



The Irish Association of Non-Governmental  
Development Organisations

**Dochas Pre-Budget Submission 2018**

to

**Department of Finance and Department of Foreign Affairs**

**August 2017**

*“We are reminded of the significance of us making an effort, at State and citizen level, to ensure that the statements on Climate Change agreed in Paris and on Sustainable Development agreed in New York in 2015, are turned into implementable policies and actions.*

*Irish Aid and the Irish NGOs and missionary organisations are already providing highly effective assistance to millions of people across the region. But a response at greater scale is required.*

*We urgently need a renewed global effort to help prevent the deaths of millions of poor and marginalised people – including a call on the international community to honour its obligations to finance international aid efforts and climate change adaptation.”*

- **President Michael D. Higgins, July 2017**

## Executive Summary

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In 2000, Ireland, along with all OECD world leaders, committed itself to the UN target of spending 0.7% of Gross National Income (GNI\*)<sup>1</sup> on Official Development Assistance (ODA) by 2015. While some countries have already reached the target, others have plans in place to reach the 0.7% target.

Despite reaching a high point 0.59% in 2008, Ireland reached only 0.33% in 2016. It is vital that we reverse the downward trend. Achieving this means that 70 cent in every €100 spent would go towards protecting some of the world's most vulnerable people.

Dóchas<sup>2</sup> welcomes the commitment by An Taoiseach Leo Varadkar during his leadership campaign to meet Ireland's commitment to spend 0.7% of GNI\* and sees a strong plan towards 0.7% as an important and necessary element of Ireland's campaign for a seat on the UN Security Council in 2021<sup>3</sup>.

The Irish public have long been supporters of Ireland's commitment to overseas aid, even during tough economic times. According to our recent poll, 80% of people think that Ireland can, and should do more.<sup>4</sup> It is now time to build back our international reputation as a leader in financing ODA.

We therefore ask the Irish government to:

- 1. Fully implement the commitment to reach 0.7% by 2025 to ensure the surest path to achieving the Sustainable Development Goals by 2030.**
  - **Establish a multi-annual plan to ensure 0.7% can be reached by 2025.**
  - **For Budget 2018, increase the ODA spend by 0.05% to reach a total of 0.38% of GNI\*.**
- 2. Protect the poverty-focused definition of ODA, ensure that ODA remains untied to trade and that ODA is not used for any other purpose than to alleviate poverty and promote respect for human rights, dignity and equality.**

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<sup>1</sup> The CSO published a measurement of national income in July 2017 called Modified GNI (GNI\*) this is intended to be a more realistic measurement of size and growth within the Irish economy.

<sup>2</sup> Dóchas is the Irish Association of Non-Governmental Development Organisations, with 60 members who work to eradicate poverty and fight inequality and climate injustice.

<sup>3</sup> Ireland is currently campaigning for a seat on the UN Security Council 2021 – 2022. Ireland will be running against Norway and Canada for the seat. Considering ODA contributions, Ireland is marginally ahead of Canada who gave 0.263% of GNI as ODA in 2016 but we are a long way behind Norway who gave 1.11% and who have continuously met the ODA commitment since 1975. In Canada we have a fiercely strong competitor, ranking at 6<sup>th</sup> place in the social progress index<sup>3</sup> ahead of Ireland's 11<sup>th</sup> place. Canada has also recently developed a very positive trade and development relationship with Africa intent on improving corporate social responsibility.

<sup>4</sup> Dóchas commissioned a MRBI poll in May 2017 to assess Irish support for overseas development assistance <http://www.dochas.ie/news/press-release-80-irish-people-think-ireland-should-spend-more-aid>.

## Context

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Dóchas' call for both the quantity and quality of Overseas Development Assistance to be increased comes at a time of serious political, economic and social upheaval, driven by conflict, climate change and poverty. We are operating against a background of a series of humanitarian crises whose scale and complexity is unprecedented in recent decades.

