

# **“Building Capacity for Effective Action”**

## Dóchas Submission to Irish Aid Management Review

November 2007

### **Introduction & Summary**

This document contains comments by Dóchas – the Irish Association of Non-Governmental Development Organisations - as part of the Review process being conducted by Farrell Grant Sparks. The document is based on the experience of the 37 Dóchas member organisations, and reflects the Irish NGOs’ concerns about the long term future of Ireland’s development cooperation programme.

The members of Dóchas welcome the Review process. We appreciate the government’s recognition of the urgent need to review management structures and procedures in light of Ireland’s commitment to achieve the 0.7% ODA/GNP target. The Review provides an opportunity to publicly debate the future of Ireland’s development cooperation efforts, and to formulate solutions to the challenges the programme faces. For Dóchas, these challenges go beyond the immediate staffing issues, but relate to the need to find appropriate mechanisms and resources to turn the vision of the White Paper on Irish Aid into reality.

In this document, Dóchas aims to outline some of the core principles that inform its position on the management of the Irish Aid programme. By formulating a number of principles and recommendations, Dóchas wants to contribute constructively to the discussion about the optimal organisational framework for Ireland’s development cooperation efforts.

#### **In summary, Dóchas recommends that the Review:**

- Mark the beginning, not the end, of a public discussion about the appropriate organisation of Ireland’s development cooperation programme.
- Confirm a number of core principles for the administration of Ireland’s development cooperation programme, including the need to develop active partnerships and ensure policy coherence.
- Produce suggestions for the re-organisation of Irish Aid’s institutional framework, to allow for better analysis and institutional learning, and a better reflection of that learning at all levels of the organisation’s areas of work.
- Assist Irish Aid in committing explicitly to a role that goes beyond that of a mere financial donor, and investing in the skills sets needed to engage strategically in policy formulation and active governance of multilateral institutions.
- Make recommendations on how to enhance the aid programme’s accountability and transparency, by strengthening mechanisms for evaluation, transparency and parliamentary oversight.
- Provide clear guidance on how Irish Aid can implement its commitments to achieve great policy coherence for development.

## **I. Observations**

### **With the publication of the White Paper on Irish Aid, a review of management processes and staffing levels at Irish Aid became essential.**

On 18 September 2006, the government presented the first ever White Paper on Irish Aid. In it, the government's commitment to double Irish ODA by 2012 was confirmed, and a series of new initiative and policy priorities was announced.

The White Paper set out the broad policy guidelines for the development of the aid programme – it is not a strategy. The document lacks any indications about priorities, resources and timeframes. While the White Paper confirms the government's solemn commitment to achieve the 0.7% target, it does not indicate how Ireland is going to ensure that its growing aid budget has the greatest possible impact on global poverty and injustice.

Since the publication of the White Paper, Irish Aid has put a number of strategies and policies in place to translate the broad statements from the White Paper into policies that can be implemented. Dóchas members have welcomed this policy formulation process, but have also pointed at the numerous difficulties experienced by Irish Aid, due to the severe lack of staffing and the disruption caused by the government's decision to relocate Irish Aid to Limerick: the move has led to a severe loss of expertise in the organisation, and internal communication has worsened noticeably.

### **The Review is about more than merely staffing levels: the aim of the Review is "to advise on the optimal development of Ireland's aid programme".**

Conscious of the need to invest further in Irish Aid capacity, the government wrote into the White Paper that "the scale of the programme and the challenges it faces justify a fundamental review of Irish Aid's systems, structures and procedures." The White Paper goes on to say that "*the overall aim of the review will be to advise on the optimal development of Ireland's aid programme to ensure total quality assurance, as it moves towards reaching the target of 0.7% of GNP by 2012 as committed to by the Taoiseach.*"

This is not the first time the challenge of the appropriate resourcing of the aid programme has been raised. Indeed, in its 1999 review of the Irish aid programme (and again in 2003), the OECD identified a two-fold challenge: how to grow and how to manage that growth. In response, the government commissioned an independent management review (the 1999 Cassidy Report) and the Ireland Aid review, which reported in 2002, stating that "*staffing levels in the programme have not kept pace with the huge growth in responsibility arising from the increased allocations to [Irish Aid]*".

