

## RESPONSE

### Introduction

ElectricAid welcomes the opportunity to contribute to the review of the White Paper on Irish Aid. This submission is intended as a supplement to Dóchas' *Submission to the Review of the White Paper on Irish Aid*.

ElectricAid is a social justice fund of ESB and Eirgrid staff and pensioners, receiving the majority of its funding through voluntary payroll deductions. We raised a total of €2.104 million in 2011, and funded 164 development projects in 45 different countries.

ElectricAid firmly believe that every effort should be made by Irish Aid to strive towards achieving the Millennium Development Goals, particularly within their geographical area of focus, and these targets should remain their core focus.

Concomitantly, the White Paper needs to project a multi-year schedule outlining annual targets for Overseas Development Aid (ODA) that has the 0.7% target of GNI by 2015 as the committed objective.

### Progress Made

As discussed in the Dóchas submission, Irish Aid need to publish the criteria used in allocating funds between aid modalities, geographic selection and choice of expenditure areas that are targeted for cuts to the ODA budget. Such explicit criteria can in turn influence the guiding principles for Irish organisations working in development, ensuring a more cohesive delivery of aid and, in turn, providing a framework for more measurable evaluation for the impact of aid.

Employment-based, payroll deduction organisations regularly partially fund projects run by larger Irish NGOs and Irish Aid directly. Clearly defined and explicit criteria on development decisions by Irish Aid would provide a greater transparency for the members of employment-based organisations - a significant section of the people of Ireland. Most of the development organisations modelled on payroll deduction are based in relatively large private corporations or financial institutions, semi-state organisations and within the civil service, forming an important sector of the Irish population and scope for promoting public awareness on global development issues.

Members are kept informed on funds and projects funded, empowering them to play a more active role in development issues.

### Changing Context

In the current challenging climate of increased economic hardship, levels of funding are decreasing and are likely to continue to do so.

Irish people who continue to have employment and the means to contribute to development are a key group to Irish Aid and other organisations. Recently, Irish Aid has struggled to fully fund projects and looked to organisations such as ElectricAid to meet the deficit.

Recent suggestions from the Department of Finance may reduce the levels of returns on taxable charitable donations to employment-based organisations. This will result in an effective cut in funding. This can be avoided by leaving the old system in place concurrently with the new, demonstrating a true cross-governmental approach to Irish Aid and policy. Such potential diminished returns on member contributions will result in one thing, a reduction in available funds for co-funding that is unnecessary, avoidable and contradictory to the stated White Paper “principles of partnership, public ownership and transparency, effectiveness, coherence, and long-term sustainability”.

The Dóchas submission highlights the need “to support new and innovative approaches” as well as the need for truly environmentally sustainable development. Organisations like ElectricAid offer a wealth of knowledge and expertise on certain technologies relevant to the sector in which they are employed, e.g. home heating and lighting, solar technologies. Supporting innovation in the power sector is more feasible for ElectricAid as the ability to assess risk within projects and advice on mitigation against it is present within the organisation.

## **Key Issues**

As stated by Dóchas, the overall framework and clarity for Ireland’s development program needs strengthening, translating principles in to clearly defined operational plans. This would enable Irish development organisations to adopt a framework linked with Ireland’s program for development, strengthening focus on policies, regions and communities selected by published and defined criteria. The focus of employment-based organisations is commonly on smaller micro-projects aimed at community ownership of their own development. How the objectives of such projects fit in the broader development goals of the country’s government, Irish Aid and bilateral/multilateral programmes needs to be understood better through evaluation against clearly defined and measurable indicators published by Irish Aid.

Consequently, organisations would be enabled to report to members against a common set of criteria, informing them to a level that enables them in turn to input critically with Ireland’s development program.

## **Ways of Working**

The levels of funding available in the Civil Society Fund have decreased significantly in recent years, from €10 million four years ago to €2 million this year, resulting in only a third of projects receiving funding (partial or complete) in 2011. The criteria for such a harsh severance of funds need to be made clear. Empowering civil society in developing countries is a fundamental principle of the Paris

Declaration, signed by the Government of Ireland, and is recognised as an essential growth for both citizens and governments of developing nations. It enables citizens to participate in and influence the decisions that affect their lives, strengthening the accountability of duty-bearers.

Irish Aid must reiterate and strengthen the Civil Society Policy, bolstered with a multi-year framework for funding that brings capacity up to a stated percentage of ODA funding, based on clearly defined criteria.

The application process for receiving funds from the CSF is structured in such a way as to disadvantage employment-based NGOs. The governance requirements, while understandable in general, serve to weaken applications from employment-based NGOs whose professional background and financial management/control can be judged inadequate as development organisations per se. However, employment-based organisations hold the role of funder rather than implementer and in turn ensure that the NGOs they apply on behalf of fulfil the criteria for eligibility required in the CSF funding application procedure.

The unique position held by employment-based development NGOs in Ireland needs to be fully recognised and strengthened. Their scope of influence within Irish society is considerable, serving as a channel for development education and providing a platform for citizens to become involved in and influence development, strengthening the linkages between local activities and global development issues.