

Partnership: Who We Work With and Why

Ireland is one voice in global development. We must work with partners, including developing country governments, other donors, multilateral organisations and NGOs in our efforts to respond to the needs of the poorest people in the world.

The OECD Development Assistance Committee

The Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development is a forum for consultation among 22 bilateral donor countries and the European Commission. It encourages donors to increase the level and the effectiveness of aid flows to developing countries.

The DAC determines how much of a government's spending can be counted as Official Development Assistance.

The DAC offers policy guidance for members in the performance of their development cooperation programmes. These guidelines reflect the views and experience of the members and benefit from input by multilateral institutions and individual experts, including experts from developing countries.

The DAC also organises and conducts Peer Reviews, which hold members to account for the management of their development assistance programmes, as part of the overall effort to expand the quantity and improve the quality and effectiveness of development assistance.

The last Peer Review of Ireland took place in 2003 and commended Ireland's achievements to date, noting that the "programme distinguishes itself by its sharp focus on poverty reduction and its commitment to partnership principles".

The next Peer Review of Ireland is scheduled to take place in 2008.



Mother and child in Mozambique.

Gender inequality remains pervasive worldwide. It is exacerbated by poverty and is a key factor in its persistence. Irish Aid supports a range of projects throughout the developing world aimed at empowering women and eliminating this inequality.

Working with Governments

Working with and through government systems in our partner countries is essential if the improvements put in place are to be sustainable and the Millennium Development Goals are to be realised. This can present difficulties in terms of weak administrative capacity, but our cooperation is helping to enhance that capacity.

Primary responsibility for promoting and fostering development rests with governments. Developing country governments must be our most important partners in promoting long-term development.

We have entered into structured partnerships with a limited number of key partner countries; these are our 'programme countries'. In designating partners as programme countries, we are committing to providing significant, predictable resources over extended periods to assist their development. Assisting a number of programme countries in a focussed and long-term manner will be the central plank of the bilateral aid programme.

These partnerships also place obligations on the recipient governments, including commitment to democratic principles, respect for human rights and the rule of law and a willingness to combat corruption.

In reality, across the range of Ireland's programme countries, there are difficulties in all of these areas. These difficulties are symptomatic of the level of underdevelopment in these countries and contribute to that underdevelopment. Our approach aims to strengthen the government systems of these countries, to make them more responsive to and better equipped to meet the needs of their citizens.

Strategies for engagement will be based on the particular circumstances in each country. We will be responsive to changes in those circumstances, taking action to modify this engagement if and when required.

The methods of aid delivery have evolved considerably in the last 10 years. Ireland and other donors have moved away from a project-centred approach towards a more programmatic approach led by partner governments. Our cooperation with these governments is aligned with their national planning and takes three main forms:

Area-Based Programmes

We engage with regional authorities on pre-agreed priorities to build official capacity to deliver improved and efficient services across a number of sectors. Area-based programmes also act as an important barometer of realities on the ground, as they inform our understanding of issues at national level.

Sector-Wide Approaches

This is engagement, together with other donors, in assisting in particular sectors, such as health and education, at the national level. Money provided to governments is ring-fenced for agreed activities in the sector(s) chosen. Increasingly, our engagement will be on the basis of an agreed division of labour between donors, where particular countries take the lead in sectors where they have specific strengths.

General Budget Support

This is a transfer of funds from a number of donors directly into the budget of the government of a partner country. Among the advantages of this approach are that it allows governments to take the lead in planning their own development and it helps ensure the long-term sustainability of progress made.

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Ireland may continue to support individual projects in the programme countries where the policy or institutional environment is not suitable for using more programmatic assistance. Projects can be invaluable as sources of innovation in development methods, through which donors can learn how people are themselves addressing the problems they face.

Each of these approaches, or modalities, has its own advantages and disadvantages. No single approach can meet all of the needs of Ireland, as donor, or of the partner governments, as recipients.

General Budget Support presents particular challenges. It can be an effective means of aid delivery if the conditions are right. It requires that donors have confidence in the financial and administrative systems of recipient countries. Rigorous analysis and monitoring will inform our decisions on General Budget Support and other aid modalities.

