

The Broker Magazine, 7 Oct.2008

Irish Aid debates

Bucking the aid trend

This second article in a series looking at development in European countries focuses on Ireland, which is becoming a major and much-lauded player in world development. Yet there are doubts within the domestic aid community about the direction of policy and the management of rapid growth.

October 07, 2008 [Paul Cullen](#)



Alamy/PSI Images

Ireland is a late starter in terms of international aid, but it is rapidly catching up with other Western donors. While the aid budgets of many countries have contracted in recent years, Ireland has applied some of the fruits of its 15-year economic boom to increasing aid spending. It is now the sixth most generous donor in the world. If Ireland maintains its current rate of progress, it could reach the UN target of allocating 0.7% of gross national product (GNP) to aid by 2012.

Even before the recent increases in the aid budget, Ireland was punching above its weight in the development world. This was thanks to its government's involvement with various peace and disarmament initiatives, the work of Irish peacekeepers with the UN and the advocacy of prominent Irish celebrities such as Bono and Sir Bob Geldof. Ireland also has a distinguished tradition in the related field of human rights through the contributions of Nobel Peace Prize winner Sean MacBride and former Irish president and former UN High Commissioner for Human Rights Mary Robinson.

However, the Irish economy has recently begun to stall, prompting fears that, not for the first time, a recession could mean a reduction in the aid budget. This worry is underpinned by ongoing concerns about the level of public support for the country's aid programme, Irish Aid, which continues to suffer from a lack of visibility and the corrosive effects of a long-running public debate on aid and corruption.

In September 2008, the junior minister responsible for the aid budget, Peter Power, said the government remained on course to meet the UN aid target of 0.7% of GNP. However, the budget in October will reveal whether politicians are putting their money where their mouth is.

Ireland is a neutral country with no colonial past. It remained inward-looking for much of the 20th century and had no obvious links to countries in the developing world. The main exception was the missionary tradition forged by thousands of Catholic priests, nuns and brothers who were for several centuries despatched by their church to all parts of the globe. Over time, many of these

missionaries began doing development and relief work in the communities where they lived. Today, with the decline in religious vocations, this tradition is tapering off. However, there are still over 2000 Irish missionaries, largely elderly, working in the developing world.

In the late 1960s the Nigerian civil war was arguably the first crisis in the developing world to have an impact on the Irish consciousness. Again, the involvement of missionaries was crucial. A congregation of priests and brothers called the Holy Ghost Fathers were working in Biafra and sided with the secessionists. The Fathers played a key role in increasing international support for the Biafran cause. They also helped found Africa Concern in response to the ensuing famine; this organization was later renamed Concern and is today the largest Irish development NGO.

Aiming for the target - again

Ireland's aid programme was established in 1974, but it remained modest in size for many years. As late as 1994, Ireland was still spending less than €100 million a year on aid, a fraction of what it was receiving from the EU in structural funds. In 2000 the government made the bold promise to reach the UN aid target of 0.7% of GNP by 2007, but reneged on this commitment several years later. However, the goal enjoyed wide public and political support. 'The 0.7% target has been a headline issue for some years and it is clear the mobilization of civil society around it has had a lasting effect', says Peadar Kirby of the University of Limerick.

In 2005, then Taoiseach (prime minister) Bertie Ahern promised to reach the UN target by 2012. The following year, for the first time, Ireland gave more in overseas aid than it received in financial support from the EU. The country reached an interim target of 0.5% in 2007, but a subsequent downturn in the domestic economy is likely to test the sincerity of the political promises that have been made.

Development aid gives Ireland an international profile it wouldn't otherwise enjoy, according to Hans Zomer, head of Dóchas, the umbrella body for development NGOs. 'There's a lot of talk about our charity and generosity, but really we should be talking in terms of our moral obligation to developing countries', Zomer says.

Untied aid for Africa

Irish Aid is a division of the Department of Foreign Affairs, with the junior minister (minister of state) for development cooperation who answers to the minister for foreign affairs. For many years the aid programme was considered the Cinderella of the Irish foreign service, but its budget now greatly exceeds that of the diplomatic corps.



