

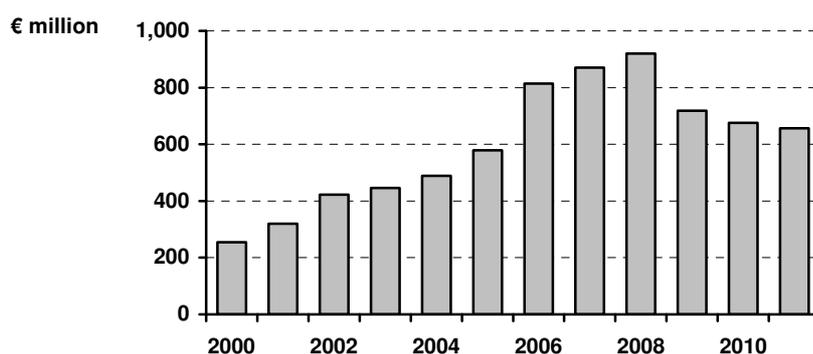
19 Official Development Assistance

- 19.1** 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.¹
- 19.2** Irish Aid is the division within the Department of Foreign Affairs and Trade that administers Ireland’s programme of ODA.
- 19.3** The Department has an Evaluation and Audit Unit which aims 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 Trade and the development assistance accounted for under Vote 29: International Co-operation.² In view of the relative size of the budgets and the nature of the expenditure programmes, the Unit focuses particularly on Irish Aid operations funded under Vote 29.³ The annual work plan for the Unit is approved by the Accounting Officer and agreed by the Department’s Audit Committee.
- 19.4** This chapter has been compiled to present all ODA expenditure 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

- 19.5** Irish ODA expenditure totalled €657 million in 2011, down from a peak of €921 million in 2008. This represents a decrease of €264 million, or 29%, over the last three years. Figure 19.1 shows the trend in the level of Irish ODA expenditure since 2000.

Figure 19.1 Irish Official Development Assistance Expenditure (€ million), 2000 to 2011

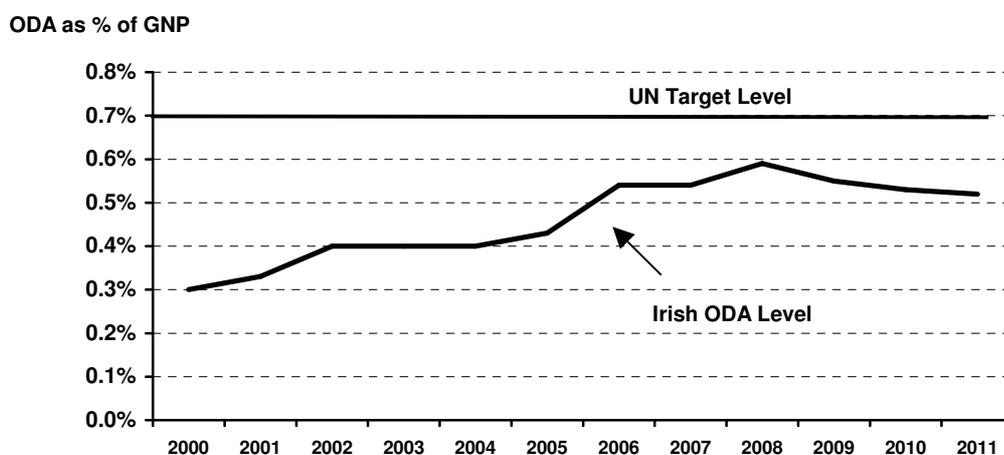


Source: Irish Aid Annual Reports

- 1 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.
- 2 International Co-operation expenditure is being accounted for under Vote 27, since 1 January 2012.
- 3 The total gross expenditure for Vote 28: Foreign Affairs and Trade and Vote 29: International Co-operation, in 2011, was €209 million and €519 million respectively.

- 19.6** ODA expenditure processed through Irish Aid is accounted for under Vote 29: International Co-operation. In 2011, €520 million of ODA expenditure came under Vote 29, representing 79% of total Irish ODA.
- 19.7** A further €137 million of Irish ODA was processed through other government departments and accounted for on other votes, including Ireland's contribution to the EU development co-operation budget, payments to certain international bodies and repayments by the Revenue Commissioners under a scheme of tax relief for donations to relevant charities.⁴
- 19.8** 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.⁵ 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 2015.⁶ 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.
- 19.9** Ireland's ODA contribution in 2011, at 0.52% of GNP, was 8th highest among OECD countries.⁷ As Figure 19.2 indicates, Ireland's ODA progressively increased from 0.3% of GNP in 2000 to a high of 0.59% in 2008, before falling back to its current level of 0.52%.
- 19.10** Five donor countries exceeded the UN target in 2011: Sweden (1%), Norway (1%), Luxembourg (1%), Denmark (0.9%) and the Netherlands (0.8%).⁸ Luxembourg first reached the target level in 2000 and has met it each year since. The other four countries have consistently met the target since the 1970s.

Figure 19.2 Irish Official Development Aid as a Percentage of GNP 2000 to 2011



Source: Department of Foreign Affairs and Trade

4 Payments to international bodies are made by the Department of Finance, the Department of Environment, Community and Local Government and the Department of Agriculture, Food and the Marine and are accounted for on their individual votes.

