

**Joint Evaluation of the Paris Declaration – Phase 2  
Donor HQ Study – Irish Aid**

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## Acronyms

AAA	Accra Agenda for Action
ADB	Asian Development Bank
CSO	Civil Society Organisation
CSP	Country Strategy Paper
DAC	Development Assistance Committee
DFA	Department for Foreign Affairs
EDF	European Development Fund
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
GNI	Gross National Income
HIPC	The Enhanced Heavily Indebted Poor Countries Initiative
HQ	Headquarters
IDA	International Development Association
IMF	International Monetary Fund
LDC	Least Developed Country
NGO	Non-governmental Organisation
ODA	Overseas Development Assistance
OECD	Organisation for Economic Co-operation and Development
PD	Paris Declaration
PFM	Public Financial Management
PPE	Policy Planning and Effectiveness
PRGF	Poverty Reduction and Growth Facility
TOR	Terms of Reference
UN	United Nations
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
WB	World Bank
WHO	World Health Organisation
WTO	World Trade Organisation

## Executive Summary

### Background

i. This is a joint evaluation that assesses Ireland's ability to implement its international aid effectiveness commitments, as set out in the 2005 Paris Declaration and the 2008 Accra Agenda for Action. It is one of several similar exercises that contribute to a wider OECD/DAC evaluation into aid effectiveness. The team comprised an independent evaluator (who led the work) and two senior staff from the Department of Foreign Affairs. Findings are those of the team alone.

ii. This exercise primarily considered three institutional dimensions; a) commitment, b) capacity and c) incentives within Irish Aid (and across government) to further aid effectiveness. Like the other donor HQ evaluations, the focus was institutional capacity, not conclusions on how well Ireland was implementing its commitments, although the team were asked to comment on some specific achievements. A set of partner country evaluations is being undertaken which will provide firmer conclusions on whether aid delivery has improved.

### Irish Aid

iii. Irish Aid is the Development Co-operation Division of the Irish Department for Foreign Affairs (DFA). It transferred nearly €4.5 billion between 2005 and 2010 to governments, multilaterals and NGOs, 80% being spent in Africa. It provides over €1m annually in a total of 48 countries, prioritising work in Ethiopia, Lesotho, Malawi, Mozambique, South Africa, Sierra Leone, Tanzania, Timor Leste, Uganda, Vietnam and Zambia.

iv. Ireland had progressively increased its Overseas Development Assistance allocation up to 2008 and retains the aim of meeting the 0.7% UN target of Gross National Income (GNI). However, as a result of the global recession, aid allocations were reduced in 2009 by 29% from the previous year's budget, resulting in a 2009 spend of €464.6m. ODA as a percentage of GNI remains at 0.54%, down from a peak of 0.59%.

v. Irish Aid is a comparatively small organisation, with less than 300 staff in total across all its locations. In Ireland it is based in Limerick, away from the main Department of Foreign Affairs HQ in Dublin (though it also retains a presence there). This relatively small number of personnel enables a collaborative, positive and open culture to be maintained. However, there are concerns about a recent rapid turnover of staff and associated retention of skills. Additionally, having a split location appears to be making it more difficult to recruit diplomatic staff into Irish Aid from the rest of the Department of Foreign Affairs.

## Key Findings

### *Commitment*

vi. Commitment to aid effectiveness in general and to Paris and Accra principles in particular is high in Irish Aid. Staff understand and own not just the letter but the spirit of these principles. As a recent OECD/DAC Peer Review noted, Ireland is leading efforts to develop common approaches to aid effectiveness, particularly in Europe. While commitment is strong, respondents acknowledge more can be done. The rest of the Department of Foreign Affairs has not fully absorbed the agenda. Some elements were prioritised (partnership, alignment, harmonisation) with others (notably managing for development results) taking longer to be fully adopted. However, against an already high level of commitment by politicians, managers and staff, it was notable that respondents were self critical and anxious to improve.

### *Capacities*

vii. There are no policy constraints to achieving Ireland's aid effectiveness undertakings. Irish Aid explicitly ensures consistency of policies and plans with Paris and Accra obligations. A Policy Planning and Effectiveness (PPE) section owns and drives this process, reviewing and commenting on new plans. A dedicated action plan was put in place to ensure implementation of the Accra Agenda for Action. However, while policy and planning are excellent, more could be done to report on how these plans are implemented. Reporting on performance is not yet fully developed, and there is no effective performance-related management information system on aid effectiveness. This is a key deficit.

viii. Irish Aid emphasises financial accountability, with a strong role for auditors at HQ and in the field. While important, these skills need to be complemented with Public Financial Management expertise. The focus on accountability to Irish taxpayers has not inhibited support for country-led approaches. Indeed there is a recognition that partners are clear about the need for mutual accountability, including in relation to financial probity. Ireland supports strengthening of country system capacity in these areas.

ix. Irish Aid has been forced to constrain its planned increase in aid spending due to the global recession. It sought to act responsibly as it reduced budgets, favouring bilateral obligations over other parts of the programme and activities that sought to drive improved harmonisation (such as the UN Delivering as One reform pilots). It also acted to communicate rapidly to partners once decisions were made. Clearly, however, this had an impact on Ireland's ability to deliver predictably.

x. Staffing policies support efforts to improve how aid is delivered. There is a high level of operational delegation and innovation is enabled on the whole. In recent years, largely as a result of the aid effectiveness agenda, there has been a rebalancing of skills away from reliance on technical expertise to ensuring personnel can also provide leadership and advocacy among peers and with partners; what might be termed the more diplomatic competencies.

xi. The key immediate risk that might undermine Irish Aid's future achievement of aid effectiveness commitments relate to staff skill levels, retention and turnover. A result of both the move to Limerick and government-wide embargoes on recruitment and promotion, the institutional competencies and experience within Irish Aid will have to be carefully monitored.

### ***Incentives***

xii. Paris Declaration and Accra Agenda for Action priorities are seen as a means to advancing Irish foreign policy. Ministers take an active interest in the agenda, as do other parliamentarians. This is a key driver. However, and notably, there is little external pressure placed on Irish Aid to improve its aid delivery from wider civil society. Engagement in the agenda by academics, and indeed NGOs (even those funded by Irish Aid) should be stronger. Staff are given incentives and guidance on aid effectiveness implementation, and there are no constraints on, for instance, the choice of modalities. An interesting reflection from respondents was that they sometimes felt inhibited by partners or peers commitment to aid effectiveness, with Irish Aid staff being the primary advocates for the agenda.

### ***Other issues***

xiii. Irish aid's practice is to work in a highly collaborative way, both operationally and in the development of policy. However, its assistance can be fragmented; while a small donor it supports many NGOs and around 30 UN agencies, with little knowledge of the results achieved in each. In some cases, funds are transferred to NGOs in country without the Irish Aid country office being informed

xiv. The predictability of funding has been hampered by the constraints placed on ODA as a result of the reduction in the Government-wide budget. Ireland has always sought to minimise conditionality.

xv. While it appears transaction costs have reduced, there is no definitive data on the costs of implementing the aid effectiveness agenda.

xvi. There is recognition of the need to improve policy coherence across government in interventions concerning trade, agriculture, climate change, food security, environment and defence.

## **Key Recommendations**

### **Senior Management – Irish Aid**

1. Maintain the leadership role that Ireland has assumed in furthering aid effectiveness at country and multilateral levels.
  - Deepen understanding and commitment across the Department of Foreign Affairs.
  - Maintain the current policy commitment and allocated resources.
  - Strengthen policy coherence across government departments.
  - Extend the length of each overseas posting to four years.
  - Build staff skills for aid co-ordination and negotiation, particularly pre-posting.
2. Develop more systematic dialogue within the Department of Foreign Affairs and across Irish Aid on the implementation of the Paris Declaration and Accra Agenda for Action principles.
  - Policy Planning and Effectiveness (PPE) section to comment on how annual reports reflect effectiveness and system-wide coherence.
  - PPE to provide concise annual report on performance on aid effectiveness.

3. Continue to make results management, impact assessment and monitoring, and evaluation and audit more robust.
  - Ensure there is sufficient management information to make judgements on the comparative effectiveness of aid across the programme.
  - Use management information on performance and effectiveness more systematically to make decisions on allocations
  - Consider how to use performance criteria to inform allocations between programme countries and the different CSOs and multilateral agencies
  - Avoid the danger that results frameworks become too complicated to be useful.
  - Ensure that all elements of the programme are subject to equal scrutiny
  - Ensure that Audit Committee deepens its practical experience and expert knowledge of Public Financial Management in a developing country context.

### **Senior and Middle Management – Irish Aid and Embassies**

4. Continue to strengthen management practices in accordance with Paris Declaration and Accra agenda for Action principles.
  - The role of local staff could be enhanced by delegating more responsibility and increasing skills.
  - Managers in Irish Aid should ensure that aid effectiveness behaviours are included in staff role profiles and assessments
  - Induction programmes for staff new to Irish Aid should continue to include a module on aid effectiveness.
  - A mentoring system for new staff should be established that explicitly seeks to transfer knowledge of how to operate according to best practice.
  - Strengthen staff skills on Public Financial Management in a developing country context.

### **Senior Management – Department of Foreign Affairs**

5. The strategy for engagement of the Department of Foreign Affairs with the public on international development should continue to evolve.
  - Enable the public, civil society organisations, academics and politicians to understand better how Ireland is delivering aid according to best practice.
  - Deliver different messages to different audiences, using different channels
  - Integrate Irish Aid objectives fully into the DFA's public diplomacy strategy.
6. The Department of Foreign Affairs needs to ensure that Irish Aid remains attractive to all staff employed in the Department (diplomats, general service staff and development specialists).
  - Carefully manage the challenges posed by the move of the main Department to Limerick

## Introduction

1. This evaluation assesses Ireland's capability to meet its international aid effectiveness commitments as set out in the (PD) and Accra Agenda for Action (AAA). It documents the efforts made to embed these commitments within Irish Aid's policies, systems and procedures. It also considers the wider development context in Ireland.

2. The evaluation had two goals:

- to contribute to the second phase of an evaluation of the Paris Declaration by the Development Assistance Committee of the OECD and
- to support Irish Aid in its continuing efforts to improve its performance.

In addition, the report is meant to be of use to wider stakeholders with an interest in Irish Aid.

3. This was a joint evaluation. While led by an independent consultant, the team included senior staff from within the Irish Department of Foreign Affairs; one an Ambassador, the other a Head of Development, both working in different countries in Africa. The team sought to support lesson learning rather than having a narrow focus on accountability. The role was thus one of constructive challenge. Findings were made independently of Irish Aid and are the team's alone. The evaluation benefitted from excellent facilitation by the Evaluation and Audit section in the Department of Foreign Affairs. A Reference Group provided useful comments and suggestions as the evaluation progressed.

4. This evaluation is one of seven donor studies being prepared as part of the global evaluation of Paris Declaration implementation. These will support the 4<sup>th</sup> High Level Forum on Aid Effectiveness to be held in Seoul in 2011. In addition a series of partner country studies will focus on the outcomes of implementation and inform the production of an overall synthesis report.

### What are the Paris Declaration and Accra Agenda for Action?

5. In February 2005, the Government of France hosted a High Level Forum of donor and recipient countries. It was convened to take stock of global progress in making aid more effective, and to identify the areas in which more could be done. Out of this came the "Paris Principles".

#### **The Principles of the Paris Declaration**

##### ***Ownership***

Ownership is the foundational principle of the Paris Declaration. Development is something that must be done by developing countries, not to them. Policies and institutional reforms will be effective only so far as they emerge out of genuinely country-led processes. External assistance must be tailored towards helping developing countries achieve their own development objectives, leaving donors in a supporting role.



