



The Irish Association of Non-Governmental
Development Organisations

The Impact of Brexit on the International Development and Humanitarian Sector – An Irish Perspective

The Irish development and humanitarian sector is a strong, vibrant, and diverse sector, which has seen huge improvements in terms of its effectiveness and in understanding the impact of our work. From health, education, and humanitarian assistance to tackling disability, gender inequality, and protecting human rights defenders, the sector is committed to delivering the Sustainable Development Goals (SDGs) in the poorest countries in the world. Indeed, Ireland's own aid programme delivered through Irish Aid has been lauded as one of the best in the world in striving to alleviate poverty.

The new political reality we find ourselves in as a result of the Brexit vote, the result of the US election and the potential for further political upsets across Europe next year, has challenged our very core shared principles around rights, justice, and equality. The rise of a narrowly defined nationalism, based on exclusion and fear, is perhaps the most dangerous trend of all, demanding a stronger voice from development actors to win back public trust and create a positive narrative for change.

The particular challenge of Brexit demands that Irish NGOs and government strengthen partnerships and encourage dialogue between sectors — an approach which we see being put into practice through the 'All Island Civic Dialogue'.

In this submission paper, Dóchas wishes to outline some key concerns in relation to international development — to ensure that they are considered by the Irish government during the Brexit dialogue. It is drawn from a survey of our members, undertaken in November 2016, in which 76% of respondents felt Brexit would have a negative impact on their work and the sector — with 42% of respondents experiencing that impact already. In addition we have also drawn on analysis from the sector across Europe and the UK.

Impact on Developing Countries

Those communities in developing countries with whom our members work stand to lose the most from any negative impacts which Brexit may and indeed has already brought. In the past number of months currency fluctuations have impacted on remittances and have driven up the cost of operations for many NGOs in developing countries.

It is clear that new trade deals will need to be negotiated between the UK and the rest of the world —what is unclear is what shape and form these will take. The poorest developing countries could lose their duty free, quota free access to UK markets which are currently provided for under the EU agreements. As a first measure, it will be important that the UK gives assurances that poorer countries will at least have no worse terms of access to the UK market than at present. Brexit also represents an opportunity for the UK to shape its trade rules in a way that promotes development in these countriesⁱⁱⁱ.

There has been much speculation in the media about the potential for UK-based financial sector firms to relocate to Dublin, as well as speculation that the UK may cut their tax rates to improve competitiveness, starting a renewed 'race to the bottom' globally. While the Irish government considers its response, we would like to highlight the significant impact of our financial regulation and taxation practices on developing countries. This is of concern to many of our members working on tax justice. UN figures have shown that developing countries lose more through tax dodging than they gain in aid - some \$100 billion annually. It is imperative that any potential changes that may be made to Ireland's tax or regulation practices in response to Brexit first be examined for their impact on developing countries. Such policy changes have the potential to undermine the work of Irish Aid and our overseas programmes.

Impact on Funding Commitments

Losses among Irish NGOs are being felt hardest by those with significant public income from Northern Ireland and/or with institutional funding from Sterling denominated institutional grants. Many Irish NGOs are recipients of funds from the UK Department for International Development (DfID), Comic Relief, and Big Lottery. The net impact on income for some organisations is expected to be in the range of a 10% loss in the current year, with much of this coming from public funding.

Direct UK contributions make up 15% of the European Development Fund annually, and further contributions are made via general EU contributions to ECHO and other instruments.

Under Brexit, UK contributions to all European Aid instruments could discontinue when Brexit takes effect, with serious ramifications in terms of funding across the whole EU aid sector.

The recent review of the UK's aid policy and its funding streams to civil society does place an emphasis on continuing to alleviate poverty in its partner countries; however details on how and with whom it will partner to continue on this vital work has so far been limitedⁱⁱⁱ.

In light of these details, Ireland must be willing to play a stronger leadership role on the EU and global stage to ensure there is a continued commitment to keeping aid focused on poverty alleviation and humanitarian action. In order to show that political commitment, it is also imperative that Ireland recovers its ODA budget by agreeing a **multi-annual framework** that gets us back on track to increase the % of ODA as a proportion of GNI, and ensure that we meet the internationally recognized target of 0.7%.

In addition, the Irish Government needs to continue, and expand where possible, its strategic multi-year funding partnerships to NGOs and its partner countries to mitigate against these negative impacts.

Implementation of International Commitments

The implementation of international commitments made over the past 18 months — such as the SDGs, the Paris climate deal, the progress made at the World Humanitarian Summit including the Grand Bargain, and the recent New York Declaration Refugees and Migration are at risk.

The EU's climate ambition and its targets in the EU 2030 Climate and Energy Package are based on an EU of 28. Without the UK in the EU, it remains to be seen whether these binding targets will be re-negotiated – causing potential further years of delays at the most critical time. Pre-Brexit, there were already indications that the UK was deprioritising domestic climate commitments but this trend which will be accelerated post-Brexit if the UK is no longer bound by EU commitments.

Ireland must play a leading role in working with like-minded countries to turn those carefully crafted words and plans into action. The Irish government can be that strong voice that champions a foreign policy which prioritises peace, justice and principled sustainable development.

Ireland has a key and influential role to play – both in Europe and globally – by upholding and promoting a foreign policy which is grounded in the principles of human rights, promotes peace and justice, and includes a strong aid programme that focuses on the poor, works in partnership with civil society, and respects local ownership.

ⁱ http://www.proudlymadeinafrica.org/images/uploads/docs/A_Stitch_in_Time_Discussion_Paper..pdf

ⁱⁱ <https://www.odi.org/sites/odi.org.uk/files/resource-documents/10685.pdf>

ⁱⁱⁱ https://www.bond.org.uk/sites/default/files/resource-documents/cspr_briefing.pdf