

Nature of views: On behalf of an organisation



Date: 24th April 2012

Re: White Paper Submission by the Irish League of Credit Unions Foundation

ILCUF welcomes this opportunity to contribute to the review of the White Paper on Irish Aid. Three areas that the Foundation recommends for additional consideration in the White Paper include 1) poorly functioning markets, 2) Ireland's role (including the private sector) in providing technical assistance to developing economies and 3) the importance of aid predictability and lessons learning.

The Foundation's work is exclusively focused on developing and strengthening credit unions and savings and credit cooperatives. ILCUF provides financial and technical assistance to towards a strengthened credit union movement to allow access to financial services and in turn improve the livelihoods of credit union members, their families and communities. ILCUF currently works in five African countries and is sharing success and lessons learned from the Irish credit union movement with national and regional credit union movements. The credit union movement is built on the values of self-help, co-operation, volunteerism, not-for-profit and services to members. The credit union and cooperative sector in developing countries reaches the poor and marginalised in society, benefiting individuals based on a sustainable, member owned business model providing a lasting solution to addressing poverty and leaving a legacy for future generations.

1. Provide more comprehensive assessment of 'Key Issues' by adding 'Poorly Functioning Markets'

The Consultation Paper for the Review of the White Paper of Irish Aid sets out the key issues in section 5.1 / p. 12 (hunger, fragility, climate change etc.) and asks whether there are other key issues. ILCUF recommends that to complete this set of key issues that that 'poorly functioning markets' are included in this list. A vibrant local economy is a prerequisite for achieving the Millennium Development Goals on a sustainable basis. This key issue is included in the strategic priorities set by multilateral organisations. The EU's Revised Cotonou Agreement (2007 – 2013), which is the EU's strategy for the African, Pacific and Caribbean countries, stresses the importance of economic development; the UN's International Fund for Agricultural Development (IFAD) in its fourth Strategic Framework (2011 – 2015) highlights the importance of value chain development and economic development in rural areas; and the World Bank's strategy document 'Africa and the World Bank's Support to It' (2011) proposes two key pillars for development, the first centring on competitiveness and employment.

Recommended changes are as follows:

- i. Elaborating the question (p. 12): '*How should the Government respond to the key issues of hunger, fragility, climate change, basic needs, governance and human rights, and gender equality?*' to '*How should the Government respond to the key issues of hunger, fragility, climate change, basic needs, poorly functioning markets, governance and human rights, and gender equality?*' (addition underlined).
- ii. Amending point 5.6: '*Efforts to address fragility and climate change, improve basic services and social protection, enhance good governance and address gender inequalities are critical in tackling hunger.*' to: '*Efforts to address fragility and climate change, local economic development, to improve basic services and social protection, enhance good governance and address gender inequalities are critical in tackling hunger.*' (addition underlined)

Acknowledging the issue of economic development will make the analysis by the White Paper more holistic while also bringing in what is a critical and core issue for people living in situations of under-development.

2. Highlight Ireland's Role in Providing Technical Assistance for Developing Economies

In ILCUF's 30 year history, a recurrent message from our partners has been that the technical assistance has been more valuable than the financial assistance. Sustainable institutions, competitive companies and effective governments require professionalism and expertise to achieve their aims. Trends such as increased donor coordination, the channelling of funds through line ministries (budget support) and calls for greater effectiveness and accountability present an opportunity for Irish NGOs and private sector companies to re-configure their relationship with both multilateral organisations and national governments whereby they can provide technical expertise and professional mentoring either individually or in a consortium as appropriate. There is scope for Irish Aid to encourage – and perhaps contribute to - this approach by promoting channels for providing expertise.

Multilateral organisations work at levels within countries (e.g. government, policy, private sector development etc.) which require technical expertise such that this approach could be directed at developing a relationship between multilaterals and Irish NGOs and private companies. Wording to promote such leveraging could be added to 6.27 so that the revised version could read '*The multilateral organisations supported by Irish Aid play a significant role in international development -promoting human rights, leading coordination at country level, and advancing thematic issues such as gender equality, good governance, and sustainable development. Irish Aid supports the provision of technical expertise and professional mentoring to development actors – both in the government and private sector - through multilateral organisations supplied by Irish NGOs and companies*'

This approach would elevate the role of Ireland in the international development sector and Irish Aid's reputation with multilateral organisations. It would compliment and draw on the grassroots approach of many Irish development actors and help to advance the voice of the very poor into higher echelons of national development. There already exists keen interest in leading companies to provide their expertise, volunteering, for example, has moved in this direction. Given the economic climate, the Irish public would welcome the promotion of Irish expertise as a synergistically beneficial export.

3. Highlight aid predictability & lesson learning for aid effectiveness

Irish Aid NGO financing should seek to ensure long term (5 year plus) to NGOs, in particular NGOs that are building economic capacity in developing countries. Often the need is not for large levels of financing but rather for the assurance of long term commitments so that organisations can maintain long term commitment to project countries. Irish Aid also needs to place a stronger emphasis on the importance of lesson learning across its work and ensure lessons learned are shared across countries and supported projects, and are ultimately used to inform planning. Furthermore, funding to civil society organisations should be based on CSOs ensuring they are results focused and showcase lessons learned within their projects.

It is recommended that point 6.3 is amended by adding the underlined addition below: *There is now a greater focus on delivering sustainable results for the poor, and strengthened accountability between governments and their citizens for these results. Longer programme cycles or benchmarked longer term commitments to development initiatives will provide for more solid and foundational organisational development leading to stronger and more stable development. Longer time-frames will also provide a more realistic opportunity for attaining measurable impact, and for generating and disseminating learning.*

ILCUF's experience has been that organisational development does not fit tight donor cycles and can take many years. However, in a number of countries where ILCUF has provided long term support, the organisations that it has helped to grow have become strong, independent, sound national movements. Abrupt interruptions to programme cycles can result in staff turnover, organisational turmoil and can undermine progress. Longer term programming will promote more grounded learning which will help to improve aid effectiveness and enhance the role of Ireland in delivering technical expertise, and influencing global and national architecture for development.