

Development

Introduction

The Government's performance in recent years in relation to development cooperation has been hailed in many quarters as a considerable success. The decision in 2005 to re-instate the commitment to meeting the UN target of spending 0.7 per cent of GNP on development aid, and the achievement of the first interim target of 0.5 per cent by 2007, have been widely welcomed. Ireland continues to provide a high quality of aid, having good aid predictability, not tying its aid to conditions and being poverty focused. Given its relatively small population, Ireland is not a big donor in terms of overall volume of aid but its per capita contribution is high and is set to improve further. The most recent OECD survey places Ireland sixth in the global league table of countries' contributions to development aid as a percentage of Gross National Income.¹

The publication of the first ever *White Paper on Irish Aid*,² and the central role accorded to development cooperation in Irish foreign policy, are widely regarded as major achievements of the present Government. These are achievements that will have lasting implications far beyond the island of Ireland. The White Paper places strong emphasis on the need for good governance, tackling corruption and ensuring value for taxpayers' money. There is now a need, in the context of a rapidly expanding aid programme, to ensure that the structures and staff levels are consolidated to assure programme quality and focus.

Whilst all of this is good news, there is no room for complacency in terms of Ireland's commitment to international development. As one of the wealthiest countries in the world, meeting the UN target is about honouring our long-standing commitment to those living in poverty. Rather than meeting the grandly titled 'Millennium' Development Goals, it is about meeting the 'Minimum' Development Goals to respect basic human dignity.

For the next Dáil, there are a number of key areas of concern which will need to be addressed in order to ensure that Ireland moves forward on its commitment to international development and becomes a leader in this area.

Aid Legislation

The introduction of legislation to safeguard Ireland's

continued commitment to spending, from 2012 onward, *at least* 0.7 per cent of GNP annually on overseas development is urgently required. Trócaire, for example, has called for such legislation on a number of occasions. Legislation of this kind would enable Irish Aid to plan its programmes for a number of years without concern that a change of government or of policy priorities would result in a reduction of its budget.

In making this commitment, the Irish Government also needs to ensure that Irish Aid is properly resourced in terms of professional and experienced staff, so that the quality of Irish aid, globally acknowledged to be of a very high standard, can be maintained to maximise its impact in improving the lives of the world's poorest people. There is need also for continued promotion of aid effectiveness, through Irish Aid sustaining and enhancing its own programme as well as supporting donor action on the Paris Declaration and other international initiatives.

Action at EU Level

Another key area where Ireland can take the lead is within the European Union, which is an increasingly important player on the world development stage. Between them, the EU and its twenty-seven Member States account for over half of global development assistance and have a powerful voice in international bodies such as the G8, the World Trade Organisation (WTO) and the World Bank. The EU is also a key trading partner for most developing countries.

The proportion of Ireland's overseas development aid being channelled through the EU is rising – in 2004, it stood at 15 per cent. It is crucial, therefore, that Ireland monitors how EU development aid is spent and that it tries to influence policies at European level that affect the lives of the poor.

Among the critical issues for EU development policy over the course of the lifetime of the next government will be: ensuring coherence between development policy and other policy areas of the EU; working to improve the effectiveness of EU aid, and managing the EU's relations with Africa.

According to the guiding document for EU development policy, *The European Consensus on Development*, the overarching objective of the EU's

development work is poverty reduction.³ However, competing agendas at EU level, such as security, trade and migration, frequently threaten to undermine this goal. For example, the current negotiations surrounding the Economic Partnership Agreements (EPAs) have given rise to fears that economic growth in the African, Caribbean and Pacific (ACP) partner countries may be hampered by having to open up their markets to EU products. The EU has committed itself to ensuring coherence between its various policy areas and a report on progress is due to be published in April 2007. Ireland has made an input to this report and is stepping up its own domestic efforts to increase policy coherence for development.

In the context of global discussions on aid effectiveness, which are building up to the planned High Level Forum in Ghana in 2008, the EU is looking at how to streamline development aid across recipient countries, avoiding duplication between its own efforts and those of Member States. The European Commission has published proposals for a voluntary code of conduct on 'division of labour' between the EU and Member States under which donors would concentrate on specific countries and sectors where they have a comparative advantage. If these proposals are adopted they will need to be promoted and monitored on an ongoing basis.

EU–Africa relations are also coming under scrutiny with discussions on a Joint EU–Africa Strategy due to be completed by the end of 2007. Africa is a major recipient of Irish aid: six of the eight countries to which Ireland gives priority in its development aid are African. Much needs to be done to promote and enable participation by African politicians and civil society in the development of the EU–Africa Strategy so that it can adequately reflect their development priorities. Ireland will also need to monitor the roll out of monies committed under the 10th European Development Fund (2008–2013), the main funding instrument for EU–Africa co-operation.