The Ireland Aid review did not simply focus on staff levels. Although it found that "*current staff levels will need to be increased to 300-350 between home and abroad over the period between now and 2007*", it also devoted substantial energy to the question on what shape the organisation should have, and what advisory and research functions were required.

### **Dóchas members are primarily affected by the arrangements that Irish Aid has in place for engaging with Development NGOs. However, they are very conscious of the many ways in which Irish Aid's decisions impact on their work.**

Although Irish Aid funding for NGOs has risen dramatically over the last couple of years, staff numbers have not risen in proportion to this growth, and a lot of the Irish Aid funding for NGOs has been channelled through the five agencies participating in the multi-annual programme (MAPS). With the creation of the IMRS, much of the responsibility to engage with the missionary organisations can be said to have been sub-contracted. Furthermore, one of the explicit aims of the new Civil Society Fund (CSF) is to lighten the administrative burden of Irish Aid.

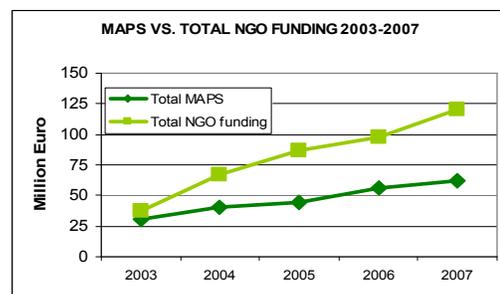


Figure 1: MAPS vs. Total NGO Funding 2003-07

**Recent research by INTRAC into the trends in donor thinking shows that donors have greatly varying motives for supporting NGO work, and – as a consequence – have differing ideas on how best to support NGOs.**

One trend that is common to all government donors is their desire to reduce overheads and emphasise quantifiable outputs. Donors will seek to reduce the number of staff involved in the management of the NGO support mechanisms, favour larger contracts with fewer NGO partners and support programmes that have clearly measurable outputs.

Furthermore, a growing proportion of donor funding for NGOs is going to emergency aid operations, as opposed to development programmes or development education. Reinforced by the Aid Effectiveness agenda arising from the Paris Declaration, this trend encourages a standardised, somewhat technocratic approach to the work of NGOs, with little room for innovation and experimentation. These donor priorities also tend to widen the gap between the small and the large NGOs, with the recipients of large grants often receiving financial support for core operational costs.

On the other hand, the Civil Society Fund (CSF) seems designed to narrow, rather than widen, the gap between the big and small NGOs, and all Irish Aid funding for NGOs is by and large NGO-led.

**“Decentralisation” has had an enormous – and negative – effect on Irish Aid’s institutional memory and capacity, and on its interaction with NGOs.**

The relocation of Irish Aid 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. The lack of clarity regarding the status of the staff in the Technical Unit, has led to a freeze on recruitment despite the many vacancies that exist, and despite the fact that the Unit has been at the heart of many of the improvements in Irish Aid policy and practice in recent years. Furthermore, the fact that Irish Aid has only partially relocated has led to a noticeable worsening of internal communications.

Dóchas is aware that many of these problems are transient. In the long run, relocation may have benefits, in that staff turn-over is likely to decrease. However, the net effect is more likely to be negative, in that there will be little incentive for Irish Aid staff to move on, and that the primary criterion for recruitment will be civil servants’ willingness to live in Limerick, as opposed to their suitability for the job required.

**Although the current Review is not simply about staffing numbers, it is remarkable that Irish Aid is noticeably under-staffed in comparison to its peers in the OECD.**

Research commissioned by Dóchas shows that Irish Aid staffing levels, expressed in numbers of staff in relation to overall turn-over, are well below the levels of other donor agencies.

