

IRELAND

1) QUANTITY OF AID

1.1. Current/Recent Quantity Performance:

Net ODA US\$m	1,325
% of GNI	0.58%

Source: OECD/DAC, preliminary 2008 data.

Since 2000, Ireland's ODA has increased spectacularly in absolute amount (up from US\$234m, a rise of 466%) and doubled relative to GNI (up from 0.29%).

1.2. Future Quantity Intent

In 2002 the Irish Government committed itself to increasing ODA to 0.7% of GNI by the end of 2007 (DAC, 2003, p11). However, the interim target of 0.45% of GNI by 2002 was not met and the Taoiseach (Irish Prime Minister) has announced a new target. Currently Ireland is committed to increase ODA to 0.6% by 2010 and 0.7% of GNI by 2012, three years ahead of the target date set by the EU. The DAC calculates that this will lead to disbursements of US\$ 1.3 billion in 2010 (DAC, 2009).

2) KEY AGENCIES/MECHANISMS

2.1 Agencies and Structures

Department of Foreign Affairs

Primary responsibility for Irish Aid, Ireland's international development programme, rests with the Minister for Foreign Affairs. However, development cooperation policy falls under the jurisdiction of the Minister of State for Overseas Development at the Department of Foreign Affairs who oversees the Development Cooperation Directorate (DCD), which in turn administers Irish Aid. In 2007, 83% of total ODA was disbursed by the Department of Foreign Affairs. The remaining 17% was disbursed by other government departments and the EU Development Cooperation Budget (Irish Aid, 2008a).

2.2 Key Policies and Documents

White Paper on Irish Aid (Irish Aid, 2006a)

The first White Paper on Ireland's overseas development assistance was published in September 2006. It reiterates that poverty reduction is the overarching goal of Irish Aid, with a focus on Africa, and details the steps Ireland will take in the coming years to live up to its pledge to contribute towards the achievement of the Millennium Development Goals. The core principles of Irish aid are defined as: (i) Partnership, (ii) Public ownership and transparency, (iii) Effectiveness and Quality Assurance, (iv) Coherence, and (v) Long-Term Sustainability.

The paper further recommends the setting up of a Hunger Task Force, a Conflict-resolution Unit, whilst identifying the need for a new Inter Departmental Committee on

Development. Other key decisions of the Paper include: (i) Intensified cooperation with the UN and the EU to ensure improved aid quality; (ii) Focus on the promotion of governance, democracy and human rights and the fight against corruption, (iii) Advocate for a better trade deal for LDCs; (iv) Continued strong focus on the social sectors, (v) The mainstreaming of gender, environment, HIV/AIDS and governance issues across all the work of Irish Aid.

Annual Report (Irish Aid, 2008)

The Annual Report series gives updates on everything related to Irish Aid, covering both aid quantity and quality issues.

3) RECIPIENT COUNTRIES AND ALLOCATION CRITERIA

3.1. Recipient Countries

Top ten countries	% of total ODA gross disbursements	% of bilateral ODA gross disbursements	US\$m
Uganda	5.2%	8.4%	53
Mozambique	5.0%	8.1%	51
Ethiopia	4.6%	7.4%	47
Tanzania	3.6%	5.9%	37
Zambia	2.8%	4.6%	29
South Africa	1.8%	2.8%	18
Sudan	1.6%	2.5%	16
Lesotho	1.4%	2.2%	14
Kenya	1.1%	1.7%	11
Sierra Leone	1.0%	1.6%	10

Source: OECD/DAC, 2005-2006 Data.

The top ten recipients listed above received 45.2% of bilateral ODA in 2005-06. Ireland has established long-term partnerships with 9 countries, Malawi having been added to Ethiopia, Lesotho, Mozambique, Tanzania, Timor Leste, Uganda, Vietnam, and Zambia in 2008 (Irish Aid, 2008a). However, Irish Aid is currently in the process of expanding its assistance with plans to add a tenth partner country (Irish Aid, 2006a). Project-specific aid is also provided to Zimbabwe, South Africa, Liberia, Sierra Leone, Palestine, Eastern Europe, and the Western Balkans.

Distribution among different groups of recipients (% gross bilateral ODA):

Least Developed Countries	58.4%
Other Low Income Countries	8.4%
Sub-Saharan Africa	62.4%

Source: OECD/DAC, 2005-2006 data.

3.2. Allocation Criteria

3.2.1. *Pre-selection criteria*

Only LDCs are eligible for programme country status.

3.2.2. *Allocation criteria:*

Overall, a recipient country's commitment to the MDGs remains the primary criterion in deciding the specific allocation of resources. To decided whether a country can become a

programme country the following criteria are taken into account: (i) scope for Ireland to make a development impact, (ii) Governance and corruption, (iii) Recipient government has the capacity to take ownership of the development process, (iv) The political environment is stable enough to ensure the basic conditions for the delivery of an aid programme, (v) there is a possibility of working on a regional basis, (vi) Presence in the country of other donors with which Ireland works in existing programme countries (Irish Aid; 2006a, p72).

Further, specific programmes can be approved for so-called fragile states, i.e. states coming out of conflict and/or which have a very low degree of institutional capacity.