***Alignment***

Under the Paris Declaration, the principle of alignment refers to two important changes to aid practice. The first is that donors should base their support on the partner country's development priorities, policies and strategies ('policy alignment'). The second is that aid should be delivered as far as possible using country systems for managing development activities, rather than through stand-alone project structures ('systems alignment').

***Harmonisation***

Harmonisation refers to cooperation between donors to improve the efficiency of aid delivery. Donors are aware that multiple initiatives by different donors, each with their rules and procedures, can be very draining for developing country administrations. To reduce the transaction costs of aid, donors have been developing a range of new approaches, including programme-based approaches, pooled funding arrangements, joint country plans and other common arrangements.

***Managing for Results***

Managing for results is a general principle of management that involves using information about results systematically to improve decision-making and strengthen performance. In the development field, it means ensuring that all development activities are orientated towards achieving the maximum benefits for poor men and women. It means ensuring that all initiatives, from individual aid projects through to national development strategies, are designed so as to generate performance information and use it for continuous improvement.

***Mutual accountability***

Mutual accountability is perhaps the most controversial of the Paris principles, and the most difficult to put into practice. It suggests that, in a true development partnership, there are commitments on both sides of the relationship, and both donors and partner countries should be accountable to each other ('mutual' accountability) for meeting those commitments. However, there are also many other accountability relationships involved in the development process that need to be taken into account.

One of the innovative aspects of the Paris Declaration is that the commitments are reciprocal in nature, applying both to donors and to developing countries. This is an advance on its predecessor, the Rome Declaration, where the commitments were all on the donor side, and to traditional aid practices where the obligations were mostly on recipients. Reciprocal commitments create for the first time the possibility of mutual accountability.

6. In September 2008, a further meeting was held in Accra, Ghana restating the global commitment to aid effectiveness and the Paris Principles, and setting out an "Accra Agenda for Action". This sought to accelerate progress, particularly improving the use of partner country systems to deliver aid. Additional emphasis was placed on ensuring predictability of funding, that donors remove prescriptive conditions placed on how funds might be spent, and that all aid must be "untied" (free from restrictions on where goods and services which are funded by aid can be bought<sup>1</sup>).

7. Indicators were developed to help assess progress in implementing the Paris principles and the Accra Agenda for Action. These are monitored periodically (see Table 5 and Annex B below for Ireland's results for 2005 and 2007). In addition, evaluation of the implementation is underway, of which this report is part.

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<sup>1</sup> See OECD Website at [http://www.oecd.org/document/18/0,3343,en\\_2649\\_3236398\\_35401554\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/18/0,3343,en_2649_3236398_35401554_1_1_1_1,00.html)

## Methodology

8. The Terms of Reference (TOR) for the evaluation set out the following objectives. It should:

- enable Irish Aid to document, improve and strengthen policies and practice consistent with the Paris Declaration in pursuit of aid effectiveness and development effectiveness,
- highlight barriers and difficulties that may have limited the implementation of the Paris Declaration and its effects and impacts – and ways that these barriers and difficulties may be overcome, and
- enable sharing and exchange of experience with other stakeholders, countries and partnerships so as to facilitate reflection, lesson-learning and policy improvement.

9. Being an institutional review at HQ level, the evaluation approach was not designed to generate a detailed analysis of Irish Aid's *performance* against individual Paris Declaration commitments. Rather, it sought to identify whether Irish Aid is *capable of implementing* the commitments.

10. Thus in accordance with the common terms of reference for the donor studies, this evaluation focuses on three dimensions:

- i) **Commitment:** How committed is Irish Aid to changing its aid-delivery practices? How is that commitment reflected in its policies and procedures? Is it coherent with other corporate commitments?
- ii) **Capacity:** What capacity is there within Irish Aid structures and personnel to understand and implement the Paris Declaration? What has been done to boost that capacity?
- iii) **Incentives:** Do the incentives systems driving institutional behaviour support or constrain Paris Declaration implementation? What conflicting incentives are there?

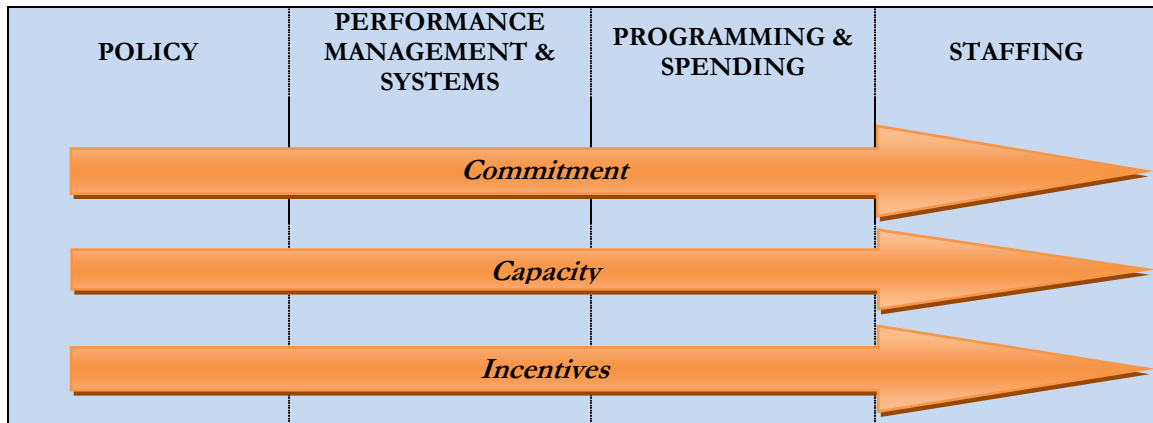
11. The TOR also set out particular questions that should be addressed. These related to co-ordination, progress in improving the predictability of aid, the relationships between headquarters and field offices and the policy coherence across the Irish government (see annex D for TOR).

12. To explore all these dimensions and questions a framework for analysis was used which focused on four domains:

- i) policy;
- ii) performance management and systems;
- iii) programming and spending;
- iv) staffing.

13. These four domains were mapped against the three evaluation dimensions, to create a matrix of evaluation questions. The framework including questions is annexed to this report (Annex A).

**Chart 1: Overview of evaluation framework**



14. First, the team undertook a detailed analysis of *documentary evidence*, reviewing external commentaries on Irish Aid’s performance, as well as internal policy, planning and monitoring reports.

15. Second, the team carried out a set of *semi-structured interviews* with Irish Aid and Department of Foreign Affairs Staff using the evaluation framework as a guide. In most cases, interviewees received the evaluation TOR prior to the interview, some receiving the evaluation framework. Meetings were held with over 50 staff at headquarters’ level in Limerick and Dublin including representatives of all sections, two country missions as well as senior management.

16. Third, the team was fortunate to meet with key political and civil society stakeholders. These included the Minister of State for Overseas Development, the Leas Ceann Comhairle (Deputy Speaker) of the Dáil (Parliament), the Joint Parliamentary sub-Committee on Overseas Development, representatives from key NGOs and others. Again, the evaluation framework was used as a guide. Where necessary, the team returned to interviewees for further clarification.

17. Evidence from all these interviews was combined with the documentary evidence to deliver the findings contained in this report. After drafting the initial findings, staff (under the co-ordination of Evaluation and Audit Department) had an opportunity to make factual corrections and make comments on the findings, leading to revisions and this final version of the report.

### **Background to Irish Aid**

18. Irish Aid is the Development Co-operation Division of the Irish Department for Foreign Affairs (DFA). The Minister of State for Overseas Development provides direct political oversight of Irish Aid, while the Minister of Foreign Affairs takes responsibility for the department as a whole. The Accounting Officer for the Department of Foreign Affairs is the Secretary General of the Department and a Director General (who reports to him) manages the Irish Aid programme. Parliamentary scrutiny is provided by the Joint Foreign Affairs Committee in the Irish Parliament (the Oireachtas) and within that, the sub-committee on Overseas Development. As with all government departments, the Public Accounts Committee of the Oireachtas scrutinises departmental finances. In addition, there is an independent

departmental Audit Committee which liaises with the Irish Government's Comptroller and Auditor General. A government-wide Freedom of Information Act is also in place.

19. Irish Aid has 9 country programmes, as well as development cooperation programmes with Sierra Leone and South Africa. Annually it provides assistance of over €1m of its budget to 48 partner countries in total.

Table 1: Irish Aid offices overseas <sup>2</sup>	
• Ethiopia	• Timor Leste
• Lesotho	• Uganda
• Malawi	• Vietnam
• Mozambique	• Zambia
• Tanzania	• Sierra Leone
	• South Africa

20. Irish Aid disbursed nearly €4.5 billion in ODA between 2005 and 2010. Of the bilateral assistance approximately 80% is spent in Africa.

Table 2: Bilateral ODA flows, 2008 and 2009 (€m)		
	2008	2009
Programme countries	218.6	195.0
<i>Ethiopia</i>	36.1	27.3
<i>Lesotho</i>	9.2	10.5
<i>Malawi</i>	9.8	8.9
<i>Mozambique</i>	34.2	40.6
<i>Tanzania</i>	38	33.5
<i>Timor Leste</i>	5	3.4
<i>Uganda</i>	41.7	35.4
<i>Zambia</i>	23.9	21.6
<i>Vietnam</i>	20.7	13.9
Other Countries	38.2	4.5
Civil society	134.2	105.0
Emergency humanitarian assistance	89	56.0
Post-emergency recovery	17	7.2
Rapid response initiative	4.5	4.5
HIV and AIDS initiatives	42.9	16.0
Global Health Initiatives	15.6	9.1
Global Education Initiatives	9	8.6
Global Hunger Initiatives	0	6.7
Stability fund	8.8	6.9
Fellowships, courses and training	3	2.6
Development Education	5.7	5.0
Information	2.3	1.0
Cooperation with third-level institutions	3.6	1.4

<sup>2</sup> Irish Aid offices are co-located with Irish embassies with the exception of Timor Leste and Sierra Leone.

<b>Table 2: Bilateral ODA flows, 2008 and 2009 (€m)</b>		
	<b>2008</b>	<b>2009</b>
Other cross-cutting programmes	9.8	4.0
Volunteer-related programmes	1.6	2.7
Tax deductability	5.6	6.9
Other programmes	4.4	1.7
<b>Total bilateral ODA (a)</b>	<b>615.1</b>	<b>464.6</b>

Courtesy of Irish Aid and Professor Helen O'Neill,  
(a) = net of administration costs (€35.1m in 2008 and €32.2 in 2009)

Sources: Department of Foreign Affairs, Ireland's official development assistance 2009 and data kindly supplied by Irish Aid in May 2010

21. Over the last decade there has been a considerable change in the way Irish Aid disburses funds. It has moved towards providing bilateral grants to governments, most often alongside other donors. Prior to the last decade, it had a highly projectised model of delivery, used a significant amount of technical assistance and had a strong focus on supporting local services through Area Based Programmes. A significant feature of the programme was the funding through Non-Governmental Organisations, including those linked to missionary organisations.

22. Irish Aid is a comparatively small organisation. There are 138.5 staff in Irish Aid HQ, operating across two locations; Limerick, where the main office is based and Dublin, where there is a small office close to the department's headquarters.

23. There are 38 Irish-based staff managing the development cooperation programmes in the 10 overseas offices, assisted by 133 locally recruited staff (who are funded from the aid programme). The Department also employs a further 25 local administrative staff funded from the general budget of the Ministry of Foreign Affairs. There are development related posts in the Permanent Missions to the UN in New York and Geneva, the Embassy in Rome and the Permanent Representation to the EU in Brussels. Similar posts also exist within the Political Division at Headquarters in Dublin. With the exception of South Africa, in countries with Irish Aid programmes aid delivery dominates the diplomatic engagement. Headquarters personnel provide support to delivery in the field, and manage specific sectoral budget lines in key thematic areas, funding multilateral and civil society organisations. Irish-based personnel are drawn from three recruitment 'streams': the diplomatic service, general service and a cadre of development specialists. Senior staff report there is a desire to integrate these streams further.

