

Speech by Liz O'Donnell TD on White Paper on Irish Aid

2nd November 2006

Ceann Comhairle, I welcome an opportunity to make some remarks on the occasion of the publication of this White Paper devoted entirely to Ireland's Overseas Aid Policy. For too long Ceann Comhairle the debate on Ireland's Aid Programme was dominated by a row about when we would reach the UN target of 0.7% of GNP, a target which was set over 30 years ago by the International Community. But sadly, the fact remains that only a handful of developed nations have actually achieved or exceeded that target. Thankfully that debate, in Ireland at least, is over and this government has committed Ireland to reach the elusive target by 2012. That political commitment was not achieved easily but it was a decision which had the benefit of cross party support and indeed the support of the social partners. As Minister in advocating Ireland reaching the target, I said it was and would be a test of our commitment to civilized values. That remains the case.

Indeed, there has never been a more important time for Ireland at a time of unprecedented prosperity to hold solidarity with the poorest communities in the world. Our own history of colonisation, poverty, famine and mass migration and our commitment to a fair and just world order predisposes us to this.

Our aid programme is a very tangible expression of the humanity of the Irish people. Thousands of Irish people lay and religious have worked in development for decades and hopefully will continue to make that humanitarian contribution.

Our economic success now provides the opportunity to make a real difference in the lives of the global poor, for them to improve the conditions in which they live and take control of their own destinies. We provide this support not only out of moral and humanitarian imperative.

A more stable international order based on the fairer distribution of the world resources has a great bearing on our own political and economic interests. Apart from being unconscionable, a human set aside of millions of impoverished people is a fertile greeting ground for terrorism, illegal migration and political unrest. We ignore the unmet needs of the global poor and at our own peril. A security approach is short sighted. Developed countries must respond to the poor by increased ODA aids.

Our development policy is an integral part of Ireland's wider foreign policy. In effect it is now our principle foreign affair as demonstrated very clearly by the Vote 39. Our aid policies actually give substance and legitimacy to other aspects of our foreign policy. One cannot, as a country, persuasively urge a moral and humanitarian imperative on others unless one's own policies enshrine such values. Ireland can be a more credible actor at the United Nations and another international fora when our statements of concern are backed as they are by meaningful action on the ground by way of a world class aid programme to the poor.

So Ceann Comhairle, now that the argument has been made and won on what the level of Ireland's contribution to global human development should be, it is vital that the focus of this House now moves to the management of that programme and how to ensure best

value, best practice, and best quality outcomes in terms of the delivery of aid. This is what the White Paper set out to do. To quite properly evaluate and set out for the Irish people how and where their money will be spent.

It's worth noting that the overall aid programme has grown rapidly from 40 million pounds in 1992 to a staggering 700 million euros this year and will rise to 1.5 billion euro per annum when we reach the UN target set for 2012. At that stage Ceann Comhairle the aid budget will probably exceed the combined amount of the current Marine and Defence Budget! With such level of taxpayers' money at stake there is an absolute imperative to get the management, audit and accountability and effectiveness of the programme right. In this regard we should plan for the best rather than simply drift into a massively expanded budget wearing the same clothes as before.

So today, I just want to make the following specific remarks. I welcome the addition of Malawi and Sierra Leone as areas of concentration for assistance. This struggling country, Malawi has been hitting the headlines for the most shallow reasons lately. Malawi will be Ireland's ninth programme country. It is one of the poorest countries with over 65% of the population living below the poverty line. It is ranked 165th on the UN human development index. This country has enormous needs with 90% of the population engaged in subsistence farming. It suffers persistent food shortages. 700,000 of its one million orphans have lost their parents through Aids. In Malawi life expectancy at birth is 39.7. In Ireland it is 77.7 Statistics which put into proper context the hype and begrudgery about the adoption of one child by Madonna. We have been engaged in Malawi during the food crisis during 2002 and since then we have been providing a mix of emergency relief and recovery to the country working through NGO's. So this is a new country programme for Ireland, a relationship which will gradually be deepened.

Secondly, I welcome the development of the Rapid Response Initiative to provide a roster of highly skilled individuals for rapid deployment at short notice to emergency situations and humanitarian disasters.

I particularly welcome the establishment of a Governance Unit to give oversight on this area of the programme. Of the most frequent criticisms made of the overall aid endeavour is the fact that in emerging democracies governance is generally weak and un-evolved and wide open for corruption. In my view that is no reason to discontinue, assistance to a country. I see weak governance in poor countries as very much part and parcel of the aid challenge. It is the role of the donor country to build in robust audit mechanisms and oversight to ensure money is not siphoned off for nefarious purposes or purposes not related to assisting the poor. But I do not buy into the theory that the poorest people should be punished for the inadequacies of their government. Corruption is not confined to the third world. As we know from our own tribunals corruption is very much alive and well in the first world.