With the proviso that it is very difficult to get accurate and comparable data about donors’ staffing levels (reflecting the different ways of administering the ODA budget, and different mandates for each of the donor agencies), Dóchas does note that staffing numbers have not risen in line with the rapidly growing budget of Irish Aid, and that the overall staffing levels seem significantly lower than that of comparable donors such as those in Australia, Sweden and the Netherlands.

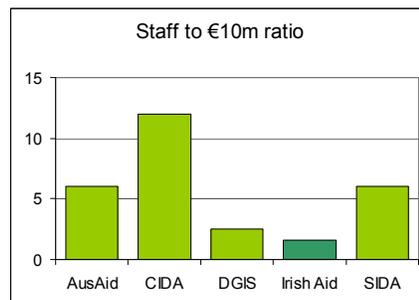


Figure 2: Irish Aid staffing levels compared to other donors

**The aim of the management review should be to protect the quality of the Irish Aid programme as it expands to meet the 0.7% target. As a consequence, it should do more than recommend staff levels: it should set out the optimal organisational framework (structure, skills, systems, culture and strategies) for a rapidly growing programme.**

The Review is an opportunity to put in place the systems and structures that enable Ireland to take a leadership position in Development Cooperation. What is required, therefore, is a creative

look at the requirements for the aid programme for the future, and a willingness to rethink some of the fundamentals that have shaped the programme to date.

## **II. General Principles and Recommendations**

In this section, Dóchas aims to outline some of the core principles that inform its position on Irish Aid management. By formulating a number of clear recommendations, Dóchas proposes that these principles be included in the considerations and recommendations of the Review process.

### **1. The structure and management systems of Irish Aid should reflect its core mission and strategy.**

This may seem an obvious point, but for Dóchas it is important to stress this principle, as the current organisational set-up in Irish Aid has not been developed on the basis of its mission. Rather, it has largely been based on the structure, systems and processes that apply in the Department of Foreign Affairs as a whole, which is characterised by hierarchical decision-making processes, a large senior management team, unclear organisational knowledge management systems and low levels of institutional back-up in the form of data collection, analysis and evaluation.

**We contend that the core task and mission of Irish Aid is significantly different from those of the Department of Foreign Affairs as a whole, and thus merits an organisational framework that is “fit for purpose”.**



Figure 3: Organisational building blocks

Dóchas is of the opinion that the current organisational structure, culture and systems that operate in Irish Aid are far from optimal. One of the key drivers behind the current Management Review is an admission that there is an imbalance between Irish Aid’s strategy and its resources:

- Despite enormous progress in policy formulation and the publication of the White Paper, there is at present no overarching strategic framework;
- Staffing levels are too low, and dependence on outside knowledge and expertise is unsustainably high;
- Engagement with key international partners (UN, World Bank, IMF, EU, OECD) is limited;
- The organisation is characterised by high levels of concentration of decision-making in Headquarters;
- Staff roles are overwhelmingly administrative, with limited personnel capacity in the areas of analysis, data collection, knowledge management and evaluation;
- There is no clear link between staff recruitment and assessment on the one hand and organisational objectives on the other.

Dóchas welcomes the Review as an opportunity to review these weaknesses, and to benchmark Irish Aid against other donors.

At the time of the Ireland Aid Review (2002), Dóchas commented on the advantages of a structure that was closely associated with the Department of Foreign Affairs. This was based on

a study comparing the different options for the management of a governmental aid programme. The study observed:

“The organisational framework adopted for managing development cooperation varies across DAC members, both at the political and administrative levels. While aid management systems should be designed around the objectives expected to be attained, and in particular those of the development partnerships strategy, organisational structures also need to take account of the specific political and public sector management systems within which they operate. Political exigencies can sometimes prevail over other considerations. It is therefore unlikely that an “ideal” organisational framework for the management of DAC development cooperation programmes can be defined.”<sup>1</sup>

**The key to being a successful Development organisation lies in knowledge management and strategic approaches to the role of government.**

The management structure should facilitate innovative management, and support the organisational goals. In the present context of Irish Aid, this means being a driver for change and a centre of leadership and vision, not an administrator.