We will maintain a mix of complementary modalities in each of our programme countries. In each case, the mix will be determined taking into account the particular circumstances of each country, in line with international best practice.

While working with and through governments, it is important to ensure that these governments are accountable to their populations.

Coordination and Harmonisation

Accountability to donors is important to ensure that money is well spent. However, the number of donors and the variation in their reporting requirements can place an enormous administrative burden on host governments and hinder them in the primary task of effectively administering their countries. Increasingly, donors are moving towards greater coordination and

harmonisation of their efforts, in order to make these efforts more effective and to reduce this burden. In 2005, donor and recipient governments together agreed the Paris Declaration setting out specific measures in this area.

As donors move towards increased specialisation in sectors, Irish Aid will play its part in those areas where it has particular strengths and experience, and will recognise and support the lead role of other donors in particular sectors.

This will help reduce transaction costs and wasteful duplication. On the other hand, it may result in less visibility for Ireland's contribution. This will present particular challenges for presenting the programme to the public, but these challenges will be addressed.

New Programme Countries

The continuing expansion of the programme means that we will increase the number of programme countries. Selecting additional countries as our long-term partners will provide an important platform to translate our increased expenditure into efforts to reach the Millennium Development Goals. In selecting new partners, we will be guided by the following key considerations:

Poverty

New programme countries will be chosen from the Least Developed Countries and our activities will be poverty-focussed.

Scope for Ireland to make a development impact

There must be scope for Ireland to be of real assistance, taking into account our track record, skills and experience.

Governance

Governance and corruption must be key considerations in selecting new programme countries. In those countries where need is greatest, it can be expected that there may be difficulties with standards of governance. Nevertheless, the overall trend must be positive. The government(s) in question must also have the demonstrated capacity to take ownership of the development process, leading the work of donors, in line with their own priorities.

Security and Stability

Irish Aid staff should be able to operate freely and safely. The political environment should be sufficiently stable so that the basic conditions for the delivery of an aid programme are available.

Regional Dimension

The possibility of working on a regional basis, using the programme country as a base, will be an advantage.

Other Donors

The presence of other donors with which Ireland works in existing programme countries is desirable.

In light of the opportunities created by the additional available resources, we will increase the number of programme countries in which we work. In the medium-term, we will increase the number of programme countries from eight to ten. Malawi will be the first country so designated. (see Box p.74)

In any new country programme, it is essential to have solid foundations upon which to build long-term cooperation. Our ways of working in new programme countries must be appropriate to the needs of those countries and must also meet the needs and goals of

the aid programme. We may need to innovate and develop new ways of working in new programme countries, with a particular emphasis on political and economic governance, as well as the provision of basic services. We must support and strengthen administrative systems, in order that our cooperation can be as effective and efficient as possible and make best use of taxpayers' money.

Fragile States

Increasingly, we are seeing the long-term impact of conflict and instability on countries, particularly in Africa. Even where a peace process is in place and is progressing, countries can continue to experience fragility across the entire spectrum of their activities: from fragility in the institutions of government and the public sector to fragility of infrastructure.

We know the implications of such fragility. The human needs in these countries are staggering. People who live in fragile states constitute one third of those living on less than \$1 a day, and include half of all children dying before the age of five and one third of those without drinking water.

There are also risks of instability and violent conflict spilling across regions. State failure can have global ramifications for security and for prosperity. We are looking in a more comprehensive manner at these types of situations and how Ireland can best assist these countries to get back on their feet.

Our engagement in such situations clearly demands new ways of working. In countries emerging from conflict or where the government systems are very weak, we will invest in the structures and mechanisms of government, including in areas such as policing, capacity building within the public service and justice systems.

We will also respond to need in areas such as education and health and we will support the provision of livelihoods. Where it is not possible to deliver services effectively through government systems, we will support other forms of service provision and delivery, including through NGOs and international organisations.

We will deepen our focus on working in fragile states. Building on our existing activities, including our role in UN peacekeeping operations, we will focus our efforts on Sierra Leone and Liberia, both countries with hugely challenging operating environments.

In both countries the programme of assistance will be tailored to fit post-conflict situations where institutions of state are weak or absent. There will be a strong emphasis on governance and the scale of our assistance will be dependent on our being satisfied as to their capacity to absorb aid and to combat corruption.