5 UN General Assembly Resolution 2626 (XXV), 24 October 1970.

6 Council of the European Union Meeting No. 2660, External Relations Council, Brussels, 24 May 2005.

7 Figures supplied by the Department of Foreign Affairs and Trade.

8 OECD, Net Official Development Assistance (preliminary data for 2011), April 2012.

- 19.11** Irish Aid provides assistance to developing countries either directly through bilateral contact with the countries themselves or indirectly through international aid organisations (multilateral assistance). A breakdown of how Irish ODA funding was applied is presented in Figure 19.3. Annex A presents an overview of the major constituents of ODA expenditure in 2011.

Figure 19.3 Official Development Assistance, by Type 2007 to 2011

	2007	2008	2009	2010	2011
	€m	€m	€m	€m	€m
Bilateral assistance	576.0	614.8	454.9	412.9	414.4
Multilateral assistance	264.8	270.7	231.1	232.6	214.4
Administration costs (Vote 29)	30.1	35.1	32.2	30.5	28.2
Total gross expenditure	870.9	920.6	718.2	676.0	657.0

Source: Department of Foreign Affairs and Trade

- 19.12** Excluding administration costs, approximately two thirds of Irish ODA is provided through bilateral co-operation programmes, with the remainder consisting of general contributions to the cost of development work undertaken by a range of multilateral organisations.

Bilateral Development Assistance

- 19.13** Irish Aid delivers bilateral ODA through a variety of channels. When deciding on the most appropriate delivery channel for particular aid interventions, Irish Aid takes into consideration the type of aid to be delivered and the environmental conditions within the country to be assisted. If Irish Aid considers that the political environment within a developing country is stable and it has confidence in the public financial management system, it may decide to deliver programmes of assistance through government systems. However, in the case of a humanitarian crisis in the same country, Irish Aid may decide that the most effective option is to deliver assistance through a non-governmental organisation (NGO) that has the specific skills required and is in a position to respond quicker than government agencies.
- 19.14** There are five recognised channels of delivery for bilateral aid, each of which is used by Irish Aid in the delivery of some elements of its aid programme.
- Government – support can be provided for the government’s general budget, for the budgets in targeted sectors or for specific programmes or projects.
 - NGOs – support can be provided to NGOs towards implementation of their strategic plans or to carry out specific programmes or projects.
 - Public/private partnership – support for international alliances and partnerships, e.g. international AIDS vaccine initiative and global water partnership.
 - Multilateral – contributions to multilateral organisations towards specific interventions in specific countries.
 - Other – typically consists of support for the work of research institutes or other educational institutions.
- 19.15** Ireland delivered bilateral assistance worth €414 million in 2011. Figure 19.4 presents a breakdown of bilateral transfers.

Figure 19.4 Bilateral Official Development Assistance, by Type 2007 to 2011

	2007	2008	2009	2010	2011
	€m	€m	€m	€m	€m
Vote 29 International Co-operation expenditure					
Assistance to programme countries	185.0	218.6	195.0	181.7	180.5
Assistance to other countries	29.4	38.2	24.5	20.2	21.3
Civil Society Support, including co-financing with NGOs	117.6	134.2	107.6	99.9	92.0
Global health, hunger and education initiatives	96.5	67.6	27.8	18.6	23.9
Emergency and humanitarian assistance	120.8	108.4	67.7	64.2	66.2
Other programmes	17.8	39.5	25.1	22.2	22.6
Bilateral ODA by other government agencies	8.9	8.3	7.2	6.1	7.9
Total bilateral ODA	576.0	614.8	454.9	412.9	414.4

Source: Department of Foreign Affairs and Trade

Assistance to Programme Countries

- 19.16** A total of €181 million was spent in 2011 on formal country assistance programmes which are long-term strategic partnerships with the governments of selected countries to support poverty reduction and development. The programme countries supported are Ethiopia, Lesotho, Malawi, Mozambique, Tanzania, Timor Leste, Uganda, Vietnam and Zambia. Development assistance is managed by the Irish embassies in programme countries and can be provided as support for the partner governments' national development plans, as well as through civil society organisations and NGOs in these countries.

Assistance to Other Countries

- 19.17** Assistance of €21 million was also provided in 2011 for selected other countries. A programme is supported in South Africa and supervised by the Irish embassy there. A recovery programme in Sierra Leone and Liberia is 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.

Civil Society Support

- 19.18** The Civil Society budget provides NGOs, missionary groups and other civil society partners with funding for development interventions. Expenditure in this area fell by 8% in 2011, to €92 million. The principal channels of expenditure are
- The Multi-Annual Programme Scheme (€56.7 million) – long term and predictable funding is provided to five Irish NGOs to support implementation of their strategic plans. The NGOs are Concern, Trócaire, Christian Aid, Goal and Self Help Africa.

- The Civil Society Fund (€16.8 million) – multi-annual funding is provided for projects across a range of social and economic sectors. In 2011, some 57 NGOs were funded under this scheme.
- Mísean Cara (€16 million) – this management agent for missionaries provided sub-grants to 64 missionary organisations in 2011. It also supports capacity building and oversees development interventions.
- The In-Country Micro Projects Scheme (€1.3 million) – budgets are allocated to nine Irish embassies and one consulate to provide direct support for small-scale development projects. The scheme operates in developing countries where Irish Aid has no development programme but Ireland has diplomatic accreditation.
- Development of the NGO sector (€1.2 million) – funding is provided to build capacity in the NGO sector.