In contrast, the current Irish Aid structure, characterised by a hierarchical and pillarised structure discourages coherence between the bilateral, multilateral and civil society services. Furthermore, staff roles tend to focus on administration, rather than regulation.

**Recommendations:**

- **Irish Aid needs as a matter of urgency to develop its organisational strategy, to indicate how it intends to implement the White Paper on Irish Aid.**
- **Irish Aid needs to re-organise its institutional framework, to allow for better analysis and institutional learning, and a better reflection of that learning at all levels of the organisation’s areas of work.**
- **Irish Aid’s human resources management has to be overhauled, making explicit links between staff selection and organisational goals and skill requirements.**
- **There should be an explicit policy on staff development and training. This policy should aim to build up Irish Aid’s expertise, and stimulate increased staff diversity and mobility.**

**2. Irish Aid must develop from being a donor, to becoming a development actor.**

For Dóchas, one of the key criteria for success is how Irish Aid engages with its multitude of partners: donor governments, multilateral organisations, civil society. In recent years, Irish Aid has made great strides in bringing its relationships with many of its partners – not least the NGOs and missionary groups – to a more strategic level.

**Essentially, Irish Aid is in the business of supporting the work of others.** Supporting others does not mean that Irish Aid’s role is to be a type of ATM for NGOs, UN bodies and developing country governments. Irish Aid rightly takes an active role as a donor, engaging strongly with its partners. It aims not only to make sure that its support allows services to be

<sup>1</sup> Options for Managing an Increased Irish Aid Programme, INTRAC, 2001

provided, but it actively promotes policy change, and adherence to standards of good practice, and it works with partners to build their capacity.

However, many of the existing Irish Aid thematic policies do not reflect this new identity, and the skills sets required for such a new set of relationships has not developed at the same pace. Staff in Irish Aid, both at technical and administrative level, can find it difficult to see the wood from the trees in the forest of contracts. In many instances, micro-management, and not strategic management, is the result.

**The lack of personnel numbers is most acutely felt in Irish Aid's engagement with the European Union and multilateral institutions.**

The White Paper on Irish Aid paid very little attention to the role of the EU in the development cooperation context. Despite stating that "EU development assistance is an integral part of the Irish Aid programme", and acknowledging the EU's "norm-setting role", the White Paper did not contain any proposals on how to improve Ireland's engagement with the EU, either in Brussels or in the programme countries.

The current situation, with a small team in Dublin/Limerick and Brussels having to keep abreast of a myriad of issues at EU level is clearly unsatisfactory. By its own admission, Irish Aid would have been unaware of a large number of important dossiers if it weren't for the occasional alerts from Irish NGOs and Irish MEPs.

Throughout the years, Dóchas members have voiced similar criticism of Irish Aid's engagement with the UN agencies and the Bretton Woods institutions. In most cases, Ireland's input is reactive and ad hoc, and largely ineffective. Most importantly, it is hard for Dóchas members to see what Ireland's priorities and agenda issues are in multilateral fora.

**Recommendations:**

- **Irish Aid needs to commit explicitly to a role that goes beyond that of a mere financial donor. Ireland should build on its reputation as a good donor, and develop a strong role as an advocate for change in international fora, and a strategic partner for development.**
- **Irish Aid must, as a matter of priority, invest in the staff numbers and profile that will allow it to be proactively and strategically engaged in policy formulation and active governance of multilateral institutions such as the UN, EU and World Bank.**
- **Building on its successes in bringing its relationships with NGOs and missionary groups to a more strategic level, Irish Aid must consider radical changes to the administration of civil society grants, with a lesser share of total staff being involved in the administration of grants, and a substantial increase in regulatory, advisory and evaluation roles.**
- **If Irish Aid want to be an active and supportive partner to Ireland's NGOs and missionary organisations, it needs to develop a strategy to help strengthen those partners' organisational capacity and institutional development, and find effective ways to ensure that they have the skills and human resources to achieve their mission.**

### **3. Irish Aid needs to be resourced and structured in ways that allow it to maximise the potential for policy coherence for development.**

In 2001, Dóchas made the following observations in its submission to the Ireland Aid Review:

“Dóchas believes that there is a need to strengthen policy coherence within the aid programme itself, but also between the policies of various government departments, as these impact on Ireland’s stated development objectives. This is particularly relevant in relation to those departments responsible for issues such as trade and agricultural policy and in terms of Ireland’s role in influencing bodies such as the World Bank and International Monetary Fund.”