Local villagers welcome UN peacekeepers arriving in Barclayville, Liberia. Irish Aid supports reconstruction efforts in Liberia, including the disarmament and demobilisation of soldiers following the country's 14-year civil war.

Malawi: Ireland's 9th Programme Country

Malawi is one of the world's poorest countries, with over 65% of its population living below the poverty line. It is ranked 165th on the United Nations' Human Development Index.

Malawi has enormous needs. With nearly 90% of the population engaged in subsistence farming, it has suffered persistent food shortages since 2002. 700,000 of its 1 million orphans have lost their parents through AIDS. In Malawi, life expectancy at birth is 39.7 years; in Ireland it is 77.7 years.

With very limited government capacity to deliver services, poor infrastructure, chronic food insecurity and high prevalence of HIV/AIDS, Malawi is heavily dependent on external assistance.

Ireland began to provide significant assistance to Malawi during the food security crisis of 2002. Since then, we have pursued a two-pronged approach of providing emergency relief and a planned recovery programme. We have also provided support to non-governmental organisations working in Malawi, in particular in the areas of health, education and agriculture.

Overall, since 2002, we have provided more than €18 million in assistance to Malawi.

The designation of Malawi as Ireland's newest programme country is the beginning of a partnership which will enable us to focus and deepen our support for the country.

Civil Society and Non-Governmental Organisations

Civil society is a broad term, encompassing organisations outside the government sector; including community groups, educational institutions, women's organisations, faith-based organisations, professional associations, trade unions, employers' groups, the media and advocacy groups. While they may vary hugely in terms of structures and goals, such organisations are a vital component of healthy democracy in both developed and developing countries.

Governments must be responsive to the needs of their citizens and civil society organisations can help citizens voice those needs. Civil society organisations can make an important contribution to better government through appealing to, and bringing pressure to bear on, governments to perform better. Civil society organisations can also play a vital role in delivering essential services to people, where state systems are incapable of doing so.

Irish development NGOs and missionaries have been working in developing countries since before the establishment of the Government's aid programme. Other types of organisations, including unions, institutions of education and media organisations are increasingly engaging with the issue of development and looking to play a part.

Irish Non-Governmental Development Organisations: Key Partners

The Irish non-governmental sector will continue to be a key partner for the Irish Aid programme. Poverty reduction is our shared goal; we can work towards it in separate and complementary ways.

Irish NGOs enjoy an excellent reputation domestically and internationally. Our relationship with NGOs goes beyond funding arrangements and includes policy dialogue across a range of areas. Both the Government and NGOs benefit from this relationship.

Working with the NGO sector can have clear advantages. NGOs can deploy quickly in emergency situations. They can operate at community and local levels, helping to strengthen local civil society, and they can work with particularly vulnerable or excluded groups. NGOs can be a valuable alternative vehicle for assistance when the circumstances in a country make structured inter-governmental relationships difficult. Their work can also complement such structured relationships.

Development NGOs also play an important role helping to keep development issues on the public policy and media agenda.

Funding for Non-Governmental Organisations

As the programme has expanded, so too has the funding available to NGOs. Our funding to NGOs was approximately €48 million in 2001 and had risen to over €100 million by 2005. Compared to other donors, the proportion of funding provided to NGOs is high, in the region of 15-20% per year. This is a reflection of the importance of NGOs not just to the official aid programme, but to the approach to development of the country as a whole. It is a distinctive and important feature of the programme.

The Irish non-governmental sector will continue to be a key partner for the Irish Aid programme.

Funding available for NGOs can be increased as the programme expands. Increased funding will present management and accountability challenges for the NGO sector, as it will across the programme. We are ready to provide assistance to organisations to build their capacity to operate effectively and make best use of the extra resources available.

