ) over the period from 2007 to early 2010, to inform the development of future strategic plans. The evaluation examined both the design and implementation of the JASZ and assessed its relevance, effectiveness and efficiency.

The JASZ is a medium-term framework, containing a number of principles, commitments and proposed actions to improve aid management. It was developed and signed by sixteen co-operating partners in 2007 and covered the subsequent three-year period. The report does not contain a figure for total aid to be provided to Zambia during the existence of the JASZ. Figures included for 2008 total almost US\$920 million, of which approximately US\$26 million was contributed by Ireland.

In terms of the relevance of the JASZ, the report noted a number of issues in respect of both its design and implementation. Firstly, it contains no specific targets or indicators to measure progress. Secondly, although the success of the JASZ depends critically on state support, the Government of Zambia is not a signatory to the strategy. Thirdly, the Government has shown institutional weaknesses in its approach to aid management, which has created difficulties for the co-operating partners.

The report found that the absence of a systematic follow up process made it difficult to assess whether or not the JASZ work plan has been implemented. It found that the arrangements for communication between the co-operating partners and the Government worked well. It noted that mutual accountability is seen as weak by most of the co-operating partners and that although there is a strong sense of harmonisation, the requirements of bilateral donors still dictate many actions and decisions. It concluded that the JASZ has been more effective in improving processes than improving development outcomes.

In terms of efficiency, the evaluation found that the JASZ is providing a greater level of coordination in the areas of governance and the environment. However, a lack of clarity in relation to roles in some sectors has occasionally led to tensions between co-operating partners. The report found that transaction costs for the partners had increased under the JASZ, but there has been some reduction in transaction costs for the Government of Zambia.

Overall, the evaluation found little evidence that the JASZ had promoted greater ownership at country level, with the government's aid management systems being weak and there being question marks over its ability to influence co-operating partner decisions. It highlighted missed opportunities on both sides for progress in relation to dialogue architecture and a donor assessment framework.

### **Key Recommendations**

The report made a number of recommendations for co-operating partners (including Irish Aid) in relation to the design and implementation of the next strategy for Zambia. The new JASZ should

- contain a clear statement of objectives, identifying the actions and commitments necessary to achieve those objectives and supported by a new memorandum of understanding between co-operating partners and the Government of Zambia
- promote the principles of the Paris Declaration, focusing particularly on those which have not been addressed so far, i.e. mutual accountability and management for results
- support the implementation of the Sixth National Development Plan for Zambia, mapping programmes to priority areas and ensuring appropriate administrative support
- include more robust monitoring systems, negotiated and agreed with the Government of Zambia
- incorporate annually revised work plans with realistic targets to ensure that the focus is maintained on development outcomes.

### ***Country Assistance Programme for Tanzania***

This evaluation examined the performance of the development assistance provided by the UK and Ireland to Tanzania during the period 2005-2010. It was undertaken jointly by Irish Aid and the UK's Department for International Development (DFID).

Economic growth in Tanzania exceeded 7% in each of the years under review, apart from 2009, where it dipped to 5% due to the global economic slowdown. The impact on poverty has mainly been seen in non-income areas, with notable progress in education and health. Increased public spending has provided additional infrastructure for social services but the recruitment of qualified staff has lagged behind.

General budget support from development partners has contributed approximately 20% of total public spending over the period under review. Although this has led to an expansion in the scale of service provision in some sectors prioritised by government, the report noted that it has not led to improvements in service quality or efficiency. Inequities persist in the social sector allocations to the most disadvantaged districts.

The evaluation found that despite the country's consistent economic growth in recent years, there had been little impact on poverty in Tanzania due to an over reliance on public sector consumption and the limited impact of investments in agriculture, trade and the private sector. Direct budget support continues to enable higher public spending in the right areas but commitments by donors in this area have the potential to limit their scope for direct investment in the private sector and civil society. It was further noted that the general budget support dialogue was too complex and multi-tiered, with an undue focus on a growing set of indicators, thereby limiting the opportunity for discussion and exchange of ideas.

The assessment of the review team was that the Government of Tanzania had demonstrated its ability to appropriately manage and allocate the increased income from domestic revenue and overseas aid, but further investigation is required to establish whether value for money was obtained for the increased public expenditure. Although stakeholders have become more active and the availability of information has increased, the level of accountability has been limited by their lack of knowledge and understanding of the processes for budget setting and government decision-making.

In relation to the in-country capacity of Irish Aid, the evaluation found that the organisation was appropriately structured and has made effective use of the linked diplomatic and development functions. However, linkages between Irish Aid headquarters and country office programmes were found to be weak with insufficient information flows and a lack of shared lesson learning.

The report found that Irish Aid is highly regarded by its peers, which adds weight to its views and opinions and enables it to exert significant influence on the Government of Tanzania. The report also noted that although cross-cutting issues are often neglected in the budget support dialogue process, Irish Aid has played a strong role in a number of cases, notably gender and the environment.

**Key Recommendations**

The report contains a number of recommendations for Irish Aid to improve the effectiveness of future development assistance to Tanzania

- promote renewed dialogue to further develop the relationship of trust with the Government of Tanzania and gain a deeper understanding of the dynamics of change and the nature of the country's political economy
- focus on the development of in-country staff to ensure they have the necessary skills and knowledge to engage in effective policy dialogue
- maintain the current effective mix of aid, balancing support for priority sectors and specific projects with general budget support
- prioritise support to build on success in the agriculture and health sectors and continue to encourage local government reform and decentralisation
- reaffirm general budget support as a preferred modality for providing harmonised, country led assistance, whilst maintaining a realistic outlook on the results which can be expected
- acknowledge, understand and respect the complexity of the many obstacles (policy, institutional and human resource) to effective public spending
- promote stronger linkages between Irish Aid headquarters and in-country colleagues through team working, information exchange, shared reviews and lesson learning.