This observation has lost none of its relevance today. The White Paper on Irish Aid (2006) rightly identifies policy coherence for development as one of the main challenges to the programme, and since then, an Inter-Departmental Committee on Development (IDCD) has been created.

Dóchas has welcomed the creation of the IDCD and is planning to make submissions to it, making suggestions on how Ireland can improve its policy coherence for development. Dóchas members have pointed out, however, that in and of itself this Committee is not going to be sufficient to bring about policy coherence: that requires mechanisms at multiple levels of decision-making and greater – explicit – political commitment to the principle and practice of policy coherence.

#### **Recommendations:**

- **The government should strengthen parliamentary oversight of the aid programme, and provide for an annual debate in the Oireachtas specifically on progress towards policy coherence for development.**
- **The work of the Inter-Departmental Committee on Development must be strengthened, for instance by creating a publicly available mechanism for referral of issues to the Committee, and agreeing explicit mechanisms for ‘development proofing’ of government decision-making.**
- **As a matter of priority, Irish Aid needs to ensure staff and other resources are made available for the implementation of the White Paper’s commitment to deliver on policy coherence for development. Resourcing needs to be modelled on good practice examples from other EU countries.**

### **4. Monitoring and Oversight: being accountable and demonstrating impact**

Since 2002, Irish Aid has invested heavily in policy development, and also in the development of dedicated sector specialists. Both of these developments came as recognition of Development Cooperation as a dedicated, special area of government action, with its own requirements in terms of quality assurance.

**With the growth of the Irish Aid budget, there will be greater emphasis on ensuring “value for money”. What exactly constitutes “value for money” is not defined, however.**

Irish Aid staff and Ministers are rightly concerned that the growing aid budget be accounted for in the best possible way. To date, however, the public debate in Ireland – and the debate in the Oireachtas – has stressed the need to ensure that “our aid money is well spent”. The unspoken assumption in this debate is that “well spent” equals “properly accounted for”. This emphasis on

financial accountability is understandable, but risks replacing indicators for developmental impact with indicators for financial accuracy.

**Ensuring the quality of Ireland’s aid effort is a lot more complicated than simply ensuring financial correctness: it requires substantial investment in mechanisms to assess developmental impact.**

At present, Irish Aid has very weak (and understaffed) mechanisms for impact evaluation. Many of the thematic policies do not have associated action plans for their implementation; Monitoring mechanisms are weak; Country Strategies are not contrasted with Irish Aid’s role in multilateral institutions (coherence); and the Advisory Board of Irish Aid lacks the independent and public role required for its mandate.

“In sport, if you spend your time trying at all cost not to make any mistakes, you can be sure that you will never win the match.

The same applies to development cooperation: by trying to do things right, you may end up not doing the right thing.”

As the aid programme grows, so does the need for public accountability. This should not be confused with the need to build the public profile of the programme, but should be seen as the need to develop a **coherent plan of action to enhance accountability**, encompassing the dimensions of public information, development education, parliamentary oversight, independent evaluation, and impact and result measurement.

**Recommendations:**

- **All evaluations undertaken by Irish Aid, and all recommendations by the Advisory Board, should be made public – as should Irish Aid’s response to them.**
- **The Advisory Board’s mandate should be significantly strengthened, so that it can perform its role as an external, independent evaluation service, which reports directly to the Minister, and whose findings are made public. Membership of the Advisory Board should be reviewed, as should the process by which members are appointed.**
- **Irish Aid must invest significantly in its capacity to track expenditure and impact. The annual reports must be developed in such a way that shifts in funding and partnering trends are made explicit.**
- **The government should provide an annual report to the Oireachtas about its efforts to achieve the Millennium Development Goals.**