ANP/David de la Paz

Mary Robinson, former President of Ireland (1990-1997) and former UN High Commissioner for Human Rights (1997-2002), talks at AIDS 2008, the 12th International AIDS conference in Mexico. Roughly one-third of the Irish Aid budget is allocated to programme countries and another third goes to international organizations such as the UN and EU. The remaining third is spent on other forms of aid, such as the €140 million spent on humanitarian crises in 2007. These spending percentages have remained fairly constant over the years.

Poverty reduction is the core focus of the programme. About 80% of aid goes to Africa. There are seven so-called programme countries in sub-Saharan Africa – Lesotho, Mozambique, Tanzania, Ethiopia, Zambia, Uganda and Malawi – and two in Asia – Timor-Leste and Vietnam.

According to a 2007 report prepared for Dóchas,¹ the amount of the overall budget spent on education and agriculture is declining, while spending on health and government/civil society is rising. Ireland allocates far more funding to health than other donors – 20% of the budget compared to the OECD Development Assistance Committee (DAC) average of 3.8% – and more still to NGOs. Only 4% of the budget is spent on administration – down from 9% a decade ago. Irish Aid is well regarded internationally. The DAC 2003 report was glowing, saying the Irish programme ‘distinguished itself by its sharp focus on poverty reduction and its commitment to partnership principles’. The next DAC review of the programme began in September 2008. The 2008 Concord AidWatch report found that all but €4 million of the €869 million expended by Irish Aid in 2007 was ‘genuine aid’, a far greater proportion than was with most other donors. It also praised the transparency of Irish government aid.

Managing growth

Staffing levels are a persistent cause of concern for Irish Aid. Organization for Economic Cooperation and Development (OECD) reviews of the programme have noted the challenge of employing sufficient staff at Irish Aid’s headquarters to coordinate a growing aid programme.

According to Dóchas, the relocation of the programme from Dublin to Limerick has led to the departure of large numbers of experienced staff. ‘At the present time, many positions remain vacant, while others are held by staff with little or no professional experience in the development cooperation field’.² Dóchas also blames this relocation for ‘a noticeable worsening of internal communications’ in Irish Aid.

Kirby believes decentralization is indeed a major worry, saying, ‘There is an unhappy conjunction of a big increase in the aid budget at a time when Irish Aid has lost a lot of expertise because of the move to Limerick’. Kirby adds that many of the staff now working for the programme in Limerick have little or no background in aid.

Frequent name changes have also damaged the visibility of the programme (Ireland Aid became Development Cooperation Ireland and then Irish Aid). Now Irish Aid spends increasing sums on the promotion of its own work and on encouraging development-related coverage in the media. It recently opened a prominently located information and volunteering centre in Dublin. Zomer believes Irish Aid is ‘getting better at promoting their message’, though there is no current

research to indicate whether public perceptions have changed since the 1990s, when surveys showed widespread ignorance of Ireland's work in development.

The evaluation and audit unit of Irish Aid conducts regular visits to programme countries. But in many cases Irish Aid has refused to make the reports of these visits public. In denying a request from a journalist to publish seven such reports earlier this year, Irish Aid claimed that sharing the information could be detrimental to the programme and to Ireland's relations with partner governments, international organizations and other donor countries.³

This stance appears to go against the commitment to openness and accountability expressed in the programme's white paper, and prompted Dr Eamonn Brehony of the Kimmage Development Studies Centre in Dublin to conclude that the report's findings must be so negative that they cannot be shared with Irish taxpayers. Kirby believes the issue of aid effectiveness is not being examined with the necessary rigour. 'They're struggling very much to manage a fast increasing aid budget. My sense is that they're desperate to spend money'.

Trade talks, development listens

With a minuscule army and only nascent industrial strength internationally, Ireland has less potential than other countries for conflict between its development policy and other areas of government. It has not been a significant banker in global terms, so it has few debts to forgive. Until the early 1990s, it was traditionally a country of emigration rather than immigration, but since then a relatively large number of asylum-seekers and other migrants have entered the country. Most asylum seekers arrived spontaneously and it is only in recent years that the resettlement quota for those in the care of UN High Commissioner for Refugees (UNHCR) has been increased. In 2006, this quota went from 40 a year to 200.