Over 128 million people in 33 countries are currently in need of urgent humanitarian assistance, and over 65 million people have been displaced from their homes by war and conflict.

An equally important challenge is to manage Ireland's response to the unprecedented level of humanitarian crisis while maintaining a strong long-term development programme aimed at building resilience to crisis.

## Why Give Aid?

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Ireland has a long and proud history of development cooperation. Our international aid programme is globally recognised and is a source of national pride. Irish people continue to be enormously generous and supportive of the work of Dóchas members and we in turn are committed to deepening the public's understanding of the importance, effectiveness and impact of Irish aid. We will continue to tell those stories of impact and help raise public understanding of how Irish aid is changing lives and livelihoods around the globe.

Ireland's commitment to development cooperation not only benefits the people in Ireland's partner countries but also benefits Ireland itself. Investing in overseas aid helps countries stabilise democracy, reduce poverty, bring in reform and ensure that they have a healthy well-educated workforce. This in turn strengthens conditions for economic growth and builds good relationships with potential business partners.

Ireland's commitment to development

### AID WORKS

In the period 2000 to 2015:

- 1 billion people were lifted from extreme poverty.
- 2.6 billion people gained access to an improved source of water.
- Despite rapid urbanisation, the numbers of people living in informal housing dropped by 10 percent.
- The under-5 mortality rate was halved.
- The number of out-of-school children worldwide fell by almost half.
- Maternal mortality worldwide has been cut by 45%.
- New HIV infections fell by 40%.

co-operation was further recognised by the Taoiseach Enda Kenny's signing of the Sustainable Development Goals in September 2015.<sup>5</sup> The 17 Goals include a commitment to reaching the target of 0.7% of ODA spend, spelt out in Goal 17. We need to reach this target well ahead of 2030 if we are to meet all of the Goals. ODA remains an essential tool to ensure we 'leave no-one behind' by securing stable predictable finances expressly focused on reaching the world's poorest.

### **Moving towards the 0.7% target**

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Dóchas acknowledges that the government worked hard to preserve the Overseas Development Assistance budget during economically challenging times, but we have to accept that it is now falling behind. From the high of 0.59% of GNP in 2008, this fell to 0.32% by 2015, with a small rise to 0.33% in 2016. The total budget for ODA in 2017 is set at €651m, with €486 million managed by Irish Aid.

While Ireland is ranked in 12<sup>th</sup> place amongst OECD DAC donors, it only gives half of the proportion of the UK and Germany, who each invest 0.7%.

It is important to note that the UN target was set as a percentage of national income to allow for fluctuations in economic fortunes. It is therefore an important indicator of a country's relative commitment to development, and as such the total budget can fluctuate depending on the strength of the economy.

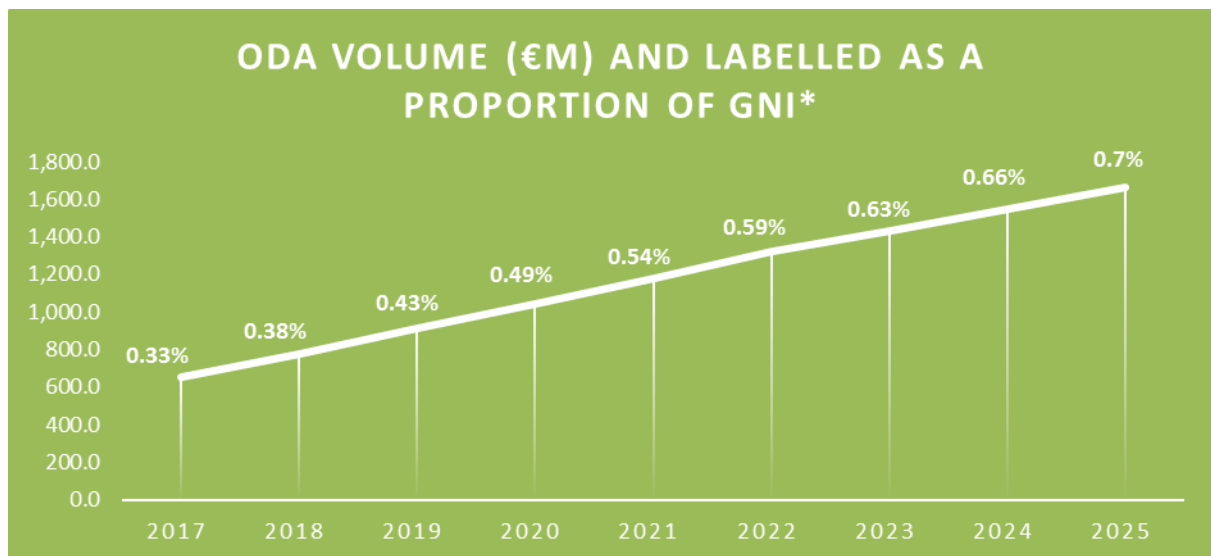
In Budget 2018, we are calling on the government to show that as Ireland's economy recovers, we are ready to demonstrate once more our commitment to ending poverty and hunger and building a more sustainable world.