Global Health, Hunger and Education Assistance

- 19.19** Expenditure on health, hunger and education schemes in 2011 amounted to €23.9 million, which represented a 28% increase on 2010. This compares to expenditure on such programmes totalling €96.5 million in 2007. Expenditure is mainly targeted at HIV/AIDS prevention and care, activity under the global hunger initiative and the provision of basic education in less developed countries. Aid is delivered through civil society organisations, UN agencies and global funds.

Emergency and Humanitarian Assistance

- 19.20** Emergency and humanitarian assistance relates to 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. Funding is provided to NGOs and international organisations, such as the UN and the Red Cross, that have a proven ability to deliver the required assistance quickly and effectively. Emergency and humanitarian assistance totalled €66.2 million in 2011, representing an increase of 3% on the equivalent figure for 2010.
- 19.21** In order to facilitate rapid response, €18.8 million was contributed in 2011 (down from €25.9 million in 2010) to pooled funding arrangements, including the UN's Central Emergency Response Fund. Other UN organisations received €8.9 million, the majority of which (€6.4 million) related to the World Food Programme. A further €13.3 million was channelled through the Red Cross. The NGO sector was provided with €15.6 million, of which €12 million was provided to Irish-based organisations.

Multilateral Development Assistance

19.22 Multilateral assistance involves contributing to international aid organisations that pool funds from member countries and apply them for development purposes. Figure 19.5 presents a breakdown of the organisations funded.

Figure 19.5 Multilateral Official Development Assistance, by Organisation 2007 to 2011

	2007	2008	2009	2010	2011
	€m	€m	€m	€m	€m
United Nations, including voluntary contributions to UN agencies	111.9	102.1	60.1	59.9	60.7
European Community agencies and initiatives					
EU Budget for Development Co-operation	82.0	85.3	95.0	77.5	72.0
European Development Fund	15.3	22.0	22.0	23.2	29.5
World Bank and other multilateral institutions	46.4	53.6	32.8	28.3	30.8
Co-financing with multilateral agencies	9.2	7.7	21.2	43.7	21.4
Total multilateral ODA	264.8	270.7	231.1	232.6	214.4

Source: Department of Foreign Affairs and Trade

19.23 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 to deliver on agreed international objectives and the Millennium Development Goals. The majority of Ireland’s support for UN funds and programmes contributes towards the cost of their core operations and activities. In addition, a proportion of Irish ODA supports specific reform measures and programmes in areas including democracy building and electoral reform, education and training, protection of human rights, developing health systems and protecting the environment.
- 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 assessed ODA contribution from Ireland (€72 million in 2011) represents Ireland’s deemed share of total overseas development assistance disbursed from the EU co-operation budget in 2011.
- 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.

Audit Regime

- 19.24** Audit work carried out by the Evaluation and Audit Unit aims to assess the Department's systems of internal control and provide assurance that funds are used for their intended purposes. The primary focus of audit work is on the appropriateness of the accounting and financial management systems of partner organisations, whether they are NGOs, multilateral organisations, government agencies or other bodies in receipt of funding.⁹
- 19.25** The audit arrangements in respect of ODA funding provided through Vote 29 address three broad areas of expenditure
- programme country expenditure (€181 million)
 - other bilateral assistance programmes (€225 million)
 - multilateral assistance programmes (€85 million).

Programme Country Expenditure

- 19.26** 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 (CSPs) being approved.
- 19.27** In accordance with the principles of the Paris Declaration on Aid Effectiveness, an increasing share of the Irish Aid ODA budget is channelled through government systems in programme countries. In such cases, the risk management procedures employed by Irish Aid include undertaking an assessment of the reliability, accountability and transparency of government systems.
- 19.28** Financial management assessments are carried out by the Department's Evaluation and Audit Unit and encompass all elements of the public financial management system, including accounting, auditing, reporting and parliamentary oversight. Particular emphasis is placed on assessing the status, independence and capacity of the national auditor general's office, as Irish Aid consider these to be key factors in determining the reliability of public financial management systems.
- 19.29** Irish Aid's policy is to carry out two assessments during each five year strategic plan for programme countries. The first assessment is carried out at the planning stage for each new CSP and its particular focus is on identifying the risks associated with channelling funds through government systems. The second assessment is carried out around the mid-point of the five year cycle and focuses on changes in the public financial management environment and on assessing progress in respect of agreed programmes for improvement.

⁹ Partner organisations are the intermediary bodies through which funding is delivered from Irish Aid to the developing countries.

Audit Reports

19.30 Irish Aid also seeks to gain audit assurance in respect of programme country expenditure. The approach taken to gaining that assurance is influenced by the delivery channel used by Irish Aid in particular countries. The sources of audit assurance include

- audit reports commissioned by partner organisations, e.g. if funding is provided to support a partner government's education budget, coverage will generally be achieved through reports carried out by the recipient country's national audit office
- audits commissioned by Irish Aid and carried out by internationally recognised audit firms, e.g. if funding is provided to a local government agency to deliver a specific project, Irish Aid may commission external consultants to independently audit the project
- audits of jointly funded interventions, e.g. if a particular programme or project is jointly funded by Irish Aid and one or more other donor countries, the funding partners may agree to commission a joint audit
- work carried out directly by the Evaluation and Audit Unit and by internal auditors posted at missions in recipient countries.

19.31 Expenditure in programme countries, including management and administration costs, was €210 million in 2009 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 2009 expenditure is 95% - Figure 19.6 outlines the source of that assurance.