24. In 2008 a Management Review<sup>3</sup> was commissioned in response to a recommendation in the 2006 White Paper on Irish Aid. The review proposed, among other things, more integration between the Development Cooperation Division (Irish Aid) and other divisions within the Department of Foreign Affairs. Support functions such as finance and accounting were to be combined. In addition, the review proposed increasing staff numbers in the division to enable more effective management of the rising aid spend. In fact 13 new personnel were recruited to Irish Aid, albeit less than the 84 suggested in the Management Review. However, there is now a moratorium on new recruitment across the Irish public service. Vacancies are not being filled as the Government reduces public service numbers. The Department of Foreign Affairs has been forced to cut back the number of staff employed at home and abroad.

25. Ireland had progressively increased its ODA allocation up to 2008 and retains the aim of meeting the 0.7% UN target of Gross National Income (GNI). However, aid allocations have

<sup>3</sup> FGS Consulting, July 2008, "Department of Foreign Affairs Management Review – Final Report"

since been reduced. There was a real cut of 29% from the budget of 2008 to the outturn spend in 2009. Nonetheless, ODA as a percentage of GNI remains at .54%, due to the contraction of the Irish economy.

<b>Table3: Irish ODA, selected years 1974–2009</b>						
<b>(€m)</b>						
	<b>1974</b>	<b>1994</b>	<b>2004</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Total ODA	1.9	95.5	488.9	870.9	920.8	718.11
Bilateral aid (a)	0.3	50.2	329.7	606.1	650.2	496.81
Multilateral aid	1.6	45.3	159.2	264.8	270.6	221.30
Bilateral as % of ODA	15.8%	50.7%	67.4%	69.6%	70.6%	69%
ODA as % of GNI	0.05%	0.24%	0.4%	0.54%	0.59%	0.54%

*Courtesy of Irish Aid and Professor Helen O'Neill*

a= this figure includes all administration costs associated with managing the entire aid programme both at headquarters and in the field  
*Sources: Department of Foreign Affairs, Ireland's official development assistance, various years, and data kindly supplied by Irish Aid in May 2010*

26. The budget for ODA is split across different departments of the Irish Government. The bilateral programme and part of the multilateral budget is channelled through the Department of Foreign Affairs (identified as 'Vote 29' monies). Administration costs included in this vote are classed as ODA. The Department of Finance disburses funds directly to the EU for Ireland's assessed development contribution, to the World Bank for IDA, as well as to the IMF and the Asian Development Bank. The assessment for the FAO and the voluntary contribution to the World Food Programme is channelled through the Department of Agriculture.

<b>Table 4: Multilateral ODA flows 2008 and 2009</b>		
<b>(€m)</b>		
	<b>2008</b>	<b>2009</b>
<i>European Union</i>	<i>107.3</i>	<i>117.02</i>
EU Budget (Development Cooperation)	85.3	95.06
EDF (Lomé/Cotonou Conventions)	22	21.96
<i>MFI's: World Bank/IMF and ADB</i>	<i>40.2</i>	<i>30.15</i>
IDA	24.2	18.00
WB/IMF HIPC and PRGF	6.5	0.10
WB & IMF Trust Funds	2.1	1.00
Asian Development Bank	7.4	11.05
<i>United Nations and other multilateral institutions</i>	<i>108.1</i>	<i>60.76</i>
<i>Voluntary contributions to UN agencies</i>	<i>96.5</i>	<i>50.66</i>
of which:		
UNDP	22.5	10.70
UNICEF	16.6	8.00
UNHCR	14.4	6.00
UNFPA	5.5	3.00
WHO	3.9	1.50
FAO/WFP	10.1	10.16
Other voluntary contributions	23.5	11.30
Other contributions to United Nations and		

<b>Table 4: Multilateral ODA flows 2008 and 2009 (€m)</b>		
	<b>2008</b>	<b>2009</b>
<i>multilateral institutions of which:</i>	<i>11.6</i>	<i>10.10</i>
FAO	1.4	1.26
Global Environment Facility	1.4	1.36
LDC Fund for Climate Change	2.3	0.10
WTO	1.7	1.62
Other UN and multilateral institutions	4.8	5.75
<i>Co-financing with multilateral agencies</i>	<i>15</i>	<i>13.38</i>
Total multilateral ODA	270.6	221.30

*Courtesy of Irish Aid and Professor Helen O'Neill*

*Sources: Department of Foreign Affairs, Ireland's official development assistance 2009 and data kindly supplied by Irish Aid in May 2010*

## Findings

### Overall Assessment

27. **Ireland is a very good performer against its aid effectiveness commitments.** It has attained all but two of its Paris monitoring targets (see table 5 below). The World Bank’s recent report *Aid Quality and Donor Rankings: Policy Research Paper 2010*<sup>4</sup> ranks Ireland fourth overall for aid effectiveness and the best among 36 donors for both alignment and harmonisation.

28. As a relatively small donor with only 11 overseas aid missions, Irish Aid actively seeks to harmonise as much as possible, and has exited sectors to ensure effective division of labour. All aid is untied and there is a tradition of working in partnership. The results focus has strengthened during the last two years, a result of both aid effectiveness commitments and the need for stronger justification of value for money across the Irish Government. However, there are immediate risks to the ability of Irish Aid to provide the same quality of partnerships and technical knowledge as in the past. These risks arise from constraints on recruitment and changing incentives provided to staff.

### Performance against Indicators

29. The following table sets out the performance of Irish Aid over the two periods of the Paris Declaration Monitoring Survey.

<b>Table 5: Results of Ireland Aid’s Monitoring Surveys (2005 &amp; 2007)</b>				
<b>Indicator</b>		<b>Corporate Performance 2005</b>	<b>2010 Target</b>	<b>Corporate Performance 2007</b>
3	Aid reported on budget	48%	85%	45%
4	Coordinated capacity development	52%	50%	97%
5a	Use of PFM systems	90%	80%	79%
5b	Use of procurement systems	96%	80%	88%
6	Parallel Project Implementation Units	6	2	0
7	In year predictability	63%	86%	64%
8	Untied aid	100%	66%	100%
9	Use of Programme Based Approaches	67%	66%	79%
10a	Coordinated Missions	45%	40%	40%
10b	Coordinated country analytical work	57%	66%	82%

30. It will be noted that while there was a reversal in performance between 2005 and 2007 for four of the indicators. However, the monitoring data only refers to 6 countries<sup>5</sup> and is thus highly vulnerable to variations in individual country data.

<sup>4</sup> Knack, Rogers, and Eubank, May 2010 “Aid Quality and Donor Rankings”; Policy Research Working Paper 5290, The World Bank Development Research Group (See table 3)

<sup>5</sup> Ethiopia, Mozambique, Tanzania, Uganda, Vietnam, Zambia



31. An analysis<sup>6</sup> of the country specific data for indicator 3 (aid reported on budget/alignment) highlighted data problems in 2007. In Mozambique, the government did not record any estimates for aid from Ireland, or any other donor, all scoring 0%. Similarly, due to data problems in Zambia the government estimated they would receive only US\$300,000 from Ireland during the monitoring period, this amount being reflected in budget documentation. They received US\$ 22.65 million. Ireland's score thus fell from 23% in 2005 to 1% in 2007.

32. For use of PFM systems (indicator 5a) the baseline figure for Mozambique in 2005 was incorrect. The data for Mozambique shows a fall from 82% in 2005 to 39% in 2007 (the country average is 44%). The 2007 figure is due to sector baskets not using national audit systems. Irish Aid reports that health financing in Mozambique will now use the entire public financial management system; this is expected to significantly improve scoring for this indicator. The headline figure also masks a large improvement in Zambia where use of public financial management systems increased from 73% to 91% over the period. Staff report it is likely that Irish Aid will exceed the 80% target for use of country public financial systems in 2010.

33. Similarly, for indicator 5b (use of procurement systems) it appears that the baseline for using national procurement systems in Mozambique was overstated at 100% and is now 69% (still well above the country average of 54%). Over the period Zambia increased its usage of national procurement systems from 81% to 100%, with Uganda, Tanzania and Ethiopia scoring at 88%, 98% and 100% respectively, all well over the 80% target.

34. The data from 2007 shows a decline in the number of co-ordinated visits to recipient countries (indicator 10a). Staff report this reduction may be due in part to Irish Aid's preparation of new Country Strategic Plans in a number of countries in the period, which included visits from headquarters in specific areas related to the strategy. Ireland performed better than the EU average over the period, but will need to strengthen in-country co-ordination and between donor headquarters in future if the Paris target is to be achieved.

## Core Evaluation Questions

### *Assessing Commitment*

35. **Irish Aid has a high level of commitment to aid effectiveness in general, and the Paris Declaration and the Accra Agenda for Action in particular.**

36. The principles of partnership, alignment and harmonisation were significant features of Ireland's development practice prior to it becoming a signatory to the Paris Declaration. In 2002 a comprehensive government review set out the way forward for the country's development assistance. The review explicitly mentioned principles that should guide Ireland's ODA programme going forward.

“The expanding programme should be underpinned by a number of **key principles**. These include **effectiveness, value for money, transparency and accountability**. The programme should also reflect the values cherished by Irish people, including our commitment to peace, human rights and democracy. It should incorporate a high degree of **partnership** with recipient countries, with the international donor community and with NGOs both at home and abroad.

<sup>6</sup> This section draws heavily on work by Paul Sherlock “Paris Declaration Monitoring Survey 2008” (2010)

A **holistic approach** to the struggle against poverty is another important attribute. The programme should aim for **sustainable development** and also for **policy coherence** with other aspects of Irish foreign policy and other Government policies. Aid should remain **completely untied**. The programme should incorporate rigorous **monitoring and evaluation**, including the setting of clear performance indicators, as well as systematic **risk management**.”

The Government of Ireland “*The Ireland Aid Review*” 2003 (original emphasis)

37. As the 2003 OECD-DAC Peer Review<sup>7</sup> noted, the review’s recommendations were accepted by the Irish government in March 2002. The review was followed by a White Paper in 2006. The commitment to the Paris Declaration is specifically articulated in the White Paper, which set out the alignment of Irish Aid policy with Paris Declaration commitments. The OECD/DAC praised Ireland for this commitment in its 2009 Peer Review<sup>8</sup>.

38. Irish Aid seeks to lead on the aid effectiveness agenda internationally. Ireland is the current chair of the Task Team on Mutual Accountability of the OECD/DAC, and promotes aid effectiveness both within the EU and the UN; the DAC Peer Review noted Ireland has led work in developing a common international (particularly European) approach to aid effectiveness.

39. While Ireland has fully adopted aid effectiveness principles, some elements were prioritised (partnership, alignment, harmonisation) with others (notably managing for development results) taking longer to be fully adopted, in spite of these being a feature of the 2002 Aid Review. This is now changing, with a more consistent commitment across all priorities. The 2006 White Paper noted the need to maintain Quality Assurance in the context of a growing budget. Staff report that the increasing technical focus on results has been significantly enhanced by pressure to demonstrate accountability for spending and value for money after government-wide budget cuts.

### The Reductions to the Aid Budget

The original 2008 budget allocation for ODA was €914m. €814m was to be channelled through Irish Aid (‘Vote 29’), and a further €100m was expected to come from other government departments and Ireland’s share of the EU Development Co-operation budget. The total equalled 0.54% of GNI.

In July 2008 the Department of Finance revised its forecast for expected GNI downwards in the light of global economic events. A radical restructuring of the government finances took place. Many public service salaries were reduced by 20% and more. A moratorium on civil service recruitment and a block on promotions were implemented.