I also welcome the initiative that an Information and Volunteering Centre will be established in Ireland Aid to facilitate those of our citizens who wish to work in the developing world. I think that will go some way to strengthening the sense of ownership of the Irish people of our aid programme.

Ceann Comhairle if I could highlight one area which is of concern to me as a former Minister with some experience of the programme, its weaknesses and its strengths in the context of the expanding budget.

When I was Minister I chaired a review of the Aid Programme related to the Cabinet decision to reach the UN target by eminent independent experts. We consulted widely over a year with key development actors and stakeholders and the wider public. It was essentially like a White Paper process and we had the benefit of a very large number of submissions. We surveyed the entire landscape of development aid policy and management and we made a series of recommendations on the way forward. What we produced was a comprehensive policy and institutional framework to guide Ireland Aid during a period of rapid expansion. Many of the key recommendations in that review I now see replicated in the White Paper. However, I am disappointed in one aspect.

There seems to have been very little attention paid to the key operational issues relating to staff allocation and indeed staff shortages identified in that review. The capacity deficit in Ireland Aid has been well attested to by the OECD and by an analysis of management carried out by independent Consultants in 1999 (the Cassidy Report). The OECD noted then that the development co-operation division has had to improvise and patch together temporary ways of reinforcing staff capacities in HQ and in the field within complex government staffing regulations. It went on to conclude that the management system was fragile and vulnerable.

In addition both the OECD and the Cassidy Report stated that staff numbers were widely seen as inadequate and recommended their early reinforcement. Both studies were carried out and both sets of comments made before the Government made the decision to reach the interim target in 2002 and the UN one in 2007. My review committee in 2002 noted that a 'substantial increase' in staffing numbers was required if there was to be an efficient and accountable management of the current programme let alone a greatly expanded programme. A comparative analysis of the staffing levels in donor countries which had already reached the UN target indicated that with the managerial burden of 0.7% budget, current staff levels would have to be increased by between 300 and 350 between home and abroad over the period 2002 and when the target was reached. We said at the time it was of the utmost importance that staff numbers in Ireland Aid keep pace with the expanding budget and that by the time the 0.7% target was achieved a full complement required to administer a programme of this size should be in place. We recommended that this matter be kept under permanent review by the new Advisory Board for Ireland Aid.

We looked at the management models appropriate for an aid programme of the size envisaged when we reached the 0.7% of GNP. We looked at the strengths and weaknesses of the various organisational models. The committee in the end opted for a development co-operation directorate or division with the Department of Foreign Affairs as the one most attuned to the needs of the Ireland Aid Programme as opposed to an independent Agency. But we were very conscious of the short comings of that current model. In particular the serious understaffing caused by Department of Finance rules and lack of managerial flexibility. We were also conscious of the need to provide for the close involvement of stakeholder interests in the strategic direction of the programme and to keep general organisational effectiveness under continuous review.

So while, plumping for the current model we said efficient response and accountable management would not be achieved unless there was a rapid increase in human resources coupled with action to enhance managerial continuity to provide for greater operational flexibility and to create career structures for specialist staff.

Now Ceann Comhairle I am frankly alarmed when I look to the White Paper at the section which deals with management. It is thin gruel indeed. What I see is a proposal for a review of management; yet another review.

So this suggests to me Ceann Comhairle that very little or nothing has been done to act on the clear changes in management and staffing frailties identified in 2002 and earlier. This is a very serious matter. Such management changes are simply not postponable given the scale of public funds involved.

Perhaps the document is discreet and short in detail, but I would like to know what changes have actually taken place in terms of staff, in terms of management capacity, in terms of the weaknesses that were identified as long ago as 1999 in the context of the expanding budget? Even at current levels of expansion of the budget i.e., over 700 million euro this year it would appear to me that it is remiss of government to arrive at a situation in 2006 still talking about a review of management of the programme. When does review end and hiring begin on the basis of earlier reviews?

So while the White Paper process is worthy as an exercise it has in the main restated the geographical and policy focus of the aid programme when it was reviewed earlier in 2002. Apart from a few new policy areas it has failed to signal any achievement in terms of management coherence or management changes which were clearly identified by independent consultants and by an independent review chaired by myself at 2002.

I feel that the Joint Oireachtas Committee on Foreign Affairs should now make an intervention on this issue and ensure that the human resources challenges and staff deployment issues be urgently addressed.

It's ironic to be establishing a new Governance unit to deal with drawdown of funds in the developing world when our own governance of this massive budget is perhaps in need of more attention. Just because we are doing good does not mean that we don't have to do things well. One scandal caused by human or systems failure in disbursement of these monies could destroy the credibility and goodwill of our programme.

Large NGO's like concern have more people managing a very smaller budget. If we have either static or declining staff to manage a massively expanding Budget we are ourselves remiss in terms of good governance.