Figure 19.6 Source of Audit Assurance for 2009 Programme Country Expenditure^a

Programme country	Partner commissioned audits (including NAOs) ^b	Commissioned by Irish Aid	Joint donor funded	Internal audit	Total
	€m	€m	€m	€m	€m
Uganda	27.4	4.3	0.4	1.5	33.6
Mozambique	11.4	4.4	26.9	—	42.7
Tanzania	32.1	1.8	—	—	33.9
Ethiopia	25.2	2.7	—	—	27.9
Zambia	17.5	4.6	—	0.1	22.2
Vietnam	12.4	1.7	—	—	14.1
Lesotho	10.5	1.6	—	0.2	12.3
Malawi	5.2	3.8	—	—	9.0
Timor Leste	2.5	0.3	—	—	2.8
Total	144.2	25.2	27.3	1.8	198.5

Source: Department of Foreign Affairs and Trade

Notes: a This figure captures assurance up to end May 2012.

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

Audit Findings

- 19.32** Where material issues have been identified in the course of an audit, the audit report may contain a qualified opinion or the issues of concern may be set out in a management letter.
- 19.33** Where audits of specific projects or programmes of funding are commissioned by Irish Aid or partner organisations, the findings and audit opinion will directly relate to Irish ODA. However, where assistance is delivered via programme country governments, either through general budget support or more targeted support in specific sectors, assurance is generally in the form of sectoral audits carried out by the programme country's national audit office as part of its annual certification programme. In these cases, Irish Aid must examine the audit reports to identify the issues relevant to Irish ODA.
- 19.34** Figure 19.7 provides a breakdown, by audit opinion, of the audit reports on 2009 programme country expenditure.

Figure 19.7 Audit Opinions for 2009 Programme Country Expenditure

Programme country	Total expenditure audited €m	Audit opinion		
		Unqualified	Qualified	Other ^a
Uganda	33.6	40%	1%	59%
Mozambique	42.7	57%	17%	26%
Tanzania	33.9	14%	1%	85%
Ethiopia	27.9	77%	23%	—
Zambia	22.2	35%	1%	64%
Vietnam	14.1	100%	—	—
Lesotho	12.3	96%	—	4%
Malawi	9.0	100%	—	—
Timor Leste	2.8	100%	—	—
Total	198.5	55%	7%	38%

Source: Department of Foreign Affairs and Trade

Note: a Includes instances where the relevant National Audit Office expressed a qualified audit opinion in relation to at least one department/ministry but it was not possible to precisely quantify the amount of the Irish Aid grant affected and instances where audit reports did not contain clear audit opinions.

- 19.35** Unqualified opinions were expressed in relation to just over half the programme country expenditure in 2009 for which audits have been completed. For 7% of the expenditure audited, the auditors issued qualified reports due to material issues uncovered during the audit. In the remaining cases, either the audit report did not contain a clear opinion, or an opinion was expressed but it was not possible to identify the precise amount of Irish Aid expenditure to which the opinion related.

- 19.36** In 2009, Irish Aid provided funding of €29.6 million (including administration costs) to Ethiopia under its bilateral assistance programme. €27.9 million of the expenditure was audited and qualified audit opinions were issued in relation to 23% of the total audited. The qualified audit opinions related, in the main, to €6 million of funding provided to two large government programmes. Details are set out in Figure 19.8.
- 19.37** The Department stated that Irish Aid has appropriate systems in place for structured monitoring of audit reports and for follow-up action, if required. Irish Aid reviews and analyses all audit reports and associated management letters and engages with partner organisations in relation to their content. The general practice is for Irish Aid to discuss the nature of any qualifications or other material issues raised with the partner organisation and for both parties to agree an action plan to resolve them. Implementation of the action plan is monitored by Irish Aid's internal auditors and no further funds are disbursed to the partner organisation until acceptable progress has been made.

Figure 19.8 Qualified Audit Reports in respect of 2009 Irish Aid Expenditure in Ethiopia

Qualified audit reports were issued in relation to €6 million in funding provided to two large government programmes.

- A grant of €4 million was provided to a local government programme with a total budget of €114 million – the balance of the funding was provided by the Government of Ethiopia. A qualified audit report was issued in respect of approximately €11 million of the programme expenditure in 2009. The principal reasons for qualification were non-verification of balance sheet items, non-reconciliation of expenditure and internal control weaknesses. Following the audit, Irish Aid met with the local government body concerned to discuss actions required to address the audit findings. Implementation is being monitored by Irish Aid's Internal Audit Unit.
- A grant of €2 million was provided to a multi-donor funded central government programme with an overall budget of €188 million. Programme expenditure of €17 million was qualified in 2009. The qualifications principally related to non-verification of cash balances and long outstanding advances. An action plan has been agreed to address the audit issues highlighted and progress towards implementation is assessed at monthly meetings between the donors and the Ethiopian Government.

Source: Department of Foreign Affairs and Trade

- 19.38** In some cases, Irish Aid funds are pooled with other donor countries so issues raised in audit reports or management letters can relate to multiple donors. It is common practice for one party to act as lead donor for subsequent discussions with the partner organisation. All donors will subscribe to an agreed action plan to address the issues raised and funding will normally be withheld by all donors until acceptable progress has been made.
- 19.39** 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 and that, on occasion, it has requested and obtained refunds from partner organisations. For example in 2011, UNICEF compensated the Department to the value of €0.7 million in respect of stock that had been misappropriated on a food programme in Sierra Leone.

