

Trends in Irish Aid Expenditure 1995-2009

Based on a report by Maarten Gehem

March 2011

This report presents Dóchas members with information on current and past levels of Irish Aid funding in a number of key areas. It provides an overview of the main trends in Irish Aid expenditure from 1995 to 2009. Not all data is available for the said period, therefore in some cases an alternative time span was adopted.

In writing, we followed the outline of our earlier report published in 2007. Statistics used in the document at hand were obtained from the publicly available Irish Aid annual reports.

The key finding of this report is, not surprisingly, that the economic crisis that hit Ireland in 2008 has taken a heavy toll on the Irish government budget for overseas aid. Not only did Ireland's aid budget peak in 2008, both in absolute terms and as a percentage of GNP, but the cuts to the aid budget also distorted some key characteristics of the Irish Aid programme prior to 2008 (eg. the focus on HIV & AIDS and the balance between bilateral and multilateral aid).

Maintaining aid expenditure at current levels will be top priority in the coming years. Dóchas members are actively engaged in the "[Act Now on 2015](#)" campaign to protect Ireland's overseas aid commitments. In addition, they have intensified their efforts to work together, in order to continue to improve the quality of Ireland's aid programme. This report will contribute to this work, by enhancing the transparency of Irish Aid expenditure.

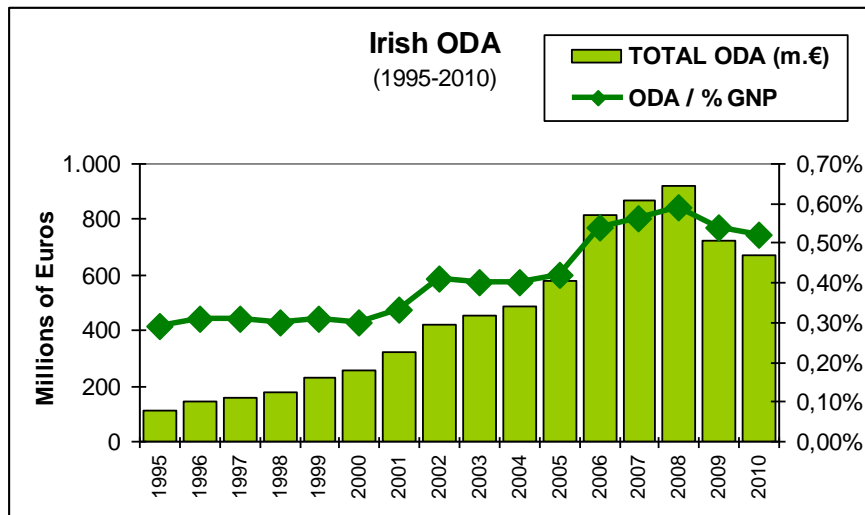
The most important trends in Irish Aid spending since 1995 can be summarised as follows:

- The Irish aid budget peaked in 2008 and declined sharply since.
- The share of bilateral vs. multilateral aid expenditure has stabilised over the last few years, with the former amounting to around 70% of ODA, the latter totalling 30% (of which 10 to 15% is allocated via the EU).
- Overall, NGOs continue to play a significant role in the Irish Aid programme, with around a quarter of all expenditure being channelled via Irish and international NGOs.
- Judging from the data available in Irish Aid annual reports (which do not provide a complete picture), the trend of growing expenditure on HIV & AIDS programmes has reversed completely, currently standing at 2.2% of ODA (compared to over 8% in 2003-5).
- The trend of diminishing spending on development education has stabilized at around 1% of total ODA.
- Emergency funding continues to take up a high share of ODA, amounting to more than 10% of total aid expenditure. The relative share allocated via Irish NGOs has diminished

STATISTICS AND OBSERVATIONS

1. The increase in Irish aid expenditure came to a halt in 2008

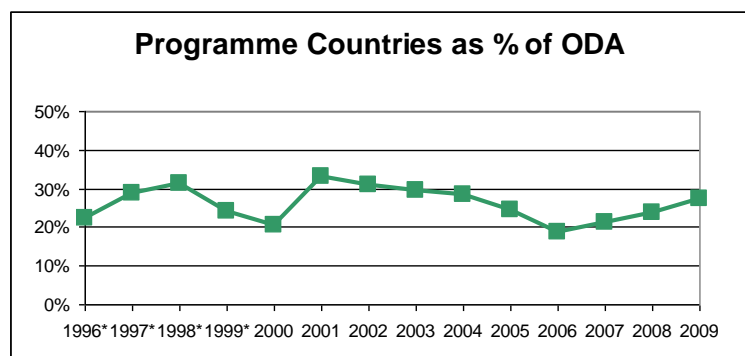
Aid expenditure rose from 0.29% of GNP in 1995 (€114 million) to 0.59% of GNP in 2008 (€921 million). Since then, total ODA dropped to 0.52% of GNP in 2010 (€671 million).