As a result, the Vote 29 allocation was reduced by €45m to €769m. The estimate for ‘other ODA’ was revised up to €130m, giving a new total of €899m, maintaining the percentage allocation at 0.54% of GNP. The final outturn for 2008 was €921million, €769m managed by Irish Aid, and a further €152 accounted for as ‘other ODA’. This represented 0.59% of actual GNI.

<sup>7</sup> See <http://www.oecd.org/dataoecd/25/43/21651179.pdf>

<sup>8</sup> See [http://www.oecd.org/document/38/0,3343,en\\_2649\\_34603\\_42592230\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/38/0,3343,en_2649_34603_42592230_1_1_1_1,00.html)

In 2009, there was a further reduction of ODA to €891m. €754m of this was allocated to Irish Aid, and a total of €137m for 'other ODA'. This amount was set to achieve a level of 0.54% of GNI. In February 2009, the Department of Finance reduced this still further, removing €83m from the Irish Aid monies and €12m from other ODA. A further Supplementary Budget took place in July 2009, again revising ODA. The final out-turn for ODA in 2009 was €718m, €568 through Irish Aid's 'Vote 29' and €150m through 'other ODA'. This represented 0.54% of GNI.

Irish Aid's priorities were adjusted following the reduction of the aid budget. The core priority of the programme, the focus on the poorest especially in sub-Saharan Africa, was restated and budget cuts sought to protect this part of the programme.

40. When the planned budget for ODA was reduced, decisions to reallocate within Irish Aid gave priority to the bilateral over the multilateral programme. While the cuts undermined the predictability of spending, Irish Aid sought to ensure transparency and mitigate the lack of predictability by communicating rapidly the implications of cuts for partners as soon as decisions were made.

41. The opinion of respondents was that the bilateral aid programme better demonstrated Ireland's comparative advantage in development and that partner governments demonstrate more ownership of the aid effectiveness agenda compared to UN agencies and CSOs. These were the reasons given for prioritising the bilateral over the multilateral funding when cuts were made. It is notable that while contributions to UN agencies were cut by 50%, the contributions made to the United Nations Delivering as One Pilot Programmes were largely maintained. Respondents highlighted that this reflects the importance that Ireland places on UN reforms and the system-wide coherence agenda, which it maintains is fully consistent with aid effectiveness aims.

42. Respondents in Irish Aid see themselves as advocates for aid effectiveness, not only because it is a departmental policy but because they believe in it. Senior management demonstrate this commitment and set the corporate agenda for Aid Effectiveness as much by modelling behaviour (for instance in their relationships with external partners) as ensuring compliance with commitments. Respondents demonstrated a working understanding of Paris principles at a minimum and often a very strong understanding of what Paris, Accra and aid effectiveness means in practice. However there are some whose ownership and understanding of the Paris Declaration and the Accra Agenda for Action could be strengthened. These were mostly individuals who do not have experience in developing countries and staff not working in Irish Aid. Staff who are working, or have worked, in developing countries seem to have a better understanding of and commitment to aid effectiveness.

43. Other divisions within the Department of Foreign Affairs do not have the same level of understanding and commitment to the Paris Declaration. However, this could be expected and is probably similar to other peer donor organisations. Given the desire to integrate further the divisions of the Department there is an opportunity for Irish Aid to make better known the aid effectiveness agenda. It is a cornerstone of how Ireland conducts a significant part of its foreign policy which has implications for the conduct also of its UN and EU policies.

44. There is an acknowledgement that the Paris and Accra agendas are 'work in progress'. More effort will be required to embed what are identified internally as the Accra elements (specifically management for development results and mutual accountability) both in the mindset of the organisation and in practice in the field. Respondents were self critical and anxious to improve.

45. Irish Aid has set out specific plans to implement the Aid Effectiveness agenda. Achievement of the Paris Declaration Targets was a commitment of Ireland's 2006 White Paper on Overseas Development, and is explicitly incorporated in almost all its policy statements. In addition to the 56 PD commitments and 12 indicators, Irish Aid also developed a "Plan of Action to Implement Commitments under the Accra Agenda for Action" (October 2009) covering the following dimensions;

- Country Ownership and Capacity Development
- Use of Country Systems
- Division of Labour
- Global Funds
- Civil Society
- Fragile States
- Delivering and Accounting for Results
- Mutual Accountability
- Conditionality
- Predictability of Aid

46. The plan identified key tasks, implementation targets and allocated departmental responsibilities. The plan is now being used by Irish Aid to account for its performance. Irish Aid has progressively improved the coherence of its policies and strategies.

47. It is clear that aid effectiveness in general and the PD & AAA in particular are key principles guiding support to sectors (for instance Education and Health where alignment, harmonisation and a focus on results are made explicit), and countries. Policy documentation is scrutinised, and where appropriate has been revised, to ensure consistency with the PD/AAA commitments.

48. Irish Aid's other targets are in conformity with its Paris Declaration commitments. Paris is seen as a means to get more effective and efficient development outcomes to the poorest. The White Paper and Hunger Task Force Report (two key policy documents) do not conflict with this approach and, indeed, reinforce it by giving substance and direction to what is a process or a means to an end.

### *Assessing Capacities*

**49. Current capacity is sufficient for the implementation of the aid effectiveness agenda within Irish Aid, but risks relating to staff capabilities need to be managed.**

50. Dedicated resources are devoted to implementing Paris and Accra. A Policy Planning and Effectiveness (PPE) section is responsible for ensuring Paris and Accra commitments are translated into policies and action.

51. The Policy Planning and Effectiveness section is responsible for a corporate Action Plan that implements the Accra Agenda for Action. The PPE section supports the country planning process, comments on all country plans while they are being prepared, and makes recommendations where appropriate to ensure consistency with the Paris Declaration and Accra Agenda for Action. It provides training or staff on aid effectiveness themes such as managing for results and guidance on planning and review procedure and practice. It is also responsible

for ensuring that central policies are consistent with the AE principles. PPE supports the Minister of State for Overseas Development and the Director General on this agenda.

52. Irish Aid seeks to develop its policies and approaches collaboratively at DAC, the EU, in the UN, in informal groups of like-minded development partners. Irish Aid provides a permissive environment for programming innovations. There are no policy constraints whatsoever on Irish Aid harmonising its policies with others. Nor are there any policy constraints on aligning Irish funding with partner government activities, the use of a mix of funding modalities, the use of partner procurement systems, combining Irish funds with those of other donors or providing funds through partner budgets (either for specific sectors or in the general budget). Respondents note that limitations on alignment or harmonisation are usually based on concerns relating to quality of systems and partner's implementation capacity.

53. The collaborative approach to policy development is also a characteristic of the internal working of Irish Aid. Almost all personnel are on first name terms and there is an openness between staff of different ranks that contributes to overall effectiveness. The relatively flat organisational structure facilitates meeting Paris Declaration commitments, with mutually beneficial contact between HQ and practical implementation on the ground. However, across the wider government, the Inter Departmental Committee on Development has done some work on policy coherence but more could be done to address more difficult strategic issues relating to agriculture, trade, migration etc.

54. Irish Aid has redrafted policy and internal guidance in order to enable more complete implementation of the PD, such as modifying its own planning cycles to increase predictability and, where possible, synchronising disbursements with partners' budget cycles.

### **Planning & Reporting**

**Country Strategy Papers** are drawn up for each country programme on a five yearly basis. These marry corporate and local priorities, and are drafted by Embassies, with considerable input from headquarters and other divisions within the Department of Foreign Affairs. HQ oversight includes ensuring country strategies are fully consistent with Paris Declaration and Accra Agenda for Action commitments. CSPs are subject to a **Mid Term Review** which may result in adjustments to the plans.

**Annual Business Plans** set out what each Embassy (including the aid programme) and HQ section will achieve for the year ahead. These must be consistent with corporate and local strategic priorities. There is scrutiny of these plans by PPE and by the Strategy and Performance Unit of the DFA.

Annual Business Plans are now supported by **Results Frameworks for country programmes** which identify outputs and outcomes, and responsibilities.

There are **quarterly and annual reports** against the business plans produced by Embassies

The Policy Planning and Effectiveness section produces a **consolidated Business Plan for Irish Aid** annually, derived from country and sectional business plans, and co-ordinates a **6 monthly report** on progress and the results achieved.

A performance management development system is in place which requires all staff to set out their key deliverables in **Role Profiles** which are then used to monitor performance. **These** are developed annually in consultation with line managers and must clearly set out how they will support section/country business plans. Staff must undergo annual assessments of performance against the role profiles.

55. Strategic plans, business planning and role profiles facilitate Irish Aid institutionalising the Paris Declaration. Country Strategy Papers must include a section on aid effectiveness, and are now giving more priority to managing for development results.

56. There is no additional monitoring of adherence to Paris and Accra Commitments beyond the DAC monitoring cycle. Staff note that more emphasis is placed on ensuring plans are consistent with aid effectiveness principles than reviewing reports to identify how well Irish Aid is doing. However, management systems are under constant review and are being refined.

57. Overall, little or no performance data is being routinely captured across the programme. This is a key deficit. There is no management information system in place that can collate and report on overall performance in an easily accessible way. It is not possible, therefore, to compare the performance of different delivery channels across the programme (for instance between multilateral, bilateral and CSO channels). Plans are in place to use the results frameworks to improve data collection. However, some respondents were concerned that results frameworks may tend to be over-complicated and unwieldy.

58. Staffing practices are generally supportive of improving aid delivery. There is a high level of operational delegation to country offices, and expected staff competencies (while not fully formalised) include the ability to maintain effective and close relationships with partners and peers, lead local co-ordination efforts and ensure a results focus. Respondents note that there has been a rebalancing of skills since Paris and Accra, with more emphasis in the case of development experts on what might be seen as diplomatic skills (leadership, chairing, advocacy, brokering and drafting) in addition to technical expertise. This emphasis could be further strengthened. Staff report the link between the business plan of a unit and the role profile of an individual may not be as explicit as it could be, but is improving.

59. Prior to overseas posting, staff undergo a programme of preparation which includes orientation to the local environment, as well as receiving any appropriate development training (on either skills or knowledge) they request. This investment bears fruit, albeit it still takes time for staff to develop the contacts and confidence in post to be fully effective in country. Embassies often assign roles and responsibilities for Paris Declaration implementation through the role profile process. Job descriptions do not, as a matter of course, directly refer to the Paris Declaration and Accra commitments, but reflect business plan priorities. However, many are consistent with the commitments.

60. Irish Aid places a strong emphasis on ensuring financial accountability. It has invested considerable resources in having auditors in each Embassy in programme countries and feels it has a comparative advantage in this area. The auditors are often used as a resource for other development partners and partner governments. The skill sets of the auditors are being reframed towards expertise in Public Financial Management processes and in the new aid modalities in which Irish Aid is working (budget and sector support). However, there remains a strong compliance focus.

61. Support is being given by Irish Aid to strengthen country systems in Public Financial Management and, for instance, to Auditor General Offices in a number of partner countries. However, there is a deficit in Public Financial Management expertise at corporate level to help country offices plan and manage budget support arrangements.

62. While general staff resources are adequate at present, there are immediate risks to advancing aid effectiveness. One of the strengths of Ireland's development aid programme has

been its ability to mix diplomatic and development expertise. The removal of Irish Aid to Limerick means that the diplomats, who would expect to rotate in and out of Irish Aid posts over the course of their careers, now have two headquarter locations: one in Dublin with the wider Department and one in Limerick with Irish Aid. Without the incentive of promotion (which was sufficient in the past to entice newly promoted diplomatic staff to do a tour of duty in Limerick) it is apparent that diplomatic staff will opt to return to home posts in Dublin. This will provide them with some certainty in terms of housing, partners' employment and children's schooling. As there is no certainty for diplomats that future home postings would be in Irish Aid in Limerick, and as career prospects tend to favour those who have wider foreign policy experience, a home posting with Irish Aid in Limerick is not attractive. In addition, those who in the first years of the move to Limerick opted to retain their homes in Dublin and commute to Limerick either daily or weekly report significant financial disadvantage.