Other Bilateral Assistance

- 19.40** For funding provided to support the strategic plans of five large Irish NGOs under the Multi Annual Programme Scheme (MAPS), Irish Aid generally relies on the NGOs' own audit systems. However, during the MAPS II programme period (2007 – 2011), the Evaluation and Audit Unit also carried out one audit of each of the NGO partners. In 2011, the Unit completed audits of grants awarded to GOAL and Concern during 2009 under MAPS II and emergency and recovery funding schemes. The audit findings are set out Figure 19.9.
- 19.41** 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

- 19.42** 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.
- 19.43** 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.

Figure 19.9 GOAL and Concern Audit Findings

The GOAL audit report noted that the scope of the audit had been limited by the unavailability of certain documentation requested including terms of reference for the Board of Directors, agendas and minutes of Board meetings, a report on an internal review of security and information on succession planning.

At an overall level, the audit found that expenditure had been incurred in accordance with the terms and conditions of funding and accounted for in the proper manner. It found that an appropriate structure was in place for programming MAPS II funds and that adequate systems were in place for monitoring, evaluation, quality control, budgetary control and financial reporting.

However, the report also set out concerns in a number of areas in GOAL including

Corporate governance – No evidence was found that the Board had a delegation and oversight relationship with management and there was a lack of technical expertise among Board members in the area of development. While the report notes that senior management has generally performed effectively, it was found that several adjustments had been made to the senior management structure since 2009 and there was no strategy to ensure its stability and sustainability.

Risk management – While the audit found that analysis of institutional risk informed GOAL's strategic planning, it also found that risk management was not being driven from the top and that no organisation-wide risk register was in place.

Financial controls – While noting the adequacy, in general, of internal financial control systems, the audit identified some inefficiencies and risks of error and manipulation relating to the lack of integration between IT systems and accounting packages in use.

Management of relationship with implementing partners – Little progress was noted towards the MAPS II priorities of increasing engagement with and developing the capacity of local NGO partners.

In relation to Concern, the overall conclusion was that funds had been used for the purposes intended, expenditure had been properly accounted for and the scheme guidelines had been complied with.

The audit found that systems were generally adequate from an accountability perspective. It noted organisation strengths in Concern in relation to corporate governance, risk management, audit arrangements, financial management and cost control. The report found that funding levels and reserves were comparatively buoyant and that progress had been made towards working in partnership with local NGOs.

The report included some recommendations for improvement including the need for the governing council to focus more on the delivery of strategic objectives and the evaluation of policy outcomes. It also recommended that the HR function be strengthened, the continued rollout of a results based management approach and the development of formal capacity building plans for local NGO partners.

Source: GOAL and Concern audit reports

Evaluation Regime

- 19.44** The evaluation function assesses the design, implementation and results of ongoing and completed projects in order to determine their efficiency, effectiveness, impact and sustainability. Irish Aid considers and develops evaluation strategy at the planning and design stage of new initiatives, which ensures clarity from the outset in relation to how performance and results will be measured.
- 19.45** Evaluation reports are submitted to the Department's Senior Management Group 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. Completed evaluations are presented to the Department's Audit Committee. The final reports are published and made available on the Irish Aid website.
- 19.46** 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

- 19.47** Funding agreements for programme countries cover a five-year period and it is the policy of the Evaluation and Audit Unit to carry out an evaluation in the final year of each cycle. Each of the nine programme countries has been the subject of at least one evaluation since 2004. Two formal evaluations of partner country aid programmes were completed in 2011. These related to
- the country strategy paper for Zambia (2007 – 2010)
 - the country strategy paper for Mozambique (2007 – 2010).

Country Strategy for Zambia

- 19.48** The evaluation reviewed the performance of the country strategy under the broad headings of development strategy, development processes, development results and development management.
- 19.49** In terms of development strategy, the focus on poverty and inequality was found to be appropriate and supported by an environmental analysis. However, it found that the design of the country strategy was not as efficient as it could have been, due to the diverse range of activities included and the lack of integration of important cross cutting issues such as gender and HIV/AIDS. The report noted that the development of a results framework had helped to focus the programme on results but outcomes were not monitored at corporate level because the framework was not linked to the Irish Aid reporting system.
- 19.50** In relation to development processes, the report concluded that Irish Aid had contributed significantly to the principles in the Paris Declaration and Accra Agenda and had been a key driver of the aid effectiveness agenda in Zambia. It was seen as a particular strength of the Irish Aid programme that most of it had been designed in collaboration with the Government of Zambia and other partners.
- 19.51** The evaluation found that progress had been made towards achieving the country strategy's primary goal of reducing chronic poverty and gender inequality. The report also noted positive results in relation to the objective of increasing the capacity and space for civil society to engage with government on policy development. Mixed results were noted in respect of the third intended outcome of making government institutions more accountable for development results.
- 19.52** In terms of development management, the report found that programme management issues had lessened the efficiency and effectiveness of programme implementation, with an impact on development results. However, it was noted that there had been recent improvements in programme management.
- 19.53** The report contained a number of recommendations for the next country strategy. Irish Aid should
- focus on activities that worked well in the 2007-2010 country strategy
 - focus on improving educational quality and pursue explicit strategies aimed at strengthening the linkage between education, the work around local development and the focus on governance
 - continue work to support improvements in governance
 - continue providing support to civil society organisations
 - implement a results framework to be used to monitor progress on objectives and outcomes
 - establish an effective performance monitoring framework for the programme.