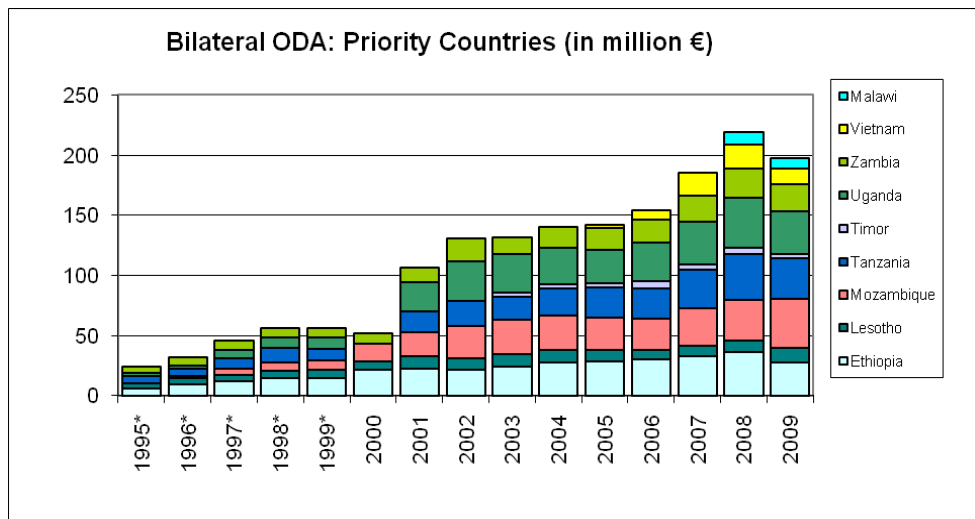


2. The share of ODA spent on programme countries remains relatively stable.

Total share of expenditure on programme countries has been more or less between 20 and 30% since 1996. Between 1995 and 2002, bilateral ODA was allocated to around 5-6 partner countries.

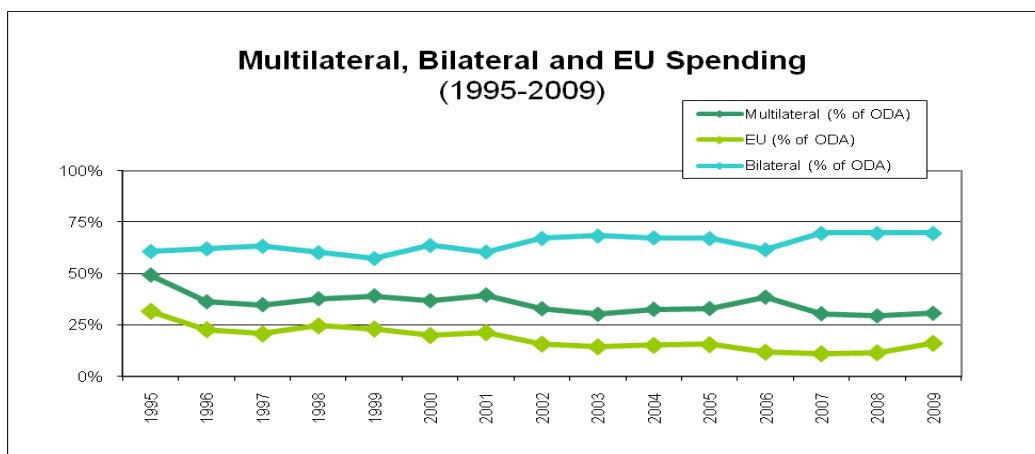
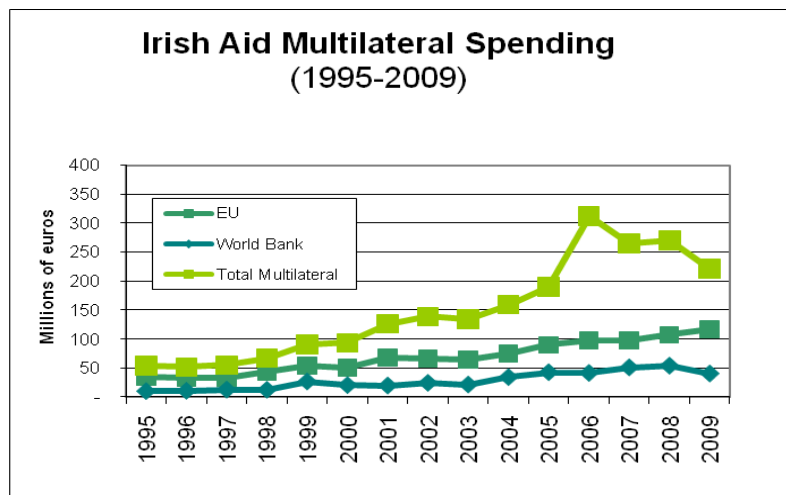
After inclusion of Timor (2003), Vietnam (2006) and Malawi (2008) in the bilateral programme, expenditure has dispersed somewhat, with 9 priority countries in 2009.