We recognise that NGOs need multi-annual, predictable funding to support their long-term activities. However, there is also a need to provide opportunities and assistance to newer and smaller NGOs, who are beginning their work. Following consultation with the NGO community in Ireland, the mechanisms for providing assistance to NGOs have been rationalised, resulting in three schemes to meet the needs of this diverse sector:

Multi-Annual Programme Scheme (MAPS)

This provides for strategic partnerships between the Government and a small number of NGOs (currently Christian Aid Ireland, Concern, GOAL, Self Help Development International and Trócaire). It provides significant and predictable funding over 5 years in support of agreed objectives. NGOs participating in the MAPS have developed a strong relationship with Irish Aid and over time demonstrated adequate procedures and systems, as well as strong financial management capacity. The extension of the scheme to other organisations will be considered.

Civil Society Fund

This new fund, drawing together a number of previous funds, will be flexible enough to meet a broad range of needs. Eligibility for funding will not be limited to traditional NGOs; applications will also be considered from other organisations, such as institutes of higher education. Funds will

be provided for poverty reduction activities in the poorer developing countries. Organisations will need to demonstrate capacity to implement planned actions, financial integrity, adherence to good development practice and financial sustainability.

Micro Projects Scheme

This scheme will be of particular assistance to newer and smaller organisations, with grants of up to €20,000. Key criteria in the funding decisions will be: relevance to local needs and poverty focus, sustainability of projects, the impact on gender equality, and effectiveness and efficiency.

Funding for emergency and recovery schemes will continue to be available outside these schemes.

Visibility of our Cooperation

In line with the goal of enhancing the visibility of the official aid programme, NGOs will be expected to acknowledge appropriately the financial assistance given by Irish Aid.

Supporting the Development of the Non-Governmental Sector

Recent years have seen considerable growth in the number of development NGOs. In this context, it is essential that the professionalism and high quality of work for which Irish NGOs have become known is preserved. We will work with our NGO partners to ensure that this quality is maintained.

We are committed to comprehensively reforming the law to ensure accountability and to protect against fraud and abuse of charitable status. The Department of Community, Rural and Gaeltacht Affairs has been given responsibility to deliver on this commitment. The Government approved a General Scheme for

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the Charities Regulation Bill 2006 and legislation is being drafted.

We want to create an enabling environment and strengthen public confidence in the sector through the enhancement of the high standards of transparency and accountability that exist and are necessary in this area.

Missionaries

Irish missionary organisations have been pioneers in the area of development cooperation. Their work predates that of the Government's development programme and, in some respects, we have followed their lead.

Missionary organisations have built up considerable expertise and have extensive networks through which they can deliver assistance. The role and work of missionaries also continues to have a strong resonance with the Irish people and enjoys considerable support. Their work may be less visible than it has been in the past but it remains hugely valuable.

We have placed our cooperation with missionaries on a stronger footing with the establishment of the Irish Missionary Resource Service. We will support the efforts of missionary organisations to plan for the future and adapt to the changing development environment.

The increasing aid budget will mean that we can scale up our funding of missionary organisations that have the capacity to deliver assistance on the ground. The Irish Missionary Resource Service will be the main channel for this funding.

Civil Society in Developing Countries

All groups in society must play their part in the development process. Citizens have a right and a responsibility to participate in and influence political decisions that affect their lives. These rights and responsibilities can be exercised through formal structures (e.g. voting in elections), and by organising themselves to demand better services from their governments. More broadly, they can demand more responsive and more accountable government. The range of groups, in type and in number, is enormous.

Working with governments in our programme countries, we are trying to improve the supply of basic services, including in the areas of healthcare and education. Groups within these countries can organise and demand better services in these and other areas. They can articulate needs and monitor the performance of governments in relation to human rights and more. That is civil society in action.

If, through the programme country approach, we are placing primary responsibility for development in the hands of our partner governments, with our support for civil society we are placing a corresponding responsibility in the hands of their citizens. Our aim is to help build better-functioning societies.

In the programme countries, we support government-led development strategies aimed at poverty reduction. We also encourage greater civil society participation in the consultation and planning processes that inform these strategies. In particular, we will encourage effective civil society participation in planning and monitoring processes, such as the development of Poverty Reduction Strategy Papers. Irish NGOs do a lot of work through local partners.

This is a key channel for our assistance to local civil society. *We will continue to encourage Irish NGOs to develop and strengthen partnerships with organisations in developing countries.*

Support for civil society must be appropriate to the particular circumstances of a country. Care must be taken not to undermine or distort the role of democratic institutions.