4) AID POLICIES

4.1. Concessionalality

All Irish aid is in the form of grants.

Grant element of total ODA commitments (excluding debt reorganisation)	100%
Grant element of bilateral ODA commitments to LDCs	100%

Source: OECD/DAC, 2005-2006 data.

4.2. Types of Assistance

Breakdown of different types of ODA (disbursements):

	\$USm	% of gross bilateral ODA disbursements
Stand-alone technical cooperation	-	-
General budget support	21.3	3.4%
Sectoral projects and programmes (including some technical cooperation)	412.8	65.3%
Action related to debt	-	-
Developmental food aid	9.9	1.6%
Other commodity assistance	-	-
Emergency and distress	87.3	13.8%

Source: OECD/DAC, 2006 data.

Note: The breakdown into different types of assistance shown in the table is taken from different OECD/DAC data sources. As such, the final column does not add to 100%.

In its programme countries, Ireland is committed to work through Programme Based Arrangements (PBAs) as much as possible. Such modalities include (i) area-based programmes (basically programme support for regional authorities), (ii) Sectoral budget support and (iii) general budget support. However, Ireland does not set itself any targets as to the percentage of its aid it envisages to be in the form of PBAs: “*We will maintain a mix of complementary modalities in each of our programme countries.*” (Irish Aid, 2006a, p72). Ireland currently has General budget support programmes in Mozambique and Uganda (both programme countries), whilst it co-finances the World Bank’s Poverty Reduction Strategy Credit (which is the World Bank’s main General Budget Support financing modality) in Vietnam (Irish Aid, 2007). It self-reports as having 14% of bilateral aid to its nine partner countries in the form of general budget support in 2007 (Irish Aid, 2008a).

These data are reflected in the results of both HIPC government analysis and the Paris Declaration survey. Among HIPCs, Uganda and Mozambique give Ireland the best scores for PBAs, while Paris indicator 9 gives the highest scores to Mozambique (100%), Uganda (97%) and Vietnam (72%), mainly through health and agricultural SWAPs coming third.

Capacity building is mainly directed towards recipient countries' government institutions, especially in programme countries. However, some capacity building is also directed at NGOs in recipient countries. According to the 2008 Paris Survey, technical cooperation is best aligned to partner countries' development plans in Mozambique, Tanzania and Zambia (all 100%) (Indicator 4)

4.3. Channels of Assistance

Ireland allocates approximately 38% of its ODA via multilateral organisations, of which 31% goes to the EC, 29% goes to UN agencies and 32% to the World Bank Group (Source: OECD/DAC, 2005 data). In 2007, 117.8 million euro, or 19.7% of Irish bilateral aid was channelled through NGO partners. Ireland is further committed to help build an independent civil society and independent media outlets in recipient countries (Irish Aid, 2006a).

In some countries Irish assistance going through the NGO sector can be quite large. Hence, no HIPC governments report 100% of Irish aid as going via the budget (Mozambique estimates on-budget aid at 75% of Irish aid).

4.4. Sectors and Projects

Sector	% of bilateral ODA (commitments)
Social and Administrative Infrastructure	56.2%
Of which: Education	10.1%
Health	12.1%
Population	12.6%
Water supply and sanitation	2.7%
Government and civil society	13.2%
Economic Infrastructure	1.1%
Of which: Transport and communications	0.6%
Energy	0.0%
Production	4.8%
Of which: Agriculture	4.3%
Industry, mining, construction	0.3%
Trade and tourism	0.2%
Multi-sector	5.0%
Programme Assistance	4.9%
Action relating to debt	-
Emergency aid	22.2%
Administrative expenses	5.5%
Unspecified	0.2%

Source: OECD/DAC, 2006 data.

The 2006 White Paper has extensive sections on the following sectors: (i) Preventing and Responding to Humanitarian Emergencies, (ii) Building Better Government and Combating Corruption, (iii) Investing in People: The Social Sectors (i.e. health and

education), (iv) HIV/AIDS and other Communicable Diseases, (v) Hunger, Food Security and Rural Development, (vi) Peace, Security and Development, (vii) Human Rights and Development, (viii) Gender and Development, (ix) Environment and Development, (x) Trade and Development (Irish Aid, 2006a). There is no real guidance as to which sectors should be prioritised over others. The White Paper also makes a commitment to spend at least € 100 m on combating HIV/AIDS and other communicable diseases.

Ireland has committed to restricting the number of sectors it works in a given country to three, in consultation with other “Nordic +” donors. Also, Nordic+ donors aim at a long term perspective with a minimum of 5-7 years, in its active engagement in a sector (Nordic+, 2005).

HIPC governments generally analyse Irish aid to be well aligned with PRS priority sectors (with more than 75% aligned with PRS priorities in Ethiopia for example). However, Ireland does not score particularly well on funding all types of PRS priorities, for example being reluctant to fund infrastructure or energy.

4.5. Flexibility

Ireland does not foresee the use of resources in the case a recipient country suffers from an external exogenous shocks and/or Balance of Payments problems. Nevertheless, HIPCs indicate that it is flexible in providing emergency relief to combat shocks (eg Ethiopia).