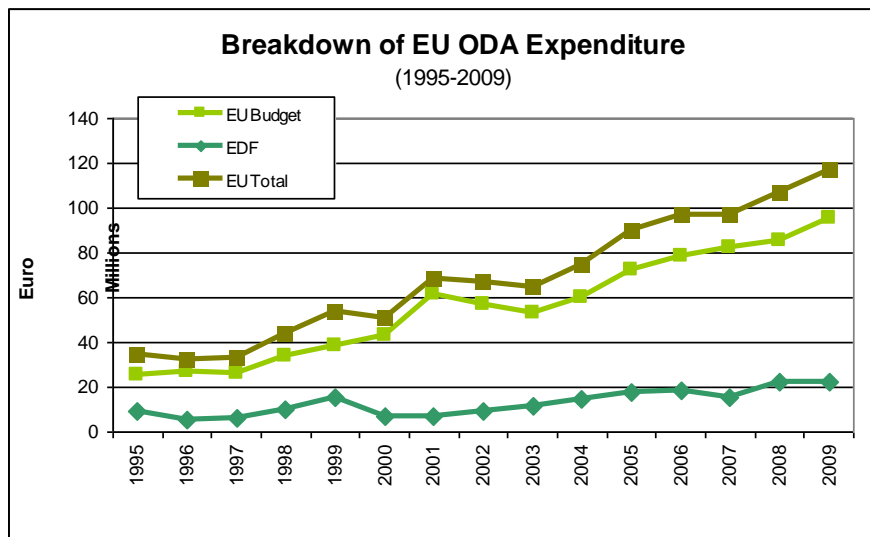
3. Multilateral spending increased marginally in real terms, but bilateral aid continues to take up the lion share of Irish Aid.

Irish aid continues to be dominated by bilateral programme, although 2006 shows an increase in the multilateral side.



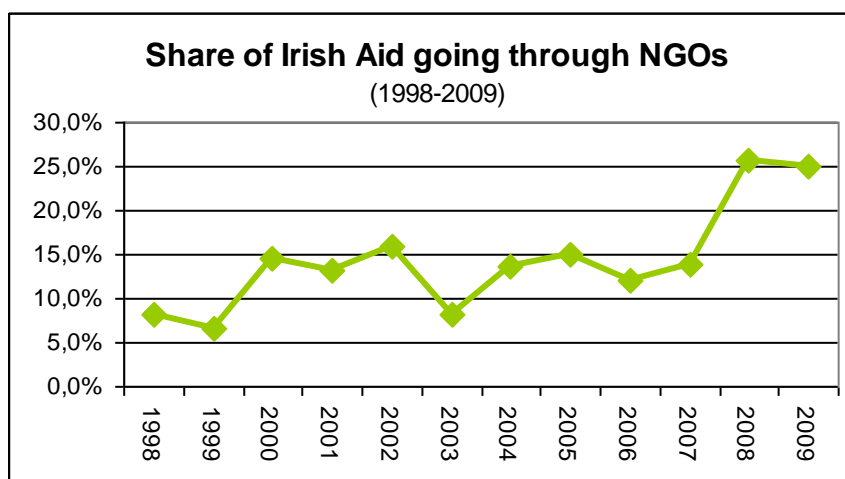
4. Contributions to the EU remain large (and increased) in real terms, but declined in proportion to total ODA.