63. Decentralisation to Limerick also resulted in many new members of staff entering Irish Aid from elsewhere in the civil service with little or no development experience. This resulted in a (temporary) drop in capacity to implement the aid effectiveness agenda linked to the new staff's lack of relevant overseas experience.

### *Assessing Incentives*

64. **There are strong cultural, political and operational incentives for Irish Aid to deliver on its aid effectiveness commitments, but external challenge from civil society could be stronger.**

65. The Paris Declaration and Accra Agenda for Action priorities are seen as means to advance Irish foreign policy, which is strongly about partnership, respect for Human Rights and building harmonised multilateral action. Ireland has no legacy of being a colonial power and strongly supports an international order governed by common rules. While remaining outside military alliances, Ireland participates actively in United Nations mandated peacekeeping missions. Ireland is a committed member of the European Union and contributes actively to the development of economic and trade policies, a range of which are formulated at EU level. Indeed, as a former colony that has experienced both famine and conflict, the country has a long history of identifying with the development objectives of partners. This perspective was reinforced by a strong missionary tradition dating back to the 19<sup>th</sup> Century which identified with the poorest of the poor in developing countries. Ministers, officials and representatives of civil society all reflect that this history has created a deep prior commitment to the principles of partnership working in development, and to multilateralism. These in turn have enabled Ireland to readily adopt the Paris Declaration and Accra Agenda for Action principles.

66. There are specifically strong political incentives for Irish Aid to deliver on its aid effectiveness commitments. These are driven by the Minister of State for Overseas Development, the Minister of Foreign Affairs, and key Parliamentarians such as the Leas Cheann Comhairle (Deputy Speaker) of the Dáil (the lower house). The members of the Oireachtas (Parliament) who sit on the Joint Foreign Affairs Committee are also important. Both the Minister of State and the Leas Cheann Comhairle attended the Accra High Level forum, are highly knowledgeable and actively engaged in the aid effectiveness agenda. Senior management in Irish Aid seek to ensure that such strong political support is maintained.

67. However, understanding could be further deepened among the wider members of the Oireachtas. Similarly, public messages on development from domestic Civil Society Organisations appear at times overly simplistic, sometimes giving the impression that all aid is delivered through small projects. Messages from the Department of Foreign Affairs can also give the same impression. There has been little public discussion to date of what makes better aid.

68. The lack of strong and wide ranging external domestic drivers for improving how aid is delivered constrains the potential of Irish Aid to progress even further. It may also undermine the sustainability of the gains made to date. The language or ‘jargon’ relating to aid effectiveness may be a barrier also. However, this does not explain sufficiently the lack of informed engagement by those outside Irish Aid who might be expected to provide the domestic incentives to improve how aid is delivered. Notably, Ireland’s academic community is less engaged with aid effectiveness issues than are their peers in neighbouring countries.

69. Irish Aid is responsive to external assessments of its performance on aid effectiveness. The OECD/DAC peer review process and the monitoring of the Paris Declaration are important in creating momentum for the adoption and implementation of the aid effectiveness agenda.

70. Respondents note that Irish Aid is also responsive to partners, who it consults carefully on policy. However, they also reflect that the extent to which the agenda can be advanced depends on both peer organisations in country and recipient governments. Respondents note that in trying to put aid effectiveness into practice Irish Aid finds itself on occasions being inhibited by other donors and government partners. For instance, some peers are less willing to harmonise while some government partners often have a vested interest in pursuing projects.

71. There are the (not unexpected) tensions between promoting a country-led approach and meeting Irish Aid’s corporate priorities, specifically in relation to fiduciary risk. However, this is not seen as a major problem and Irish Aid uses the language of mutual accountability to frame discussions over fiduciary risk. Irish Aid seeks to engage partners in discussions where there are possible disagreements on policy priorities, but does not impose its priorities.

72. Similarly, there is no undue pressure on country offices regarding specific aid modalities. In practice Irish Aid’s approach in country is to spread risk using a mix of modalities, while acknowledging that budget support is the preferred approach where possible.

73. The audit function is a key mechanism for accountability within Irish Aid, both at HQ and at country level. There are mixed views from within Irish Aid whether the operation of the Audit Committee and current audit practice enables a coherent approach to Irish Aid achieving aid effectiveness principles. Many respondents noted the current institutional emphasis on audit as compliance with financial procedures. Whilst this is an essential function, it was noted that audit can also be used to assess effectiveness and value for money. It would be helpful to the process of strengthening aid effectiveness if the approach to audit throughout the organisation balances concerns for value for money and effectiveness with financial compliance.

74. Staff are given guidance and encouraged to develop their abilities on aid effectiveness by senior staff and internal experts. Training has been provided, led by the Policy Planning and Effectiveness Section. Significant investment has taken place in staff training on Managing for Development Results and a Community of Practice on this has now been established. In



addition, sessions on aid effectiveness have been included in the Heads of Mission/Heads of Development meetings, meetings of advisors etc.

## **Additional Issues**

### ***Co-ordination***

**75. Irish aid's policy and practice is to work in a highly collaborative way, both operationally and in the development of policy.**

76. Irish Aid has already achieved its Monitoring Survey targets for Co-ordinated Capacity Development (indicator 4), Use of Programme-Based Approaches (9) and undertaking co-ordinated missions and analytical work (10 - see table 5 above). It has a good track record in seeking to reduce its spread of activities.

77. While a small donor, Irish Aid provides small amounts of funding provided to many NGOs. Provision through NGOs is fragmented. Irish Aid also continues to fund around 30 UN agencies, as well as support a wide range of projects across the developing world. It appears there is scope for further rationalisation, especially at a time when resources are constrained.

78. Irish Aid respondents understand that more can be done to improve co-ordination of Civil Society/NGO and Emergency Humanitarian work. In particular, with almost 20% of the budget spent through CSO/NGO channels, this support needs to be provided in a more coherent manner with the rest of the bilateral programme. In some cases, funds are transferred to NGOs in country without the Irish Aid country office being informed. Equally, co-ordination of recipient NGOs in Ireland and in the programme countries could be improved. It will be noted that the current interaction with CSOs is significantly shaped by the historical relationships between the people of Ireland, the Government, overseas charities and missionary organisations. The long missionary and charity tradition in Ireland has resulted in fragmentation (respondents noted the trend for small NGOs based around individual philanthropists), narrow issue or location specific activities, and ability to access political decision-makers directly and internal informal institutional characteristics, all of which may work against a co-ordinated results-based approach.

79. Irish Aid is aware of these issues, and is taking steps to make delivery between the different channels more coherent. At the same time, the Irish Association of Non Governmental Development Organisations (Dochas) is also seeking to increase a focus on results and effective collaboration.

### ***Predictability of Funding***

**80. The predictability of funding has been hampered by the constraints placed on ODA as a result of the reduction in the Government-wide budget.** It is notable that in spite of these constraints, Irish Aid moved rapidly to inform its partners of the changes in the allocations, providing new budgets for any commitments, over as long a period as possible (up to three years). However, this is one of the two monitoring indicators that Irish Aid is not achieving (64% against a target of 81%). Staff within Irish Aid comment that there are data issues for this indicator that have been discussed with the DAC secretariat, notably related to the quality of data management in Zambia and flows of funds through a World Bank Trust Fund in

Vietnam, both of which resulted in Irish Aid's scores being misrepresentative (see paras 33-35 above).

81. Ireland has always sought to minimise conditionality. Most agreements are now jointly negotiated with other donors and government partners on signature of any Memoranda of Understanding. Few if any of the MoU seek to apply conditions beyond ensuring probity in the use of funds.

### *Transaction Costs*

82. **While it appears transaction costs have reduced, there is no definitive data on the costs of implementing the aid effectiveness agenda.** However, respondents in the country offices were clear that the move away from project approaches (notably area-based programmes) and from the widespread use of technical advisors has significantly reduced transaction costs over the last decade. They note however that harmonised working (in particular the move to pooled funding and budget support) imposes transaction costs especially in the set-up stage. Where systems are established these transaction costs are sometimes reduced. In other contexts, where systems are still being established or there have been issues relating to implementation, such costs remain high. Respondents note the need to manage priorities, for instance there is a pull between attendance at coordination and dialogue meetings in the capital and travelling to districts to test development outcomes and service delivery at grass roots level. However, this information can only be anecdotal as no monitoring of this has taken place.

### *Policy Coherence*

83. **Policy Coherence needs to be strengthened.** There is recognition of the need to improve policy coherence across government in interventions concerning trade, agriculture, climate change, food security, environment and defence. There have also been efforts to advocate for system-wide coherence within the United Nations as a means by which the UN will more effectively assist partner governments to achieve the Millennium Development Goals. This is in line with the Paris Principles. Ireland has also played a lead role in the European Union and within the OECD/DAC in pursuing the aid effectiveness agenda.

## Key Conclusions, Lessons and Recommendations

### *Key Conclusions and Lessons*

84. **Ireland is a very good performer on the Paris Declaration and Accra Agenda for Action.** Commitment, leadership and incentives to further aid effectiveness principles are strong. Staff ownership, knowledge and skills are generally high. The culture of management and working in the department reinforces behaviours that are consistent with aid effectiveness. There is a high level of operational delegation to missions, a small and cohesive network of staff who have ready access to each other throughout the organisation, and a tradition of partnership working both with recipients and other bilateral donors. There is a strong commitment to multilateralism. Where there is room for improvement (such as increasing the focus on results), Irish Aid is aware and in the process of strengthening its management systems and skills.

85. However, while there is sufficient capacity to implement most of the agenda at present, this needs to be preserved. Irish Aid is operating under constraints imposed by the impact of the global economic crisis on Ireland, and by the decision to move the headquarters of Irish Aid to Limerick.

86. The increased scrutiny of the aid budget, while a challenge, is also an opportunity to strengthen adherence to aid effectiveness principles.

87. Outside Irish Aid, the case for aid in general, and aid effectiveness in particular, needs to continue to be made. Key constituencies outside Irish Aid do not know what makes better aid, nor do they know the progressive role that Ireland plays globally. The low level of familiarity of the public, CSOs, the media and third level educational institutions pose a risk to Irish Aid advancing the aid effectiveness agenda.

88. With 20 per cent of Irish Aid funding supporting CSOs, more needs to be done to ensure that this significant amount of taxpayers' money is held to account to a similar level that other public monies are and that this sector can demonstrate results.

## *Recommendations*

### **Irish Aid Senior Management**

1. **Maintain the leadership that Ireland has assumed in furthering aid effectiveness at country and multilateral level.**
  - The Policy Planning and Effectiveness section of Irish Aid should provide comment and feedback on annual reports (against business plan targets) from all sections and missions dealing with aid effectiveness and system-wide coherence.
  - Policy Planning and Effectiveness section of Irish Aid should provide a concise annual report to the Senior Management Group on progress, challenges and opportunities to improve aid effectiveness by Irish Aid.
  
2. **Develop more systematic dialogue within the Department of Foreign Affairs and across Irish Aid on the implementation of the Paris Declaration and Accra Agenda principles.**
  - Deepen the understanding and commitment across the Department of Foreign Affairs that more effective aid supports Ireland's broader foreign policy objectives. This includes more consistent engagement on aid effectiveness and system-wide coherence by relevant divisions and missions, such as those dealing with the EU and UN.
  - Maintain the current policy commitment and resources dedicated to achieve Paris Declaration and Accra Agenda for Action commitments within Irish Aid.
  - The Department of Foreign Affairs should continue its work to strengthen policy coherence for foreign policy/development across government departments (Finance, Agriculture Fisheries and Food, Enterprise Trade and Innovation, Justice and Law Reform and Defence).
  - Extend the length of each overseas posting to four years to enable staff to remain longer in that country and facilitate them to take leadership roles among peers and with partner governments.
  - Include within pre-posting training modules on system-wide coherence and building skills for aid co-ordination and negotiation in complex environments.
  