Country Strategy for Mozambique

- 19.54** The evaluation focused on specific areas including general budget support (GBS) and governance programmes, health and HIV/AIDS programmes, educational interventions and agricultural initiatives.
- 19.55** The evaluation found that GBS continued to be an effective mode of aid delivery, facilitating dialogue between the Government and donors and supporting improvements in public financial management. It enabled donors to exert influence over the Government of Mozambique and to secure commitments on the implementation of governance reforms. The report found that GBS also enabled a dialogue on the Government's poverty reduction strategy, although it noted that the strategy had not succeeded to the extent originally envisaged. As well as sharing in the general results of GBS, the report specifically credited Irish Aid with securing a renewed commitment to GBS, helping to strengthen the GBS framework and helping to consolidate public financial management reforms linked to GBS.
- 19.56** In terms of support for health and HIV/AIDS programmes, the evaluation found Irish Aid's approach to be appropriate, coherent, efficient and sustainable, although it stated that the effectiveness of sectoral policies and programmes needs to be monitored. The report noted that Irish Aid had contributed to performance in the health sector and had a positive influence on approaches adopted by other donors.
- 19.57** The evaluation found that Irish Aid's support for education was highly relevant. The report set out tangible results including increased enrolment and completion rates, better supplies of inputs, better infrastructure and more teaching resources.
- 19.58** The report found that Irish Aid's support to the agricultural sector was relevant and that the approach adopted was efficient, in principle. However, it noted that the practical experience was that funds did not adequately feed through into better service delivery for small farmers.
- 19.59** The overall conclusion was that the Irish Aid country strategy was generally relevant and well aligned with Mozambique's needs and priorities. The aid programme was found to have been efficiently designed and implemented and to have contributed to improvements in policies and systems, as well as overall progress towards the Millennium Development Goals. The approach of working predominantly through government systems has been effective in maximising the impact of support provided, although it is harder to identify and isolate outcomes and impacts that are directly attributable to Irish Aid funding.
- 19.60** The report makes a number of recommendations for Irish Aid to consider in the context of planning for the next country strategy paper in Mozambique. It recommends that
- Mozambique should remain an important long-term partner for Irish Aid and health, education and governance should remain priority areas for Irish Aid interventions
 - the next country strategy should specify how Irish Aid expects its interventions to influence wider outcomes and the monitoring arrangements that will apply
 - although Irish Aid should continue to employ a variety of aid modalities, general budget support should continue to represent a substantial part of the aid programme
 - Irish Aid should continue to work with other donors and the Government of Mozambique to identify and document the results of joint initiatives
 - careful consideration needs to be given to the balance between small project interventions and efforts to influence the national policy framework

- Irish Aid should continue its engagements at provincial level and to link its provincial engagement to the national programme for decentralisation.

Other Bilateral Programmes

- 19.61** Two evaluations were undertaken during 2011 of the second phase of the Multi Annual Programme Scheme (MAPS II) which had a budget allocation of over €300 million and covered the period 2007 to 2011. The evaluations focused on the contribution made by the MAPS II programme to reducing poverty and vulnerability.
- 19.62** The focus of one evaluation was on the outcomes of MAPS II funded programmes undertaken by Self Help Africa. It consisted of an examination of existing evaluation reports and documentation with the aim of identifying the impact and outcomes achieved through MAPS II. The evaluation found that
- programmes were highly relevant to the priorities and policies of both donors and beneficiaries
 - project and programme objectives were generally achieved but, in some instances, targets set may not have been sufficiently challenging
 - the approach taken by Self Help Africa was cost effective in most cases
 - there was a varying degree of sustainability among programmes with some expected to continue delivering benefits after funding has ceased and others considered less likely to be sustained.
- 19.63** The scope of another evaluation covered the four remaining MAPS II partners, namely Concern, Trócaire, GOAL and Christian Aid Ireland (see Figure 19.10).
- 19.64** The report recommended that Irish Aid should continue to provide flexible consistent funding to the four NGOs covered by the review, but should engage with the MAPS partners more regularly with the aim of increasing the strategic impact of programmes and improving linkages between MAPS initiatives and other Irish Aid interventions.
- 19.65** For NGOs, the report recommended that they assess the need for strategic adjustments to their programming, place more emphasis on monitoring higher level outcomes and invest time and resources in shared learning and knowledge management.
- 19.66** Since the MAPS II programme period ended in December 2011, the Department has designed a new performance based funding approach which involves grant allocations being determined using a resource allocation model. Under the new approach, funding agreements with partner organisations specify core development targets to be achieved over the four year funding cycle. In addition to the MAPS II partner NGOs, the new resource allocation model is used to allocate funding to a number of medium sized NGOs previously funded through multi-annual grant contracts. A total of €65 million, in 2012, has been allocated to 19 NGOs under the new arrangements.
- 19.67** The evaluation arrangements in respect of the Civil Society Fund are stipulated in the individual funding contracts with recipients. With regard to Misean Cara, the next independent review is scheduled to take place towards the end of the current phase of funding (2012/13).

Figure 19.10 Evaluation of Multi Annual Programme Scheme (MAPS II) 2007 to 2011

At an overall level, the evaluation found that MAPS II funded programmes have made positive contributions to reducing poverty and vulnerability. However, the report noted that the potential of MAPS II had yet to be fully realised due to the slow pace of progress in some areas and the lack of clear linkages at the country level between NGO partner programmes and Irish Aid's country strategies.