**We ask therefore that a multi-annual plan is put in place to ensure we are on track to reaching 0.7% by 2025. The first step on this path is to increase the ODA spend by 0.05% (€128.9m) in Budget 2018, allowing us to move to a total of 0.38% of GNI\* (€778.93m).**

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<sup>5</sup> The negotiations for the Sustainable Development Goals (SDGS) were co-chaired by Ireland and have sustainability and longevity at their core, and are rooted in the four pillars of development: economic, social, environmental and peaceful development. Investments in education, good governance, financial management and institutional reform, judicial reform and sustainable living will show significant results as long-term investments.

A path to 0.7% is set out in the graph below:



(Source: Social Justice Ireland)

## **Committing to the Poverty Alleviation Focus of Overseas Aid**

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Ireland's history of delivering high quality aid programmes has not only enhanced our international reputation, but has put down an important marker in relation to strong aid effectiveness, for other EU member states to follow. Ireland continues to display huge integrity in how it spends its development budget, and has kept pace with the need for increased humanitarian spending (increasing from 15% in 2011 to 21% in 2015).

However, discussions on redefining ODA, at the OECD DAC and among EU member states, are in danger of putting EU domestic agendas to the fore, over the global commitment to fair and progressive development. Ireland needs to remain staunch in continuing to uphold the current definition of aid in all fora. This definition has poverty alleviation, respect for human rights, equality and dignity at its core.

Key principles under threat include:

- **Aid to Least Developed Countries (LDCs)**

Globally, bilateral ODA to LDCs has fallen from just over \$25 billion in 2015, to \$22.4 billion in 2016. This trend is worrying given the importance of ODA to LDCs, which represents 70% of total external finance.

Ireland had previously led on reaching the UN target of 0.15% of ODA to LDCs, consistently exceeding it between 2011 and 2014. However, this very positive trend was reversed in 2016. Only seven donors gave more than 0.15% of GNI\* as ODA to LDCs in 2016 and Ireland was not one of them, giving just under 0.10%.<sup>6</sup>

It is worth noting that globally we have seen an increasing reliance and emphasis on involving the private sector in funding overseas development, especially when it is focused on LDCs. However, there is growing evidence that ODA is in fact a far more efficient way of delivering results for the most vulnerable. Regardless of what other funding mechanisms may become fashionable, it is clear that funding international development through Official Development Assistance from governments is essential.

- **Refugee Hosting Costs**

The proportion of total ODA used to fund refugee-hosting costs increased by 27.5%, among DAC donors. It reached US\$15.41 billion in 2016, and represents 10.8% of ODA.<sup>7</sup> With

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<sup>6</sup> <http://devinit.org/post/aid-spending-by-development-assistance-committee-dac-donors-in-2016/>

<sup>7</sup> There is no agreed methodology on how to count costs of hosting refugees. Consequently, there are substantial inconsistencies in what is and isn't included between donors and how these are measured. Costs presented by the OECD

respect to Ireland, figures for 2016 suggest that its refugee costs reported in ODA figures had risen by 72.9%, however, when analysed in financial terms the percentage allocation is unchanged at 0.1% of the total budget.