3. **Continue to make results management, impact assessment and monitoring, and evaluation and audit more robust.**
  - Ensure there is sufficient management information, particularly on performance, to make judgements on the comparative effectiveness of aid across the programme.
  - Use management information on performance and effectiveness more systematically to make decisions on allocations across the programme. This will include making decisions on funding between multilateral, bilateral and CSO channels.

- Consider how to use performance criteria to inform allocations between programme countries and the different CSOs and multilateral agencies funded by Irish Aid.
- Avoid the danger that results frameworks become too complicated to be useful.
- Ensure that all elements of the programme are subject to equal scrutiny, notably applying the same focus on results and accountability.
- Ensure that Audit Committee deepens its practical experience and expert knowledge of Public Financial Management in a developing country context.

### **Senior and Middle Management - Irish Aid and Embassies**

#### **4. Continue to strengthen management practices in accordance with Paris Declaration and AAA principles.**

- Locally recruited staff play a critical role in delivering the Irish Aid programme. The Paris Principles imply a flatter way of working and less hierarchy. Given the freeze on posts in the Irish Civil Service the role of local staff could be enhanced by delegating more responsibility to them and increasing their skills. This could be a criterion on which Heads of Mission and Heads of Cooperation are assessed.
- Managers in Irish Aid should ensure that aid effectiveness behaviours are included in staff role profiles and assessments, in addition to sectional business plans. Where competencies are used for recruitment or promotion, they should also be informed by the behaviours expected under the Paris Declaration and Accra Agenda for Action.
- Induction programmes for staff new to Irish Aid should continue to include a module on aid effectiveness. Case studies of how the Paris Principles and the Accra Agenda for Action have worked to advance aid effectiveness at programme country level could be included. A mentoring system for new staff should be established that explicitly seeks to transfer knowledge of how to operate according to best practice.
- Irish Aid does not have enough dedicated staff who are experts on Public Financial Management in a developing country context. None exist at HQ. Staff's skills where they exist are those of audit, rather than the wider range of skills needed to fully understand, and engage with, country financial systems. This is a key deficit, and needs to be rectified.
- Budget constraints provide an opportunity to rationalise and refocus the programme. This means reducing the spread of programme activities.

### **Department of Foreign Affairs Senior Management**

#### **5. The strategy for engagement of the Department of Foreign Affairs with the public on international development should continue to evolve.**

- The Department needs to enable the public, civil society organisations, academics and politicians to understand better how Ireland is delivering aid according to best practice.
- Targeted approaches should be used, delivering different messages to different audiences, using different channels of delivery.

- The Department of Foreign Affairs' public diplomacy strategy needs to fully integrate Irish Aid objectives.
6. **The Department of Foreign Affairs needs to ensure that Irish Aid remains attractive to all staff employed in the Department (diplomats, general service staff and development specialists).**
- The challenges posed to the quality of the aid programme by the move of Irish Aid's Headquarters away from the headquarters of the main Department to Limerick need to be carefully managed.

**END**

## Annex A: The Evaluation Framework

EVALUATION FRAMEWORK				
	Policy	Performance Management & Systems	Programming & Spending	Staffing
<b>Commitment &amp; Leadership</b>	<p><b>What is Ireland's overall level commitment to PD implementation?</b></p> <ul style="list-style-type: none"> <li>- How are the five main Paris principles reflected in policies?</li> <li>- How do the PD commitments relate to other policies and government objectives?</li> <li>- How are the PD principles reflected in policies on:               <ul style="list-style-type: none"> <li>• conditionality;</li> <li>• aid modalities;</li> <li>• fiduciary risk management;</li> <li>• fragile states;</li> <li>• multilateral vs. bilateral assistance;</li> <li>• Institutional Strategies.</li> </ul> </li> <li>- What is Ireland's commitment to promoting the AE agenda globally?</li> </ul>	<p><b>How are the PD commitments reflected in management systems and procedures?</b></p> <ul style="list-style-type: none"> <li>- To what extent are PD commitments reflected in the Directorate's performance management processes.</li> <li>- Are there processes underway to improve the alignment of procedures and systems with the PD?</li> <li>- Does Irish Aid's organisational culture and management style facilitate PD implementation?</li> </ul>	<p><b>How are the PD commitments reflected in Irish Aid's policies on programming and spending?</b></p> <ul style="list-style-type: none"> <li>- What targets has Irish Aid set itself to align its programming to its PD commitments (e.g., on PBAs)?</li> <li>- Does Irish Aid offer a permissive environment for programming innovations?</li> <li>- How do Irish Aid's policies on aid modalities relate to its PD commitments?</li> <li>- How does the scaling-up of aid affect corporate priorities?</li> <li>-</li> </ul>	<p><b>How are the PD commitments reflected in staffing policies?</b></p> <ul style="list-style-type: none"> <li>- How are the behaviours implicit in the PD incorporated into staff competencies?</li> <li>- Do job descriptions demonstrate a commitment to PD implementation?</li> <li>- Are current staffing policies conducive to country leadership and effective partnerships?</li> </ul>

EVALUATION FRAMEWORK				
	Policy	Performance Management & Systems	Programming & Spending	Staffing
Capacity	<p><b>What level of policy capacity does Irish Aid have on aid effectiveness?</b></p> <ul style="list-style-type: none"> <li>- What resources does Irish Aid devote to policy development on AE?</li> <li>- Who are the main drivers of AE policy within the Irish Government? What is their role and influence? Who takes the decisions?</li> <li>- To what extent are its policies and approaches developed collaboratively with others?</li> <li>- What are the constraints on Irish Aid harmonising its policies with others?</li> </ul>	<p><b>How does Irish Aid ensure it has the institutional capacity to implement the PD?</b></p> <ul style="list-style-type: none"> <li>- How does the organisational structure, including level of decentralisation and delegation, facilitate meeting PD commitments? If not, what hinders it?</li> <li>- Does Irish Aid have the staff resources in-country to implement its PD commitments? What are effects of current headcount constraints?</li> <li>- Do Irish Aid's other targets affect its capacity to meet its PD commitments?</li> <li>- What systems are in place to measure progress against the PD commitments?</li> <li>- What examples exist of corrective action to improve the achievement of PD commitments?</li> </ul>	<p><b>What changes to programming and spending can be attributed to the PD principles?</b></p> <ul style="list-style-type: none"> <li>- How have priorities changed?</li> <li>- What proportion of Irish Aid spending is <ul style="list-style-type: none"> <li>• aligned with national development strategies?</li> <li>• delivered through country systems?</li> </ul> </li> <li>- How predictable is Irish Aid's assistance? Is it able to be reflected on national budgets?</li> <li>- Has there been a change in the nature of conditionalities following Accra?</li> <li>- How does Irish Aid's approach to budget support, SWAps and PBAs reflect its understanding of the PD commitments?</li> <li>- Is Irish Aid investing sufficiently in the development of country capacity and systems for ODA management?</li> <li>- Is there any evidence that the PD has improved overall cost effectiveness, improved rationalisation and reduced duplication of effort?</li> </ul>	<p><b>Does Irish Aid have the human resources to meet its PD commitments?</b></p> <ul style="list-style-type: none"> <li>- Is the current and planned staffing profile adequate for achieving PD targets, at HQ and in country?</li> <li>- How do COs assign roles and responsibilities for PD implementation?</li> <li>- Do staff have an adequate understanding of PD principles?</li> <li>- Do staff have an adequate understanding of the operational implications of AE/PD working?</li> <li>- Do recruitment and training programmes take into account the skill sets needed for PD implementation?</li> <li>- Has the skill profile changed as a result of the PD?</li> <li>- What are the implications of an increasing commitment to fragile states?</li> </ul>



**EVALUATION FRAMEWORK**

	<b>Policy</b>	<b>Performance Management &amp; Systems</b>	<b>Programming &amp; Spending</b>	<b>Staffing</b>
<b>Incentives</b>	<p><b>What external factors influence Ireland’s policies on AE?</b></p> <ul style="list-style-type: none"> <li>- What level of political commitment is there in the Republic to improving aid practices?</li> <li>- How is the Directorate/DFA externally accountable for its AE policy?</li> <li>- How is the Paris Declaration acknowledged by the Oireachtas and by civil society?</li> <li>- How responsive is the Government to different voices on aid policy, particularly from the South and civil society?</li> <li>- Are there conflicts with other governmental institutions and political/administrative systems, and if so, has anything been done to resolve these?</li> </ul>	<p><b>How does Irish Aid ensure that country offices have an incentive to implement the PD?</b></p> <ul style="list-style-type: none"> <li>- Do country offices have an incentive to monitor their own performance against the PD?</li> <li>- How are they held accountable for PD performance by senior management?</li> <li>- Are country offices able to absorb the transaction costs involved in harmonisation and alignment?</li> <li>- Does Irish Aid have the incentives to work in effective partnership with partner countries and other donors?</li> <li>- Do country offices face tensions between promoting a country-led approach and meeting IRISH AID’s corporate priorities?</li> <li>- Are there tensions between mutual accountability at country level, and vertical accountability within Irish Aid</li> <li>- What are the incentives and inhibitors for use of country systems and phasing out parallel delivery structures?</li> <li>- Do partner countries, other donors or civil society perceive any difference between rhetoric and reality in the way Aid approaches its PD commitments?</li> </ul>	<p><b>How do programming approaches affect incentives to implement the PD?</b></p> <ul style="list-style-type: none"> <li>- What are the pressures on country offices regarding aid modalities, and how do they influence PD implementation?</li> <li>- Do country offices respect country leadership and preferences?</li> <li>- How does the PD affect the transaction costs of aid delivery?</li> <li>- How does scaling up affect the incentives of country offices towards the PD?</li> <li>- How do Irish Aid’s rules on fiduciary risk affect incentives on use of country systems?</li> </ul>	<p><b>Do staff have the incentives and guidance to work according to the PD principles?</b></p> <ul style="list-style-type: none"> <li>- Does performance assessment and promotion reflect the PD principles? Are good performers rewarded?</li> <li>- How does Irish Aid’s institutional culture relate to the PD principles? Does it promote good partnership working over individual staff profile?</li> <li>- Have specific instructions, guidelines operational directives and evaluation criteria been disseminated to staff to enable them to implement the PD?</li> <li>- What are the</li> <li>- Do staff have the scope and support to take on innovative practices (e.g., shared offices or joint country strategies)?</li> <li>- Do staff working in fragile states have the incentives to prioritise the Principles for Good Engagement in Fragile States and Situations?</li> <li>-</li> </ul>

## Annex B: The Full Monitoring Survey

Indicators	Definitions	All countries 2007	Indicator values			Average country ratio (for reference)			Illustrative 2010 Targets	
			2005	2007		2005	2007			
			33 countries	33 countries	All countries	33 countries	33 countries	All countries		
3	Aid flows are aligned on national priorities	Aid for government sector in budget (USD m)	81	54%	45%	45%	--	--	--	85%
		Aid disbursed for government sector (USD m)	189							
4	Strengthen capacity by co-ordinated support	Coordinated Technical co-operation (USD m)	12	52%	97%	97%	47%	99%	99%	Target of 50% achieved
		Technical co-operation (USD m)	12							
5a	Use of country public financial management systems	Use of PFM systems (USD m)	149	89%	79%	79%	90%	86%	85%	Relative to Indicator 2a
		Aid disbursed for government sector (USD m)	189							
5b	Use of country procurement systems	Use of procurement systems (USD m)	167	96%	88%	88%	95%	86%	91%	Relative to Indicator 2b
		Aid disbursed for government sector (USD m)	189							
6	Avoid parallel implementation structures	Number of parallel PIUs	0	5	0	0	1.0	0.0	0.0	2
		Number of countries	7							
7	Aid is more predictable	Aid recorded as disbursed (USD m)	142	62%	64%	64%	--	--	--	81%
		Aid scheduled for disbursement (USD m)	206							
8	Aid is untied	Untied aid (USD m)	355	100%	100%	100%	100%	100%	100%	Target achieved
		Total bilateral aid (USD m)	355							
9	Use of common arrangements or procedures	Programme-based approaches (USD m)	186	67%	84%	79%	59%	81%	70%	66%
		Total aid disbursed (USD m)	237							
10a	Joint missions	Number of joint missions (number)	4	45%	36%	36%	--	--	--	Target of 40% achieved
		Total number of missions (number)	11							
10b	Joint country analytic work	Number of joint analyses (number)	18	57%	82%	82%	--	--	--	66%
		Total number of country analyses (number)	22							

2006 survey: Information in the table covers data reported in 5 countries out of 34 and reflects 60% of country programmed aid in 2005.