The evaluation measured the contribution of MAPS II by reviewing four broad areas.

Development results achieved - The evaluation found that most MAPS II programming expenditure has delivered positive results at the household and community levels, including providing secure incomes for small farmers, access to water in remote villages and education facilities for disadvantaged children, but there was less evidence of higher level systemic changes in areas such as sub-regional delivery systems, policy development or legislation.

Organisational capabilities – The evaluation found that MAPS II has contributed to an increase in organisational capability across all four partner NGOs. The enhancements noted included improvements to financial systems, mechanisms for monitoring and tracking progress on the ground and adopting more joined up approaches at the country level. The report noted, however, that considerable effort is still required by all partner NGOs to improve their monitoring and evaluation systems, especially their capacity to identify and monitor higher level results.

In-country partner capacity – The evaluation found evidence that NGOs' in-country partners have enhanced their capacities and are becoming more sustainable but the evidence base was limited. Although small improvements were noted, the report stated that stronger efforts are required to track capacity improvements and the impact on the operations of in-country partners.

Strategic relationships – The evaluation found that the strategic relationship between Irish Aid and the NGO partners is the aspect of the MAPS II agenda that has developed least. In the countries where both Irish Aid and the NGO partners have representation, the report identified little connection between Irish Aid's strategies and those of the NGO partners. This contrasts with the experience within Ireland and internationally, where there are examples of strong and effective collaboration on specific issues.

Source: MAPS II Evaluation, IOD PARC, September 2011

- 19.68** In the areas of emergency and humanitarian assistance and emergency preparedness and post recovery, accounting for expenditure of €66.2 million in 2011, most of the funding goes to international bodies with established evaluation practices and procedures.¹⁰ 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 participated in the evaluation of the UN Central Emergency Response Fund during 2011.
- 19.69** For global health, hunger and education initiatives, accounting for €23.9 million in 2011, most of the funding is provided jointly with other donors and the various components are evaluated at agreed intervals.

¹⁰ Including UN agencies, multilateral agencies and international NGOs.

Multilateral Assistance Programmes

- 19.70** The multilateral organisations, through which Irish ODA is delivered, have their own evaluation units and management boards which conduct regular reviews of all aspects of their operations. All reports of evaluations carried out are available to Irish Aid and many are also publicly available.
- 19.71** In relation to ODA provided through EU institutions, the European Court of Auditors publishes its reports online. Evaluation reports produced by the Directorate General for Development and Cooperation (EuropeAid) are considered at the relevant EU Council working groups and published online.
- 19.72** UN organisations generally have their own evaluation functions which report to their own boards of directors. In addition, a UN evaluation group coordinates the evaluation functions in each organisation to strengthen the evaluation regime across the UN system and to undertake evaluations in areas of common interest. The OECD Development Evaluation Group (Evalnet) works closely with the UN evaluation group to undertake peer reviews of the evaluation function within a number of UN funds and programmes.
- 19.73** Evaluations of funding provided to the World Bank are carried out by the Independent Evaluation Group which also makes the reports available on its website.
- 19.74** Ireland is currently the chair of the Multilateral Organisation Performance Assessment Network, which is a group of 16 donors with a common interest in assessing the effectiveness of major multilateral aid organisations. Evaluations completed during 2011 include the UN Food and Agriculture Organisation, the UN High Commission for Refugees, the UN Relief and Works Agency and the UN Environment Programme. Evaluations planned for 2012 include the UN Development Programme, the UN Children's Fund, the Global Alliance for Vaccines and Immunisation, the African Development Bank and the World Bank.

Follow-up on Completed Evaluations

- 19.75** The Evaluation and Audit Unit uses a template to track both the post-completion status of evaluation reports (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.
- 19.76** Figure 19.11 summarises the position in relation to implementation of recommendations arising out of evaluations completed during 2011.

Figure 19.11 Status of Recommendations from Evaluations Completed in 2011

Status^a	Evaluation of MAPS Phase II	Evaluation of Zambia country programme	Evaluation of Mozambique country programme
Total number of recommendations in report	7	20	21
Number accepted by management	6 ^b	20	21
Number implemented	3	—	12
Number in progress	3	20 ^c	9
Number not commenced	—	—	—

Source: Department of Foreign Affairs and Trade

Notes: a The status shown is as at 1 May 2012.

b One recommendation was not accepted by management. It is the view of the Evaluation and Audit Unit, in this case, that the position taken by management is reasonable.

c All of the recommendations in the report relate to the design of the next country strategy paper. As the country strategy paper is still being developed, all proposed management actions are still in progress.

Conclusions and Recommendations

19.77 Irish ODA expenditure in 2011 totalled €657 million, which represents a decrease of 29% on the peak figure of €921 million recorded in 2008.

19.78 Ireland's ODA was equivalent to 0.52% of GNP in 2011, continuing the downward trend that commenced from 2008 and moving further away from the UN target of 0.7% for developed countries.

19.79 The Irish ODA programme is delivered through a range of channels, reflecting the particular environments in the countries assisted and the diverse nature of the assistance required. Given the number of partner organisations involved and the range of delivery channels used for the Irish ODA programme, an effective audit function is essential to provide assurance that funds reach their intended destination and are used for their intended purpose.

Recommendation 19.1: The Department should set up a central register of audit reports, across the entire programme of ODA, in order to record audit reports received and to facilitate follow up in relation to audit reports that are not received on time.