- **Aid Transparency**

Finally, we also ask that all issues relating to how Ireland spends its aid be brought into the budgetary process to ensure Ireland's aid programme maintains high levels of transparency and accountability. We also ask that the commitment to 'equality proofing' the ODA budget (as with all other government budgets) is met.

#### **WHY DO WE STILL NEED AID?**

- One hundred and eighty thousand people die each day because of air pollution, and many more suffer related injuries.<sup>8</sup>
- If we do not react to climate change appropriately, more than 100 million additional people could be living in poverty by 2030.<sup>9</sup>
- 1.4 billion people, half of the world's extreme poor, live in conflict-affected areas and this will grow to 82% by 2030 if no action is taken.<sup>10</sup>
- Half of the world's poor are living in Sub-Saharan Africa.<sup>11</sup>
- Roughly half of the world's population are aged under 30<sup>12</sup> and the largest proportion live in African countries.
- Over 65 million people are displaced from their homes as a result of conflict.

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DAC, therefore, reflect what donors report as ODA rather than what donors actually spend on refugees. See <http://devinit.org/wp-content/uploads/2017/04/aid-spending-by-Development-Assistance-Committee-DAC-donors-in-2016.pdf>

<sup>8</sup> International Energy Agency (2016) *Energy and Air Pollution: World Energy Outlook Special Report*. Paris, available from [www.iea.org/publications/freepublications/publication/WorldEnergyOutlookSpecialReport2016EnergyandAirPollution.pdf](http://www.iea.org/publications/freepublications/publication/WorldEnergyOutlookSpecialReport2016EnergyandAirPollution.pdf). Accessed 23 August 2016.

<sup>9</sup> Hallegatte, S., M. Bangalore, L. Bonzanigo, M. Fay, T. Kane, U. Narloch, J. Rozenberg, D. Treguer and A. Vogt-Schilb. 2016. *Shock Waves: Managing the Impacts of Climate Change on Poverty*, available from <https://openknowledge.worldbank.org/bitstream/handle/10986/22787/9781464806735.pdf>. Accessed 25 August 2016.

<sup>10</sup> United Nations Development Programme (2016) "*Helen Clark: Remarks at the Panel on Ensuring that No-One Is Left Behind and the Challenge of Countries in Special Situations at the Ministerial Segment of the ECOSOC High Level Political Forum on Sustainable Development*", available from [www.undp.org/content/undp/en/home/presscenter/speeches/2016/07/18/helen-clark-remarks-at-the-panel-on-ensuring-that-no-one-is-left-behind-at-the-ministerial-segment-of-the-ecosoc-high-level-political-forum-on-sustainable-development.html](http://www.undp.org/content/undp/en/home/presscenter/speeches/2016/07/18/helen-clark-remarks-at-the-panel-on-ensuring-that-no-one-is-left-behind-at-the-ministerial-segment-of-the-ecosoc-high-level-political-forum-on-sustainable-development.html). Accessed 11 October 2016.

<sup>11</sup> World Bank (2016), *Poverty and Shared Prosperity 2016: Taking on Inequality*, available from <https://openknowledge.worldbank.org/bitstream/handle/10986/25078/9781464809583.pdf>. Accessed 19 May 2017.

<sup>12</sup> Sharma (R), (2016), *The Global Youth Bulge: Challenge and Opportunity*, available from <http://www.progressive-economy.org/2016/11/29/global-youth-bulge-challenge-opportunity/>. Accessed 5 July 2017.