Addressing Trade Injustice

Addressing injustices in world trade remains vital to global poverty reduction and to achieving development goals. The EU has a very significant role to play in promoting trade justice. However, the increasing emphasis on bilateral trade agreements threatens to undermine this role: the EU has been using these negotiations to support an aggressive market access agenda and to pursue liberalisation in various economic sectors – approaches already rejected by developing countries in multilateral negotiations.

In order to fulfil the potential for economic development and poverty reduction through the negotiation

of fairer international trade, Ireland needs to ensure that the pace and level of liberalisation reflects each country's development needs. It is critical that countries are afforded the policy space to extend protection to sectors that are fundamental to their long-term social and economic objectives.

For Irish Aid's priority countries in sub-Saharan Africa, agricultural trade rules and policies are of particular importance. The fact that, for example, 86 per cent of the Malawian workforce and 83 per cent of Mozambican workers are employed in the agricultural sector, highlights how trade rules that contribute towards food and livelihood security as well as rural development are of the utmost importance. This means that, on the one hand, tariff cuts in agriculture should not put in danger poor and vulnerable groups and, on the other, the EU and other northern countries should develop effective alternatives to subsidy systems which distort developing country markets.

Addressing Debt

Ireland has also adopted a commendable stance in relation to the debt issue: in its *Policy on Developing Country Debt*, the Government took the position that the most Heavily Indebted Poor Countries should receive 100 per cent debt cancellation.⁴ Ireland has already paid in full its contribution under the G8 deal. Its key challenge remains to be a voice for enlightened policies at EU level and in discussions at international fora, such as the World Bank and the International Monetary Fund. Despite the progress on the debt issue at international level, much remains to be done – for example, the promises made at the Gleneagles meeting in July 2005 have not been fully honoured and there needs to be some fundamental changes to the criteria set down for debt relief.

Tackling Climate Change

In 2005, amid great fanfare, northern governments committed themselves to 'make poverty history' and to meeting the Millennium Development Goals, through raising aid levels. However, the Millennium Goals, agreed in 2000, fail to take the impact of climate change into account in any meaningful way. Such an omission means that aid efforts and money may not achieve the desired results in the long term.

The Irish Government's current aid strategy is a case in point. While the Government's commitment to increase aid is welcome, it may well be asked why the 2006 White Paper on aid devotes only half a page (out of the document's total of 127 pages) to climate change – and why there is no mention of the issue in relation to the vision, principles, rationale, and objectives set out in the Paper?

Could it be that highlighting those linkages may create real discomfort for the Government? The White Paper calls for greater 'coherence' across government, but fails to even mention how our own carbon dependent domestic energy and transport policies, and our consequent failure to reach our Kyoto target, are perhaps wiping out the benefits of aid in the medium term?

If we are serious about our contribution to global poverty reduction, a radical rethink is required so that addressing climate change becomes integrated into our international development policy. It has become abundantly clear that while aid is certainly a vital component of our responsibility to the wider world, it is by no means enough.

In its *Human Development Report 2006*, the United Nations Development Programme (UNDP) makes the case for a 'two pronged approach' to addressing climate change in the developing world.⁵ The first part of that is a strategy of adaptation, to assist developing countries as they face the mounting burden of climate change impacts. This is the role of aid programmes.

The second part is overwhelmingly domestic – namely, a drastic reduction in our carbon emissions. The UNDP Report terms this 'mitigation' and states: 'Mitigation is an imperative. If the international community fails in this area, the prospects for human development in the 21st century will suffer a grave setback.'⁶ Mitigation requires a coherent approach to global poverty reduction that cuts across all government departments, including energy and transport.

For those involved in, or concerned about, development issues, the challenge of making the links between domestic and international policy is critical. Just as in the 1990s we began to recognise the impact of our domestic trade and agriculture policies on the world's poor, now is the time to make the case for a review of all policies which impact on climate change. This is not just a question of our own environmental sustainability: it is a question of justice for the world's poor.

Notes

1. OECD (2007) 'Development aid from OECD countries fell 5.1% in 2006', 3 April 2007. (www.oecd.org/document/)
2. Government of Ireland (2006) *White Paper on Irish Aid*, Dublin: Stationery Office.
3. Council of the European Union (2005) *The European Consensus on Development*, Joint Statement by the Council and the Representatives of the Member States meeting within the Council, the European Parliament and the Commission, Brussels, 22 November 2005.
4. Government of Ireland (2002) *Policy on Developing Country Debt: Strategy*, prepared jointly by Ireland Aid and the Department of Finance.
5. United Nations Development Programme (2006) *Human Development Report 2006: Beyond Scarcity – Power, Poverty and the Global Water Crisis*, New York: Palgrave Macmillan.
6. *Ibid.*, p. 170.