EU ODA expenditure increased in real terms from less than €40 million in 1995 to almost €120 million in 2009, due to increasing contributions made to the EU Budget. The share of aid expenditure allocated to the EU is, however, on a downward trend, from +20% up until 2001 to around 15% thereafter.



5. Increase in expenditure via NGOs

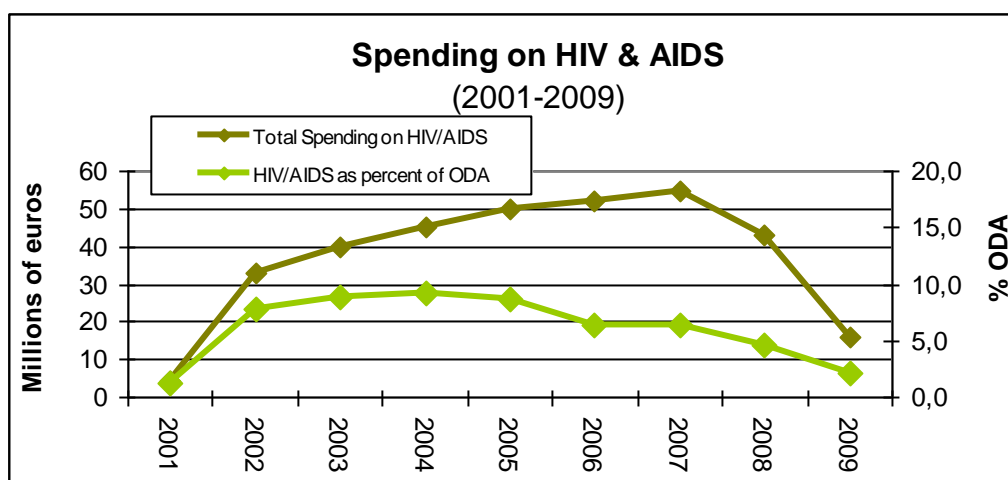
There is a clear trend towards increased expenditure of ODA via NGOs, with a sharp rise in 2008 and 2009, mainly due to severe cuts in the multilateral programme.



6. The trend of growing spending of ODA on HIV/AIDS programmes reversed completely

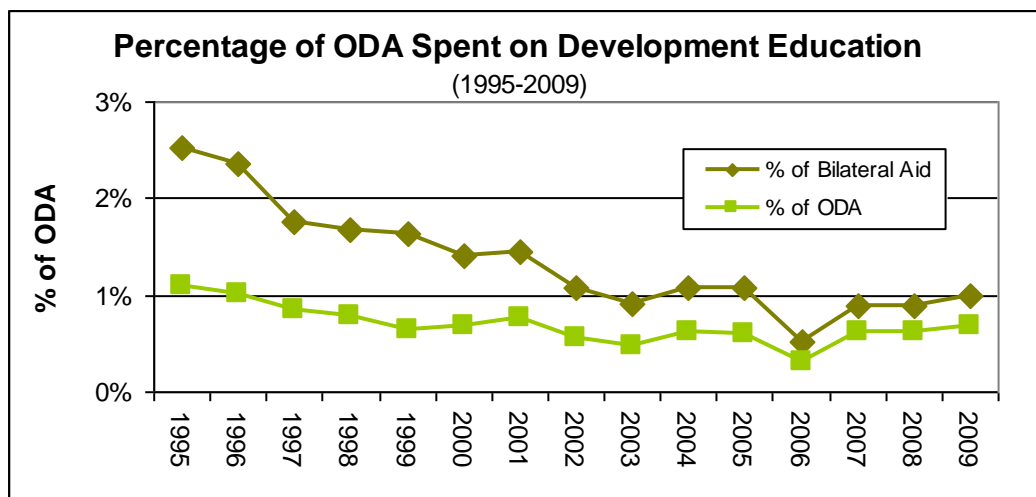
Our previous report noted that HIV/AIDS expenditure rose rapidly from virtually insignificant before 2000 to taking up more than 8% of ODA in 2003, 2004 and 2005.