## Conclusion

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Dóchas, on behalf of our members, welcomes the opportunity to make a submission to the Department of Finance ahead of Budget 2018. We ask that the Department draft a course of action that will see the ODA budget stand at 0.7% of GNI\* by 2025 to be continued thereafter. We understand why this has been difficult thus far, but with steady steps already taken to economic recovery and positive projected economic growth, we know this can be achieved. This will ensure the best possible chance at achieving the SDGs by 2030, which in turn will see that world hunger and unequal development are reduced, and that climate change and humanitarian disasters have the least possible damaging effects.

When delivered effectively, aid can make a difference in peoples' lives that spans generations. International development cooperation leads to a more equal planet that in turn improves global security. Aid from Ireland has played a critical part in supporting vulnerable people in our partner countries. The effects are long term and ensure better lives for countless people.

Dóchas, as the Irish umbrella group for international development organisations, has been working since 2015 to ensure that our collective goals are aligned coherently with the SDGs. We support Irish Aid in their work, and are hopeful that the Voluntary National Reviews at the United Nations High Level Political Forum<sup>13</sup> in 2018 and beyond will reflect our combined commitment to the SDGs. With quality aid-programming like Ireland's, the most progressive leap we can now take is increasing the aid budget.

Implementing a pathway to the 0.7% budget will not only show financial commitment, but will also establish Ireland as a global leader in this field. This leadership can and should be at the heart of our campaign for a UN Security Council seat in 2021 and at the heart of our foreign policy far into the future.

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<sup>13</sup> The Voluntary National Reviews (VNRs) are one of the main tools to track the implementation of the 2030 Agenda and the SDGs from the national level to the global level. The UN Secretary-General has presented some "[voluntary common reporting guidelines](#)" for the VNRs. Ireland has committed to reporting at the next HLPF in July 2018.



## Dóchas

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Dóchas is the association of Irish Non-Governmental Development Organisations. It provides a forum for consultation and cooperation between its members, and helps them speak with a single voice on development issues.

For further information visit: [www.dochas.ie](http://www.dochas.ie)

### Dóchas Full and Associate Members:

- A Partnership with Africa
- ActionAid Ireland
- Addressing the Unaddressed
- Afri
- Age Action Ireland
- Aidlink
- ATD 4<sup>th</sup> World
- Bóthar
- Brighter Communities Worldwide (formerly Friends of Londiani)
- Camara Education
- CBM Ireland
- Centre for Global Education
- ChildFund Ireland
- Children in Crossfire
- Christian Aid - Ireland
- Comhlámh
- Concern Worldwide
- Debt & Development Coalition Ireland
- Development Perspectives
- DSA Ireland
- ECO-UNESCO
- ElectricAid
- Front Line - The International Foundation for the Protection of Human Rights Defenders
- GOAL
- Gorta-Self Help Africa
- Habitat for Humanity Ireland
- Irish Council for International Students (ICOS)
- Irish Foundation for Co-operative Development
- Irish League of Credit Unions International Development Foundation
- Irish Family Planning Association
- Irish National Teachers Organisation (INTO) - Global Solidarity Network
- Irish Nurses and Midwives Organisation (INMO)
- Irish Red Cross
- Kimmage DSC
- Liberia Solidarity Group
- Misean Cara
- National Youth Council of Ireland
- Nurture Africa
- Oxfam Ireland
- Plan International Ireland
- SERVE In Solidarity Ireland
- Sierra Leone Ireland Partnership
- Sightsavers Ireland
- Society of St Vincent de Paul
- Special Olympics Europe/Eurasia
- Suas Educational Development
- Tearfund Ireland
- The Hope Foundation Ireland
- Trócaire
- UNICEF Ireland
- Value Added in Africa (VAA)
- Vita
- Volunteers in Irish Veterinary Assistance
- Voluntary Service International (VSI)
- Voluntary Service Overseas (VSO)
- Volunteer Missionary Movement
- War on Want NI
- Wezesha Dada
- World Vision Ireland
- The National Council of Ireland YMCA Trust