The greatest potential for conflict with development goals exists in the area of agriculture. As Kirby points out, Ireland and France, with their strong farming lobbies, form the backbone of resistance to concessions being made in international trade talks. The potential for conflict here is obvious. 'By international standards, we're quite good when it comes to coherence across Irish Aid. We're bad on development and agricultural subsidies, but then everyone is bad on this', Kirby says. Though agriculture is in decline and development is on the rise, it's still an unequal match between the two sectors.

The government responded to the coherence issue in 2007 by setting up an inter-departmental committee on development involving five departments, but there is no evidence yet that this body has had a significant impact on official policy. A report on the issue due shortly from the Institute of International Integration Studies (IIS) should make for interesting reading.

The corruption debate

The Irish Aid budget has continued to grow despite a long-running and heated public debate about corruption. Critics have zeroed in on the Irish government's channelling of aid monies directly to African governments or to specific sectors of African economies. Direct budget support is given to two states – Tanzania and Mozambique – while in other priority countries aid is channelled through departments of the recipient government by way of sectoral support, where funds can only be used for specified projects. According to Irish Aid's 2007 annual report, 14% of the €870 million in the budget went directly to the governments of the nine programme countries.

Although many other Western donors follow the same approach, the direct support for African governments has unleashed a series of furious attacks led by John O'Shea, the head of Goal, one of the country's largest development NGOs. Goal is a substantial recipient of funding from Irish Aid and it operates in many of the African countries that are the subject of his criticism. O'Shea believes that corruption and poverty remain the 'defining features' of Africa, even after decades of aid.⁴ He claims that Ireland, through government-to-government aid, pours hundreds of millions into this 'bottomless pit' every year.

O'Shea has been joined by other critics of the Irish aid programme and of aid in general. Columnist David Adams says the fact that so many of Ireland's priority countries for aid rank so low on Transparency International's anti-corruption index 'should raise real concerns about the amount of Irish Aid actually reaching the unfortunate people for whom it is intended'.⁵ He asserts that a 'substantial amount' of Irish taxpayers' money is finding its way into the coffers of various dictators, despots and serial human rights abusers.

In response, the government, Irish Aid and many others in the aid community have argued that the leaders of developing countries are central to the delivery of effective aid; that aid is closely monitored and audited and that withdrawing aid from 'dislikeable regimes' hits the poor most of all.⁶

According to Irish Aid's 2007 annual report, 'aid to governments is not the only form of aid that works, and in some circumstances other forms will be more effective. NGOs can be powerful agents for change at local level, and in specialised areas of national policy. But the scale of poverty in Irish Aid's programme countries is such that a government-led approach is crucial'. Former minister for foreign affairs Dermot Ahern has rejected O'Shea's claim that the government is handing 'blank cheques' to corrupt regimes as 'wholly without foundation'.⁷ All its aid was subject to the closest possible scrutiny and no partner government was free to spend 'one cent' of Irish Aid money in whatever way it pleased.

'NGOs are doing marvellous work in the developing world, but neither NGOs nor donors can ever replace governments', says another former aid minister, Conor Lenihan. 'Building a strong education system is better than building a single school. Building a strong health system is better than building a single clinic. That can only be done by working with governments'.

The government has responded to the pressure by tweaking its aid to various countries, while holding generally to the provision of government-to-government aid as one part of the aid mix. In February 2008, for example, the aid minister opted not to increase budget support for Mozambique, in spite of a recommendation to this effect made in an independent review of the aid programme. The same review noted that corruption in the southern African state was endemic.

In 2006 the government lopped €3 million off its aid to Uganda to signal its concern about the pace of democratic reform there. The same year, €10 million in direct budgetary support to the Kampala administration was diverted to non-government channels.