4.6. Predictability

According to the 2003 DAC Peer Review, Irish aid was not very predictable. At that time, DCI had to plan only on an annual basis. However, currently for the 10 programme countries, Ireland now commits its aid within 5-year frameworks, with 3-yearly country programme papers, and is intending to move to five-year funding agreements with all partners (Irish Aid, 2006a)

According to Paris indicator 7, which measures the ratio of disbursements recorded by Government compared to aid scheduled by the donor, best practice for Irish aid predictability can be found in, Ethiopia and Tanzania (96%) followed by Uganda (90%). Among HIPC governments, Ethiopia and Uganda indicate that all aid to government is part of multi-year programming frameworks. Ethiopia, Uganda and Sierra Leone also indicate high levels of actual disbursements occurring in the intended fiscal year.

4.7. Conditionality

In general, Ireland does not ask for economic or political conditionalities in its programme support. However, as was mentioned in section 3, it will only consider a country to qualify as a programme country if it feels the partner has minimum levels of capacity and making inroads in the fight against corruption, and improving governance. For general budget support programmes, it requires that donors have confidence in the financial and administrative systems of recipient countries. In those countries where it gives general budget support, Ireland takes its targets/conditions from the multi-donor Performance Assessment Framework (PAF), e.g. in Uganda and Mozambique.

According to the HIPC-CBP survey, Irish conditionality is relatively less onerous in Ethiopia, Nicaragua, Sierra Leone and Uganda, resulting in only short delays in Ethiopia and Uganda.

4.8. Policy Dialogue

Ireland is especially engaged in the policy dialogue in its 9 programme countries. Among HIPCs, Ethiopia and Uganda report maximum engagement in the policy dialogue.

In its budget support disbursement decisions, Ireland does not need a formal on-track IMF programme, although it will monitor closely the IMF country programme if there is one. However, HIPCs assess some budget support as being linked in Nicaragua and Uganda.

5) AID PROCEDURES

5.1 Conditions Precedent

For the programme countries, Ireland produces Country Strategy Papers every three years. CSPs typically consist of (i) development context of the partner country, (ii) a review of the previous 3-year programme, (iii) description of the future 3-year programme, and (iv) Programme management and monitoring issues. Annexes describe coordination and harmonisation issues (Irish Aid, 2004).

HIPC governments generally assess Irish conditions precedent as being relatively less cumbersome – for example in Ethiopia and Uganda Ireland demands a legal opinion plus only two other conditions. Ethiopia and Sierra Leone also indicate that resulting delays are relatively short. Most Irish aid does not demand counterpart funding contributions.

Project Implementation Units are discouraged. According to Paris indicator 6, Ireland does not use any PIUs.

5.2 Disbursement Methods

HIPCs indicate that Ireland generally uses a mixture of cash-in-advance, reimbursement and direct payment to suppliers, with Sierra Leone and Uganda indicating high levels of advance disbursements. Ethiopia (and to a lesser extent Sierra Leone) indicate that Irish disbursement delays cause only minimal disbursement delays.

5.3 Disbursement Procedures

According to HIPC governments best practice on the number of disbursement procedures can be found in Mozambique (where Ireland requires only one procedure additional to those of the partner country), followed by Sierra Leone and Ethiopia (two additional procedures). Paris indicator 5a indicates that all Ireland aid for the Government sector is going through partner country Public Financial Management (PFM) systems in Vietnam and nearly all aid in Ethiopia (99%) and Tanzania (98%).

5.4 Procurement Procedures

Irish aid is completely untied (DAC 2007; Roodman et al, 2006).

Paris indicator 5b indicates that all Irish aid for the Government sector goes through partner country procurement systems in Ethiopia, Vietnam and Zambia followed by Tanzania (98%) and Uganda (88%). HIPCs indicate that delays due to procurement are minimal in Ethiopia and short in Mozambique and Sierra Leone.

5.5 Coordination

In a number of cases, Irish Aid coordinates with other donors to deliver aid via joint funding mechanism. For instance, in Tanzania, for a health SWAp, Irish Aid coordinated with DANIDA, DFID, GTZ/KfW, the Netherlands, NORAD, SDC and the World Bank to deliver their aid (Hobbs, 2001). In Vietnam, Ireland co-finances the World Bank's Poverty Reduction Strategy Credit (Irish Aid, 2007).

These are examples of the principles agreed by the so-called 'Nordic +' group of donors, of which Ireland is a member. With this group of countries, Ireland has agreed on many harmonisation documents such as guidelines on delegated cooperation, and on division of labour (Nordic+, 2005, 2006).

As a member of the EU, Ireland committed in 2005 in Paris to reduce the number of uncoordinated missions by 50%.

According to the 2008 Paris survey, Ireland managed more than 50% joint missions (Indicator 10a) in 1 country only (Zambia, 100%). Indicator 10b shows that Ireland managed to conduct 50% or more of analytical work jointly in all but 2 countries with highest scores in Tanzania, Uganda and Vietnam with 100% of joint analytical work.

Key Sources *(All internet sources were accessed in October 2008)*

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