Ideally, civil society organisations should not be encouraged to build up parallel services, such as in the area of health, but should create incentives or pressure for improved performance from the state. However, in reality, because of the scale of need, they will continue to play an important part in the direct supply of these services.

Freedom of speech and the role of the media in developing countries

Freedom of speech and the freedom of the press can be powerful forces for better governance and for sustainable development. Openness is one of the most important checks on the abuse of human rights and of fiduciary responsibilities.

A critical, well-informed media can be a key player in civil society in developing countries.

The connection between the state and the media is an innately political and, therefore, sensitive one. State ownership of newspapers and television is significantly high in African countries and the Middle East. On average, African governments control 61% of the top five daily newspapers and reach 85% of the audience for the top five television stations. In Western Europe, in contrast, none of the top five daily newspapers is owned by the state.

Despite state dominance in the national media, recent years have seen significant growth in the number of private local and community radio stations and independent newspapers across many African countries, including most of our partner

programme countries. Already this is proving to have a cohesive effect on communities and has led to increased understanding of complex issues, such as HIV/AIDS.

For donors, working with the media in developing countries can be a sensitive area of activity. However, given its importance, it is critical that donors increasingly advocate greater openness, more diverse ownership and increased freedom for the press in our collective discussions with partner governments and do so in an open and transparent manner.

We will actively support the development of free and independent media in our programme countries through negotiations with governments and through support for media capacity-building initiatives, such as journalist training programmes and equipment upgrading. In addition, we will support initiatives and programmes that encourage greater cooperation between the media and other civil society and human rights organisations.

Ireland, the United Nations and Development

Our membership of the UN has been a cornerstone of Ireland's foreign policy since we joined the organisation in 1955. Both the recent two-year term on the Security Council (2001-2002) and the role of the Minister for Foreign Affairs as Envoy of the Secretary-General on UN Reform in the run-up to the 2005 World Summit demonstrated the good standing which Ireland enjoys within the UN system. Ireland is a consistent supporter of and participant in UN peacekeeping activities, including in Africa.

At the United Nations Millennium Review Summit in September 2005, world leaders underlined the strong linkages between security, development and human rights and the need to make progress in all three areas. Our engagement with the development activities of the UN is, accordingly, an integral part of our engagement with the UN system as a whole.

The organisation plays an important role in building international consensus on key development challenges. In this normative role, it helps set the agenda for international development policy. The UN has played a vital role in formulating the Millennium Development Goals and placing them at the centre of the international development agenda.

The United Nations has a number of key strengths in the development area. Channelling assistance through the UN can help avoid fragmentation and duplication of donor effort and provide economies of scale. UN funds and programmes are important partners for Ireland in the countries in which we work.

Through our partnership with the UN we can provide assistance and respond to need in a far wider range of countries than we can through our bilateral programme alone.

Reform

Reform must remain high on the agenda of the UN and of its members. Our wish is to see greater coherence throughout the UN system and to ensure value for money in our cooperation with the organisation. We will support steps to enhance such coherence in the organisation's development, humanitarian and environmental activities, while maintaining the link between the normative and operational responsibilities of the UN organs.

Through the process of reform, the UN agencies, funds and programmes should become more focussed and effective in meeting the common challenges of the 21st century and should make more efficient use of the resources provided by the member states. Reform will strengthen the UN and make it more relevant to development needs.

Ireland's Engagement

In recent years, Ireland has rationalised its engagement with the UN funds and programmes, concentrating support on a number of funds and programmes with which strategic partnerships have been established. This concentration has been accompanied by significant increases in the overall volume of funding provided. As a result, Ireland has a stronger voice in engaging with these bodies. Three of the largest recipients of assistance from Irish Aid are the UN Development Programme (UNDP), the UN Children's Fund (UNICEF) and the Office of the UN High Commissioner for Refugees (UNHCR).

In addition, other Government Departments engage with and contribute financially to a wide range of UN funds and programmes, such as the Food and Agriculture Organisation (FAO), the World Food Programme (WFP), the World Health Organisation

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(WHO) and the UN Educational, Scientific and Cultural Organisation (UNESCO). A considerable part of the funding provided in this way is devoted to development cooperation. In funding activities in areas such as education, health and livelihoods, these engagements are an important part of the aid programme.