Trade and aid

This year, Adams broadened his attack on the aid programme by pointing out the more glaring contradictions in government policies.⁸ Questioning the claim that Irish Aid is not tied to trade, he noted the heavy business emphasis during a recent visit by the Taoiseach to South Africa.

'Everything from Irish meat, butter and 'deep-dug' peat to IT and communications systems was sold by the Irish delegation, yet they bought nothing'.

There is, he writes, something 'distinctly exploitative' about the 'one-way' traffic in trade between Ireland and aid-recipient countries. 'If the government cares as much about the plight of Africa as it claims, then instead of dutifully following the closed-market, protectionist policies of the EU, it should be fighting tooth and nail to have them lifted. While trade barriers remain in place, EU members donating aid to Africa is the equivalent of them throwing conscience-salving scraps from the top table of an exclusive club to those they keep locked outside the door'.

Historically, Irish business has had few links with the developing world (there are exceptions such as the fruit importer Fyffes, the packaging company Smurfits and various mining outfits) and little involvement in the aid programme. That is now changing, with the growth of the Irish economy and official encouragement for more private sector involvement in aid. Business itself seems anxious to get involved; earlier this year, for example, entrepreneur Niall Mellon, who runs a house-building charity in South Africa, made a strong plea to this effect and contrasted this approach to the use of taxpayers' money in 'anonymous UN funds'. Whether this trend ultimately leads to a diminution in the untied nature of Irish Aid remains to be seen.

Future initiatives

Irish Aid was the subject of a major review in 2002 and a white paper in 2006. The latter document, while containing few surprises, proposed a number of initiatives as well as new oversight mechanisms to ensure Irish aid is well spent and is not subject to corruption. These included a dedicated unit for conflict analysis and resolution to be established in the Department of Foreign Affairs, a hunger task force and a rapid response initiative, to include a roster of highly skilled people for deployment to emergency situations and disaster as they occur. The latter initiative has prompted some commentators to wonder if Irish Aid isn't duplicating work already being done by some of the NGOs. Some 52 volunteers have so far been recruited to a rapid response corps, of whom no more than seven have been deployed. The hunger task force includes such luminaries as Jeffrey Sachs of Columbia University and singer Bono, and is expected to report shortly.

The future, like the recent past, looks like being dominated by the challenge of reaching the UN aid target. When asked about the government's plans to this end, the new aid minister, Peter Power was cryptic. 'The aid budget reflects the level of economic activity in a country, and this has stagnated recently. It's a meaningless budget if our economy isn't sound and robust. It's important we take whatever steps are necessary to sustain an economy that can provide the aid programme we want'.

It is possible that the aid budget could be subjected to cuts and yet still make progress towards the goal. Because the target is related to GNP, it gets easier to attain in a shrinking economy. As Power pointed out, 'Our budget is unique in that it is tied to GNP. We don't set real targets in terms of our budget - we tie it to percentage of GNP. This year our target was 0.54%. The key point is to reach our overarching target of 0.7 per cent by 2012'.

The general view in the aid community is that the target will be reached but, based on previous form, you can't help wondering.

Footnotes

- 1. McCaul, Orlaith. (2007) *Trends in Irish Aid Expenditure 1995-2005*. Dóchas.
- 2. Dóchas. (2007) Building Capacity for Effective Action, *Irish Aid Management Review*. November.
- 3. Downes, J. (2008) Department refuses to publish Irish Aid audits. *The Irish Times*. 24 March.
- 4. O'Shea, J. (2008) 'Is aid channelled through African governments a waste of money?' *The Irish Times*. 21 January.
- 5. Adams, D. (2007) 'Media must scrutinise Irish Aid'. *The Irish Times*. 7 December.
- 6. See the arguments made by Hans Zomer, director of Dóchas, in 'Is aid channelled through African governments a waste of money?' 21 January, 2008.
- 7. Ahern, D. 'Why Ireland has got it largely right on foreign aid'. *The Irish Times*. 12 January.
- Adams, D. (2008) 'Aid Rhetoric masks hard line on trade'. *The Irish Times*. 1 February.