2008 survey: Information in the table covers data reported in 7 countries out of 55 and reflects 58% of country programmed aid in 2006.

**Annex C: Respondents**

<b>Name</b>	<b>Role</b>	<b>Affiliation</b>
Peter Power TD	Minister for Overseas Development	
Brendan Howlin TD	Deputy Speaker Oireachtas (Parliament)	
John Deasy TD	Chair	Subcommittee on Development of the Oireachtas (Parliament) Joint Committee on Foreign Affairs
Rory O'Hanlon TD	Committee member	Subcommittee on Development of the Oireachtas (Parliament) Joint Committee on Foreign Affairs
Dominic Hannigan (Senator)	Committee member	Subcommittee on Development of the Oireachtas (Parliament) Joint Committee on Foreign Affairs
David Cooney	Secretary General	Department of Foreign Affairs
Brendan Rogers	Director General/ Chair Reference Group	Irish Aid
Michael Gaffey	Deputy Director General	Irish Aid
William Carlos	Head Audit and Evaluation	Department of Foreign Affairs
Paul Walsh	Member of Evaluation Reference Group	Professor, University College Dublin
Liz Higgins	Director, Policy Performance and Effectiveness	Irish Aid
Fintan Farrelly	Audit and Evaluation	Irish Aid
Paul Serlock	Policy Planning and Effectiveness	Irish Aid
Kevin Colgan	Policy Planning and Effectiveness	Irish Aid
Brendan McGrath	Policy Planning and Effectiveness	Irish Aid
Áine Dooley	Policy Planning and Effectiveness	Irish Aid
Paula Nolan	Policy Planning and Effectiveness	Irish Aid
Damien Cole	Programme Countries	Irish Aid
Seán ó Donncha	Programme Countries	Irish Aid
Keith Gristock	Programme Countries	Irish Aid
Gráinne O'Neill	Programme Countries	Irish Aid
Sean McMahon	Programme Countries	Irish Aid
Feilim McLoughlin	Emergency and Humanitarian Assistance	Irish Aid
Nuala O'Brien	Emergency and Humanitarian Assistance	Irish Aid
Catherine Campbell	Multilateral and EU	Irish Aid
Carol Hannon	Multilateral and EU	Irish Aid
John O'Grady	Multilateral and EU	Irish Aid
George Heggarty	Multilateral and EU	Irish Aid
Gareth Graham	Multilateral and EU	Irish Aid
Austin Gormley	Public Information	Irish Aid
Danny Rowen	Public Information	Irish Aid
Carmel Madden	Public Information	Irish Aid
Máire Matthews	Public Information	Irish Aid
Fionnuala Quinlin	Public Information	Irish Aid
Seamus O'Grady	Audit	Irish Aid
Anne Barry	Audit	Irish Aid

<b>Name</b>	<b>Role</b>	<b>Affiliation</b>
Elisa Cavacece	re induction/training	Irish Aid
Patrick McManus	re induction/training	Irish Aid
Ben Siddle	re induction/training	Irish Aid
Fionnuala Gilsean	Civil Society	Irish Aid
Dick Daly	Civil Society	Irish Aid
Orla Condrón	Civil Society	Irish Aid
Sara Cooney	Civil Society	Irish Aid
Alison Milton	Civil Society	Irish Aid
Máire Matthews	Public Information	Irish Aid
Sean Hoy	Thematic Sectors/Special Programmes	Irish Aid
Fiona Penollar	Thematic Sectors/Special Programmes	Irish Aid
Fiona Quinn	Thematic Sectors/Special Programmes	Irish Aid
Vincent O'Neill	Head of Cooperation Embassy of Ireland, Lilongwe, Malawi /Member of the Evaluation Reference Group	Irish Aid
John Histon	Corporate Services	Department Foreign Affairs
Marie Cross	Assistant Secretary/Head Strategy Section	Department Foreign Affairs
Brendan Ward	Counsellor, Deputy Strategy Section	Department Foreign Affairs
Barrie Robinson	Assistant Secretary/Head of Corporate Services	Department Foreign Affairs
Noel Kilkenny	Counsellor, Deputy Corporate Services	Department Foreign Affairs
Colleen Wainwright	Head of Cooperation	Embassy of Ireland, Addis Ababba, Ethiopia
Philippa Haden	Food and Livelihood Security Programme Manager	Embassy of Ireland, Addis Ababba, Ethiopia
Bizuwork Ketete	Senior Governance Advisor	Embassy of Ireland, Addis Ababba, Ethiopia
Hiwot Mebrate	Social Development Advisor (Protection of Basic Services)	Embassy of Ireland, Addis Ababba, Ethiopia
Takele Geressu	Senior Health Advisor	Embassy of Ireland, Addis Ababba, Ethiopia
Ayuba Sani	Social Development Advisor (Productive Safety Nets)	Embassy of Ireland, Addis Ababba, Ethiopia
Leulseged Asfaw	Agriculture and Rural Development Advisor	Embassy of Ireland, Addis Ababba, Ethiopia
Haimanot Mirtneh	Social Development Advisor (Gender)	Embassy of Ireland, Addis Ababba, Ethiopia
Tony Cotter	Ambassador	Embassy of Ireland, Lusaka, Zambia
Gerry Cunningham	Head of Cooperation	Embassy of Ireland, Lusaka, Zambia
Fionnuala Callanan	Second Secretary	Embassy of Ireland, Lusaka, Zambia
Maura Lennon	Goal	Civil Society Organisation
David Dalton	Plan Ireland	Civil Society Organisation
Alix Tiernan	Christian Aid	Civil Society Organisation
Hans Zomer	Dócas	Civil Society Organisation
Connell Foley	Concern	Civil Society Organisation
Olive Towey	Concern/Member of Evaluation Reference Group	Civil Society Organisation
Aidan Leavy	International Service	Civil Society Organisation
Mike Williams	Trócaire	Civil Society Organisation

<b>Name</b>	<b>Role</b>	<b>Affiliation</b>
Michael King	Author of report on coherence	Institute for International Integration Studies, Trinity College
Carol Hannon	Multilateral Section	Irish Aid
Sharon Murphy	Member of Interdepartmental Committee on Coordination	Department of Agriculture

## Annex D:

### Joint Evaluation of the Paris Declaration – Phase 2 Donor HQ Study – Irish Aid Terms of Reference – Version 19/02/2010

#### 1. Introduction and Background

1. The Paris Declaration expresses a broad international consensus developed in the 15 years that preceded 2005, stipulating that new partnership relationships and ways of working between developed countries and partner countries are essential if development results are to be assured, aid well spent and aid volumes maintained.

2. The Paris Declaration<sup>9</sup> was endorsed at the 2<sup>nd</sup> High Level Forum held in Paris in 2005 by 52 donors/agencies and partner countries and 30 other actors in the development cooperation field (United Nations and other multilateral agencies and non-governmental organizations). The Declaration consists of 56 “Partnership Commitments”, and aims to strengthen “partnerships” between donor countries and countries receiving aid (partner countries) in order to make aid more effective and to maximize development results.

3. The requirement for monitoring and independent evaluations was built into the original Declaration and reinforced in the Accra Agenda for Action in 2008.<sup>10</sup> The first phase of the Evaluation<sup>11</sup> ran from March 2007 to September 2008 and aimed at providing information on the “HOWs and WHYs” of the early implementation process of the Paris Declaration, looking at inputs and early outputs. It was designed to deliver practical lessons and help take stock of implementation performance at the 3<sup>rd</sup> High Level Forum on Aid Effectiveness held in Accra, Ghana in September 2008. Monitoring Surveys were carried out in 2005 and 2007, covering 34 and 55 countries respectively. Eleven Donor/Agency HQ studies were carried out as part of the Phase 1 evaluation and these contributed to “Deepen[ing] our understanding of the lessons emerging from the Paris Declaration Baseline Survey” as one of the key objectives.

4. The second phase of the Evaluation will run from the 3<sup>rd</sup> High Level Forum in 2008 up to the 4<sup>th</sup> High Level Forum in Korea in 2011. This second phase will emphasize outcomes and results and offer answers to the critical policy question of whether the intended long-term effects of the Paris Declaration are being achieved or advanced. The evaluation is expected to analyze results in context, taking into account preconditions or enabling conditions that may lead to or inhibit positive development results supported by aid.

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<sup>9</sup> The full Declaration can be found at: <http://www.oecd.org/dataoecd/11/41/34428351.pdf> and the Accra Agenda for Action at <http://www.oecd.org/dataoecd/58/16/41202012.pdf>

<sup>10</sup> The Evaluations complement the monitoring of the implementation of the Paris Declaration, undertaken through the Cluster D of the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) Working Party on Aid Effectiveness “Assessing Progress on Implementing the Paris Declaration and the Accra Agenda for Action.”

<sup>11</sup> Wood, B; D. Kabell; F. Sagasti; N. Muwanga; Synthesis Report on the First Phase of the Evaluation of the Implementation of the Paris Declaration, Copenhagen, July 2008. The report can be found at: [http://www.diiis.dk/graphics/Subweb/paris\\_evaluation\\_web/index.htm](http://www.diiis.dk/graphics/Subweb/paris_evaluation_web/index.htm)

5. To supplement the Country Evaluations and the Monitoring Survey, a series of 11 Donor HQ studies were carried out in Phase 1. An anticipated 7 new studies, including this one on Irish Aid, will be undertaken in Phase 2,

### **Purpose of the Phase 2 Evaluation**

6. The purpose of the Irish Aid HQ Study is to learn the lessons from Ireland's experience of implementing its Paris Declaration commitments and to share them with others in order to contribute to increased aid effectiveness and to facilitate more efficient overall implementation of the Paris Declaration. The study will make specific recommendations to Irish Aid and to the global aid community for improving aid effectiveness.

### **Objectives of the Evaluation**

7. The objectives of the evaluation are

- To enable Irish Aid to document, improve and strengthen policies and practice consistent with the Paris Declaration in pursuit of aid effectiveness and development effectiveness.
- To highlight barriers and difficulties that may have limited the implementation of the Paris Declaration and its effects and impacts – and ways that these barriers and difficulties may be overcome.
- To enable sharing and exchange of experience with other stakeholders, countries and partnerships so as to facilitate reflection, lesson-learning and policy improvement.

### **Evaluation Scope**

8. Since the endorsement of the Paris Declaration in March 2005, most agencies have made major efforts to implement the Paris Declaration within their organizations and communicate its importance to their staff. However, as the Evaluation of Phase 1 showed, these corporate commitments are not always matched by practices. Three explanatory dimensions – “enabling conditions” – that are key to shaping donor/ agency behaviour were examined during Phase 1:

- a) Commitment to the Declaration principles,
- b) Capacity to implement it, and
- c) Incentives to do so.