With the increased sums of public money being made available to the UN, we have an increased responsibility to contribute to defining the policy objectives of the funds and programmes and to monitor and assess their work.

We will engage in more robust audit and evaluation of our engagements with the UN; this will include direct contact between Irish Aid's Evaluation and Audit Unit and UN funds and programmes.

Annual consultations with our strategic UN partners and active participation in the 12 Executive Boards are particularly important. In monitoring and assessing their work, we are informed also by consultation with other donors and by reports from our missions on their performance in the field. This monitoring and assessment will influence future decisions on funding.

The following broad criteria will guide our future engagement with UN agencies:

Coherence with Ireland's overall development objectives, in particular our focus on poverty reduction;

Effective and efficient management, including a clear focus by each fund or agency on its specific mandate, and coordination within the UN family, in order to ensure maximum impact;

Commitment to reform, which must be an ongoing process, being essential both to the effectiveness of the organisation and to keeping the confidence of the donors and the public;

Working in partnership with developing country governments and in coordination with the World Bank and other multilateral and bilateral donors.

Most of our contributions to UN agencies go to their core funds, allowing the agencies flexibility to determine their priorities, within agreed mandates. In the case of the larger agencies, funding will be provided on the basis of an indicative multi-annual commitment, to give the stability and predictability necessary for effective planning. This will continue to be the case, subject to satisfactory performance. However, earmarking is still important in emergency situations. Earmarking of funds may be considered in the case of some funds while we are building up a relationship of trust and confidence.

As the programme continues to expand rapidly, increased resources will be made available for cooperation with the UN. It can be expected that this will result both in increased support to existing UN activities and in support for new activities. One example is the UN Peacebuilding Fund, which was established following the 2005 World Summit, and to which we have committed funding.

We will intensify our cooperation with UN funds and programmes to ensure accountability and value for money, as well as consistency with our approach to development assistance and with our support for UN reform.

Ireland, the EU and Development

EU development assistance is an integral part of the Irish Aid programme and we will work to improve the quality of that aid and the effectiveness of its delivery.

The EU, taking the Community and the member states together, is the world's largest donor, providing more than half of the world's Overseas Development Aid (ODA). The EU is also the most important economic and trading partner for developing countries.

Within the EU, development cooperation is a shared competence between the European Community on the one hand, and the member states on the other.

The European Commission manages development assistance delivered through the Community Budget and the European Development Fund. In 2004, approximately 15% of Ireland's total ODA was disbursed through these channels. The volume of assistance is set to grow. Ireland's assessed contribution to the 10th European Development Fund, through which the Community helps the countries of Africa, the Caribbean and the Pacific, will grow as a proportion of the Fund, totalling more than €200 million over a six year period.

EU development assistance is, therefore, an integral part of the Irish Aid programme. It is important that Ireland can effectively monitor this assistance and can input at the policy level, with the aim of improving the quality of Community aid and the effectiveness of its delivery.

The Union also has a norm-setting role: common policy approaches to development challenges are agreed and followed by both the member states and the Community.

The European Consensus on Development, agreed by the European Council in 2005, sets poverty eradication as "the primary and overarching objective of EU development cooperation". Agreement on this objective was a key concern for Ireland in the negotiation of the text.

As a donor delivering increasing volumes of high-quality assistance, Ireland is well-placed to bring some influence to bear on EU development policy. Working with like-minded EU donors we can increase that influence. In keeping with Ireland's own development priorities and practices, Ireland will:

Seek to ensure that a greater proportion of EU assistance goes to the Least Developed Countries

Encourage other EU donors to move towards 100% untied aid

Seek to strengthen coherence at EU level, in order that policies in all relevant areas reinforce the Union's development objectives

Coordination and Harmonisation

Increased coordination and harmonisation among donors is essential to enhancing the effectiveness of assistance and increasing local ownership of development.

The EU is the world's largest donor, providing more than half of the world's Official Development Assistance.



Woman with umbrella donated by the EU in Karen refugee camp, Mae La Oon, Thailand.