If Irish Aid annual reports are to be believed, this trend completely reversed itself in the years thereafter. Although real expenditure kept on rising until 2007, relative expenditure declined slowly but steadily. By 2009, spending on HIV/AIDS programmes amounted to a mere 2,2% of total ODA. (see footnote ¹)



7. Declining trend of spending on development education has stabilised

Expenditure on development education has steadily declined from more than 1% of total ODA during the mid 1990s down to an average of about 0.6% in the last decade.



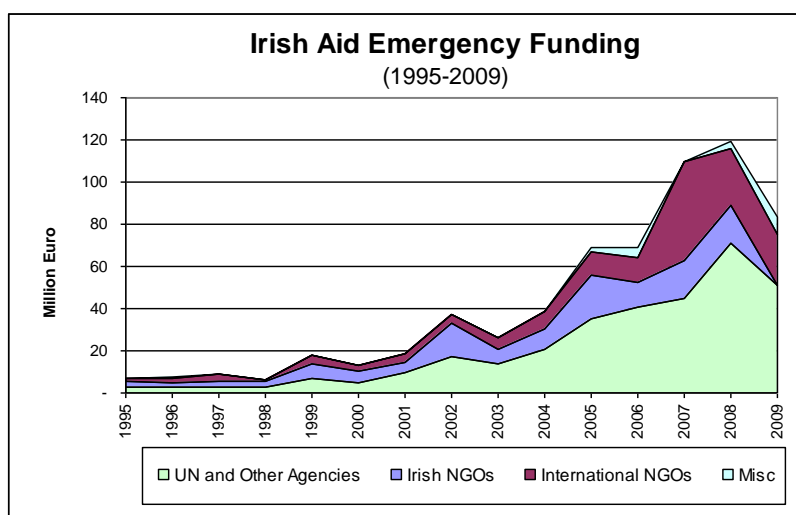
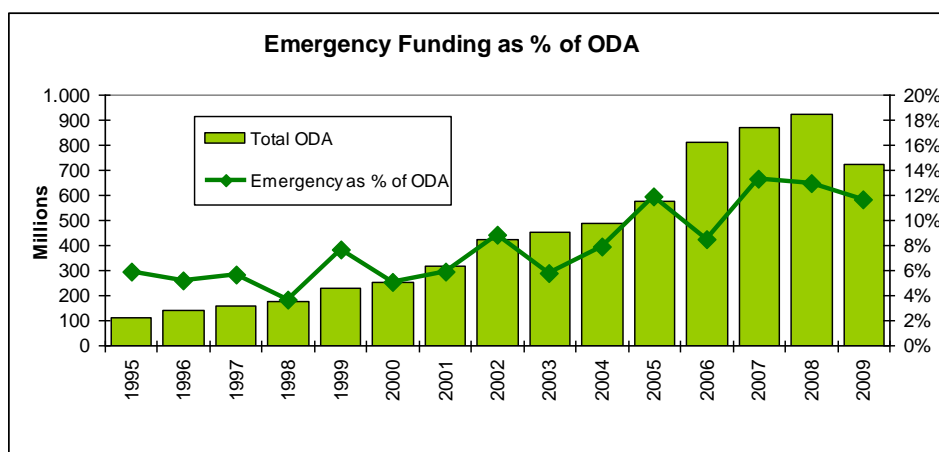
¹ An explanation received from Irish Aid states that the figures in the Irish Aid annual reports reflect only the Global HIV & AIDS budget – not all IA spending on HIV/AIDS and other communicable diseases. Total expenditure on HIV & AIDS, which includes Global Health, UNAIDS, other UN health and HIV spending, Programme Countries HIV and Health and Civil Society HIV and Health spending, amounted to an estimated €114 million in 2009.

8. Emergency funding has grown slowly, and the share of expenditure via Irish NGOs has diminished

Emergency funding remains at high levels, although it should be noted that available data is not consistent.²

The UN has reported that ‘in the last 20 years, the number of recorded disasters has doubled from about 200 to more than 400 per year’. In the last 14 years, the percentage of Irish Aid funding that was allocated to emergencies has risen slightly, and recent years seeing a slight reversal of the trend.

In real amounts, total emergency expenditure allocated via Irish NGOs remained more or less stable. In relative amounts, the share has dropped. This decrease can probably be partially explained by the inclusion of recovery assistance funding in the figures after 2007.



² From 2007 onwards, emergency data include emergency and recovery funding. Before 2007, numbers respond to EHAF only