Accounting Officer's Response: Agreed. Registers of reports received are maintained at section and mission level. This will be further developed into a central record in 2013.

19.80 The Department reports achieving a high level of audit coverage in respect of bilateral assistance. It has systems in place at programme country level to track audit opinions and ensure corrective action is taken.

Recommendation 19.2: The Department should establish a central system to record, and track over time the proportion of expenditure in each partner country receiving qualified / adverse audit opinions, the issues identified and the corrective action taken. This would provide assurance in relation to funds already advanced and inform the enhancement of control procedures for future funding.

Accounting Officer's Response: Agreed. The system in place at programme country level is being further developed in line with this recommendation.

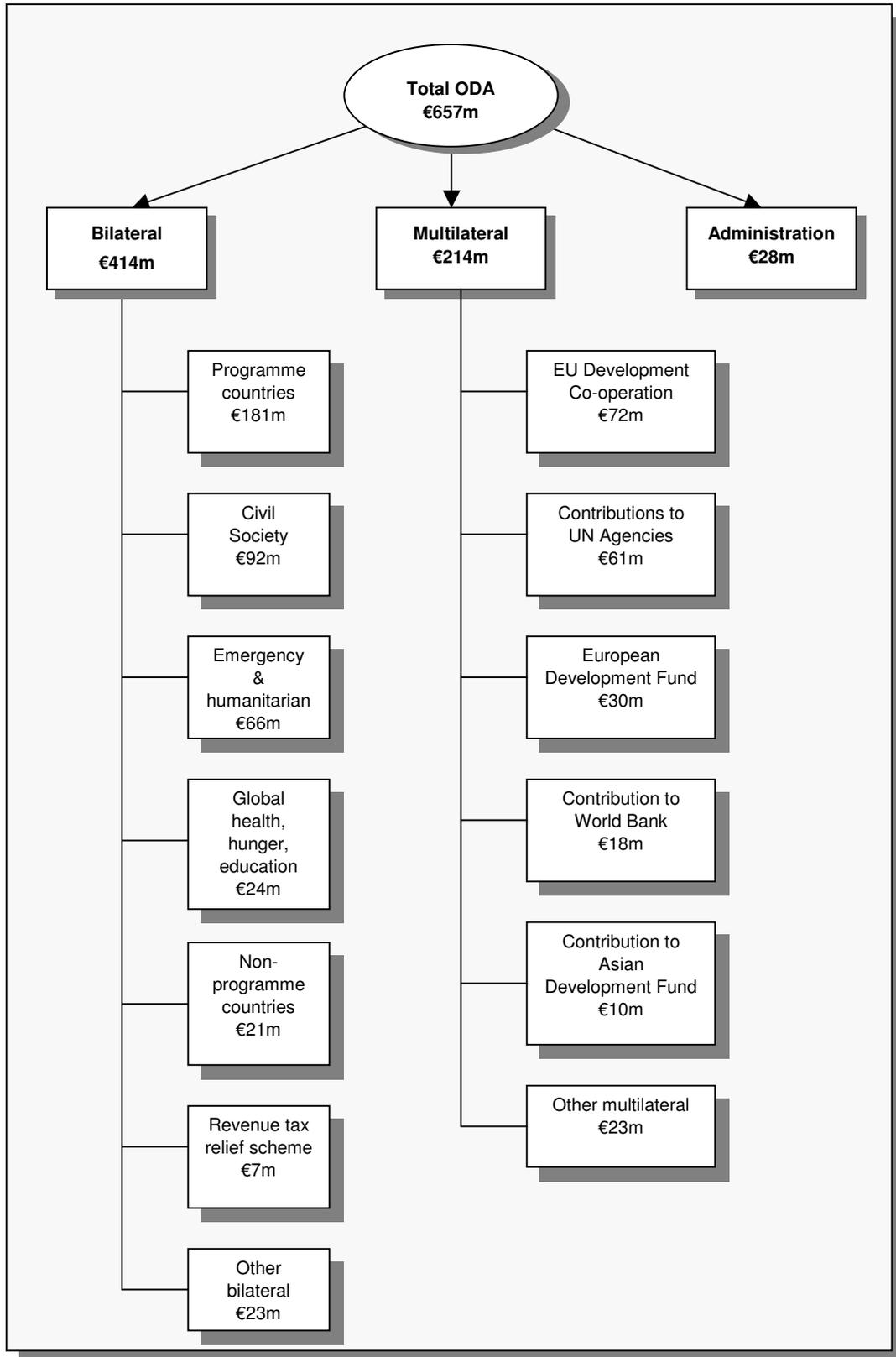
19.81 Evaluation efforts are primarily focused on the funding provided to programme countries.

19.82 A structured system is in place to track and follow up on evaluation recommendations made. The Department indicated that all recommendations from evaluations completed in 2011 had either been implemented or were in the process of being implemented.

Recommendation 19.3: For each of its ODA funding programmes, the Department should ensure that funding provided to partner organisations is linked to appropriate and measurable targets to facilitate meaningful evaluation.

Accounting Officer's Response: Agreed. Irish Aid partners are required to have performance management systems in place. This helps to ensure effective aid implementation and enables credible evaluation to take place. Performance management is an area that continues to evolve. As new best practice emerges, performance management systems will continue to be refined.

Annex A Overview of Ireland's ODA Expenditure in 2011^a



Source: Department of Foreign Affairs and Trade

Note: a Due to rounding, certain elements may not sum to the category total reported.