In 2004, the EU provided over €10 billion in development aid.

The EU already has strong mechanisms and structures in place to promote cooperation between member states and, therefore, the EU is ideally placed to make a major contribution in this respect, while respecting the OECD's lead role and without undermining the key principle that development be locally-led.

Mentoring of New EU Member States

Drawing upon the experience of more than 30 years, *we will continue our programme of mentoring for the new member states*, assisting them to quickly develop their capacity in the area of development policy formulation and implementation.

Coherence between the Union's Instruments

The EU is the largest donor and largest trade bloc in the world. It has structured relationships around the globe and exerts considerable influence on world events. We will work to ensure that the policies and actions of the Union are in line with the principles set out in this White Paper and, where possible, benefit the world's poorest people.

Ireland, the World Bank and Development

The World Bank, through its concessional lending and grant assistance arm the International Development Association (IDA), is one of the largest sources of external development assistance for Low Income Countries (countries whose per capita income was less than \$965 in 2005). The current IDA programme will make US\$33 billion available in loans and grants to the 81 poorest countries between 2005 and 2008.

The IDA is financed by contributions from its members and a share of revenue from other World Bank operations. Ireland has been a member of IDA since 1960 and by mid-2005 had contributed a total of \$206,690,000 to its capital. The Minister for Finance is empowered to make such contributions under the Bretton Woods Agreements Acts and the Development Banks Acts and is required to report

annually to the Oireachtas on Ireland's participation in the World Bank and the International Monetary Fund (IMF). Under the present IDA programme, Ireland is contributing a further €70 million and, in addition, will provide IDA with €59 million in 2006 to help finance debt cancellation. IDA is thus a significant channel for the delivery of Irish Official Development Assistance (ODA).

In developing countries, the volume of its aid, its capacity in analytical work and its close relationship with the International Monetary Fund (IMF) give the World Bank significant and frequently decisive weight in policy decisions and in the allocation of resources. The IMF is not a major provider of development finance, but it too plays an important role in shaping those countries' macroeconomic policies.



Plenary Session of the IMF/World Bank Annual Meetings.

The policy and institutional environment in Ireland's programme countries has a direct impact on the effectiveness of our development assistance. We will seek to ensure that World Bank and IMF interventions in developing countries promote a favourable environment conducive to the effectiveness of our bilateral assistance and to the achievement of the Millennium Development Goals.

Ireland is represented on the Board of Governors of the World Bank by the Minister for Finance as Governor and the Secretary-General of the Department of Finance as Alternate Governor.

The Minister for Finance is also a Governor of the IMF and the Governor of the Central Bank of Ireland is Alternate Governor. The Boards of Governors meet once a year.

The day-to-day business of the World Bank and the IMF is managed by Executive Boards, where Ireland is a member of a constituency led by Canada¹.

There will be close cooperation between the Department of Finance, which has principal responsibility for the Bretton Woods Institutions, and the Department of Foreign Affairs, which is responsible for the planning and delivery of Ireland's official programme of development cooperation.

The working contacts which already take place between the two Departments will be built on so that Ireland's development objectives are furthered in the most effective way possible and the full range of resources and expertise are brought to bear on our engagement with the international financial institutions.

1. The constituency also includes Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, St Kitts and Nevis, St Lucia and St Vincent and the Grenadines.

Debt Relief

Ireland has a strong record on the issue of debt relief for developing countries. Having always given our assistance as grants rather than loans, Ireland is not a bilateral creditor. We took a lead in advocating 100% debt relief for the Least Developed Countries (LDCs), becoming the first government of a developed country to do so.

In 2006, Ireland has committed €59 million for multilateral debt relief through the World Bank.

It is important to recognise that debt relief is not an end in itself. It is about mobilising additional resources to fund development. In the World Bank and in other international fora, we will seek to ensure that funding for debt relief is additional to resources already committed for development cooperation and that the relief provided results in more resources being made available in LDCs for poverty reduction activities.



Kivu, Democratic Republic of the Congo.

Through our work on debt relief and as advocates for developing countries on the world stage, Irish Aid aims to build functioning societies and ensure that the globalisation brings benefits to those in greatest need.