These three dimensions continue to constitute the main focus and scope of the Donor/Agency HQ Studies in Phase 2 (See Annex 1 for further definition of the three dimensions). For this second phase, a number of additional dimensions relating to Donor Paris Declaration commitments have been identified and are reflected in the evaluation questions outlined in paragraphs 12-14 below.

## Evaluation Questions

### 9. Assessing commitment and leadership

- Has the implementation of the Paris Declaration affected Ireland's priority-setting for development cooperation? Have the roles of HQ/field offices been adapted to the aid effectiveness agenda? How or if not, why not?
- How is the Paris Declaration owned at HQ level (e.g. what strategic directions are given to staff by top management)? How is the Paris Declaration acknowledged by the Oireachtas and by civil society? Are there potential conflicts with other governmental institutions and political/administrative systems, and if so, has anything been done to resolve these?
- Is Irish Aid staff content that they are fulfilling their Paris Declaration commitments, including implementation of the DAC Principles for Good Engagement in Fragile States? (Explain possible concerns and reasons for these.) Are there concerns linked to the relevance and coherence of the Paris Declaration commitments and indicators? Are there ways in which these might be overcome?

### 10. Assessing capacity

- What is the level of staff knowledge and understanding about aid effectiveness and its operational implications, particularly in the field?
- Have specific instructions, guidelines, operational directives and evaluation criteria been disseminated to staff to stimulate implementation of the Paris Declaration implementation plan? Are the levels and skills of staff available to implement appropriate and adequate?
- How is delegated authority structured, and why? Have there been any changes to procedures to meet Paris Declaration commitments? Is Irish Aid sufficiently decentralized (staff, resources, delegation of authority) to address field-based aid management in line with the Paris Declaration?

### 11. Assessing incentives

- Are there specific incentives provided e.g. for recruitment, placement, performance assessment, promotion and training – for management and staff to comply with the Paris Declaration objectives of ownership, harmonization, alignment, results orientation and mutual accountability?
- Are there any perceived disincentives, in respect of other Irish Aid priorities (e.g. excessive pressures for disbursement)?

### ***New additional questions***

12. The Country Evaluations ask questions that can be “mirrored” on the donor/agency side, so as to enhance the depth of the Phase 2 evaluation as evidence is provided from both levels. In order to be consistent with country level methodology, it is proposed to examine at Donor HQ level a number of intended outcomes identified in the Paris Declaration. Seven of the 11 intended outcomes relate specifically to donor/agency actions and the following questions are proposed:



## Better Coordination

- Has the Paris Declaration resulted in less duplication of efforts and rationalized, more cost effective activities? It would in particular be relevant to look at Division of Labour and at the Monitoring Survey indicators 4, 9 and 10.
- Can more collaborative behaviour and reformed and simplified policies and procedures be observed?
- Has the Paris Declaration influenced Irish Aid's approach to funding Civil Society/NGOs and Emergency Humanitarian Assistance?

## Predictable Funding

- To what extent has Irish Aid provided more predictable and multi-year commitments on aid flows? Has there been a change in the nature of conditionalities following Accra? Monitoring Survey indicator 7 provides some information.

## HQ/Field Management Arrangements

- Is the level of delegation to field staff adequate to ensure effective aid administration? What prevents further delegation?

## Transaction Costs

- What effects has the implementation of the Declaration had on the respective burdens of aid management falling on partner countries and donors/agencies, relative to the changing volumes and quality of aid and of the aid partnership itself? Are these effects likely to be transitional or long term?

13. Specific analysis should be made on **policy coherence**. This should answer the following key questions:

- What is the range and sphere of direct influence of the Paris Declaration on government policies with implications for developing countries? (Aid and other policies such as policies affecting trade, climate change, global food security, environment, migration, security etc.) What have been the trends since 2005?
- Who are the key actors in Ireland who can take major decisions affecting aid, including decisions on priorities, activities, programmes and projects? What influence do the Paris Declaration and Accra Agenda for Action commitments have on them, in relation to their priorities and incentives?
- What are the most important national and international events that have affected the implementation of the Paris Declaration and Accra priorities, and how?

## 14. Other issues requiring clarification

- What is the main problem facing Irish Aid in fulfilling the Paris Declaration commitment to Managing for Development Results?

- What arrangements or mechanisms for Mutual Accountability have been in place and how well are they working? (See Phase 1 Synthesis Report for orientation.)

In addition to addressing the evaluation questions, for background purposes the study should provide basic factual information on the following in relation to Irish Aid:

- Staff
- Budget
- Geographic spread of programme
- Multi/bilateral share, share provided to vertical funds, and aid modalities (project, programme, budget support, TA etc.)

Furthermore, the organizational structure should be described, including the degree of de/centralization and the performance management system, along with existing Action Plans or policies and guidelines that are Paris Declaration related. To the extent possible, the evaluators should draw on existing reports such as annual reports, the latest Development Assistance Committee (DAC) Peer Review, and the Monitoring Survey to access this information.

## 15. Methodology

A documentation review should be undertaken to gather evidence relating to the three main themes of the evaluation, i.e. commitment, capacity and incentives. Documentation to be reviewed may include Irish Aid's key policy documents, programming documents for major areas of expenditure e.g. Country Strategic Plans, strategic plans and proposals submitted by MAPs partners etc. An inception report of about 10 pages should then be prepared briefly summarising the evidence emerging from the documentation review, identifying gaps in available evidence and identifying key issues to be addressed by the full evaluation team. The inception report should also contain in annexes, outline questionnaires to be used in carrying out structured interviews and focus group discussions. The external consultant will be solely responsible for this first phase of the evaluation.

The second phase of the evaluation will involve the whole evaluation team who will meet the Minister of State, possibly members of the Foreign Affairs Committee and key people in senior management at HQ. Focus group discussions will be held with a selection of sections and by video conference with a number of Embassy offices. The external consultant will coordinate preparation of a draft report which will be submitted to Irish Aid for comment prior to its finalisation.

## 16. Outputs

The outputs of the assignment are as follows:

- Following the documentation review, an Inception Report of about 10 pages as described above should summarise key issues on which additional evidence will be collected during the evaluation visit to HQ and set out a

refined work plan for the remainder of the assignment. The external consultant will be solely responsible for the Inception Report.

- A final report (maximum 40 pages, excluding appendices) that will include findings, analyses, key lessons and recommendations. This final report will also outline key challenges and emerging opportunities for Irish Aid. A proposed structure for this report is contained in the Generic TORs for HQ Evaluations produced by the Secretariat.

The final report should demonstrate familiarity with the OECD-DAC *Evaluation Quality Standards* and be written to a high standard, ready for publication.

## 17. Evaluation Team and Selection Criteria

Expertise Required: The evaluation team will comprise;

- One external consultant who will be the principle evaluator and team leader and will be responsible for the compilation of all reports. If bidders feel that the use of a research assistant might be cost-effective, they should feel free to include that in their proposal.
- Two internal participants, one from the field and one from HQ.

The external consultant will be expected to have wide experience of international development, familiarity with the Paris Declaration, the Accra Agenda for Action and the aid effectiveness agenda in general, significant evaluation experience and preferably some familiarity with Irish Aid. The consultant will be responsible for the overall management of the assignment and the production of the final report and thus should have experience in managing multi-disciplinary teams, producing high quality reports and working to demanding deadlines.

External consultants interested in leading the evaluation should submit a 2 – 4 page proposal outlining their experience in relation to the requirements mentioned in the previous paragraph together with an up-to-date CV. The proposal should address

- (a) His/her understanding of the ToRs
- (b) How s/he plans to approach the assignment, i.e. the proposed methodology
- (c) Indicative timetable for completion of the assignment
- (d) On a separate page, his/her cost proposal.

The external consultant will be selected according to the following criteria:

- Proposed methodology and planning of the assignment (including understanding of TOR) (25%)
- Experience in evaluation (25%)
- Knowledge of the international development context and of the Paris Declaration and Accra Agenda for Action (20%)
- Some familiarity with Irish Aid (10%)
- Value for Money (20%)

## 18. Timeframe

The evaluation will ideally commence before the middle of April 2010, with the HQ visit completed in May, 2010. A maximum of 30 consultant days are available for this assignment. The exact timing of the assignment will be agreed with the consultant after appointment.

## 19. Management Arrangements

The evaluation will be managed by the Evaluation & Audit Unit of Irish Aid. One of the Unit's staff will act as the Evaluation Coordinator and will be supported by a Reference Group. The Evaluation Coordinator will be responsible for initiating, facilitating and managing the HQ Study as well as for providing feedback to the Reference Group. The E&A Unit will work in conjunction with the PD Evaluation Phase 2 Core Evaluation Team (operating in a backstopping role) and the Evaluation Secretariat to ensure timely completion of the evaluation and to assist in the preparation of the synthesis work.

## **Further Definition of the three Concepts Commitment and Leadership, Capacities and Incentives**

1. The three concepts were explained to some extent in the ToR for Phase 1. However, in the absence of clear and authoritative definitions, differences in understanding and interpretation of the concepts were identified as a weakness of Phase 1. In order to address this, and to build on the considerable intellectual investment made by some of the 11 donors/agencies in clarifying the concepts, the present ToR is providing the following guidance to understanding and applying the concepts, drawn from good practices in the Phase 1 studies:

### ***Commitment and Leadership***

2. Identified as key enabling factors in the Monitoring Survey and in Phase 1 of the evaluation, donor/agency commitment and leadership can be analyzed from several angles. A useful option used in some of the Phase 1 reports (see for example France<sup>12</sup>) is to address it at two levels, focusing on internal and external factors:

- Internal factors will depend on the specific agency context, but include for example impetus from the political level, strategic/policy influence, and operational implications.
- External factors include peer pressure, European Union (EU) Code of Conduct (for some), impetus or constraining factors from civil society, inter alia.

### ***Capacities***

3. The German report introduces the useful distinction between institutional and systemic capacity<sup>13</sup>. The former lends itself to classic organizational analysis (see also Finland's report<sup>14</sup>), while the latter is based more on systems thinking and highlights the factors that support or constrain the implementation of the Paris Declaration Principles:

- Institutional capacity (such as information, knowledge, resources, training, procedures and guidance, institutional set-up including decentralization).
- Systemic capacity, i.e. factors that extend beyond the individual organization or organizations that are responsible for the donor country's aid programme (such as for example the status of an organization or the fact that a large number of agencies are involved).

### ***Incentives and Disincentives***

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<sup>12</sup> Evaluation de la mise en œuvre de la Déclaration de Paris par la France, Rapport Final – Version révisée

<sup>13</sup> The Paris Declaration: Evaluation of the Implementation of the Paris Declaration: Case Study of Germany, [http://www.diis.dk/graphics/Subweb/paris\\_evaluation\\_web/files/pdf/original/BMZ-Ev032e\\_print\\_0508.pdf](http://www.diis.dk/graphics/Subweb/paris_evaluation_web/files/pdf/original/BMZ-Ev032e_print_0508.pdf), page 56

<sup>14</sup> Evaluation of the Paris Declaration, the case of Finland, page 15

4. This dimension can be understood at different levels and a range of different analytical perspectives are used in the Phase 1 reports. Several reports (the Dutch, Danish and New Zealand reports, for example) address incentives at the level of individual staff and at agency level. These and the UK report all raise the strong linkage with the agency's performance management system and results culture. The New Zealand report also includes political incentives, at the level of government. As many countries are increasingly thinking of development assistance as a policy coherence issue, i.e. a "whole of government" concern, and in view of the evaluation's formative nature, more information and evidence on this dimension would be useful and consistent with the Country Evaluations' focus on aid context.

5. It is therefore proposed to address incentives at three levels:

- At individual level: career, agency's performance management system, professional satisfaction/personal commitment, peer pressure;
- At agency level: domestic political pressure, international peer pressure, performance/disbursement obligations, resources, visibility, culture;
- At level of government: political incentives and policy coherence.