

REVIEW OF WHITE PAPER ON IRISH AID

B Response

I would like to make just two comments under the Key Issues section of the review

1. Hunger Focus

I fully endorse the current focus on Hunger, and believe this focus needs to be maintained, and if possible even strengthened.

In support of this, and within the Hunger agenda, I would continue to emphasise the special focus on Nutrition, but stressing

- that we should not look on action against undernutrition as a non recoverable 'cost', but rather as an investment in human capital that benefits everyone.
- that such an investment has been shown to bring about the single greatest economic return when compared with other development inputs.

The Economic argument

Among the pieces of evidence for the solid **economic** reasons why malnutrition should be addressed aggressively are:

(a) The Copenhagen Consensus 2008 - the work of eight of the most distinguished **economists** including 5 Nobel Laureates – who listed combating malnutrition as the single best development investment.

They came to this conclusion after considering investments across ten different areas, including global warming, education, disease control and trade.

They concluded that there are several low costs/quick wins. For example they calculated that the provision of Vitamin A and therapeutic zinc to some 11 million children under 2 would

- cost just \$60m per year
- bring benefits of over \$1bn

i.e. a return of 17:1 on the investment

(b) A study in 2007 by WFP and Economic Commission for Latin America and Caribbean (ECLAC) calculated that the economic impact of under nutrition in 6 central American countries represented a loss of annual GDP of between 2-11%.

(Approx 90% of the cost comes from the loss in productivity caused by higher prevalence of mortality as well as low levels of education.)

If one were to extrapolate an average loss of 6% in GDP across the 36 countries having the highest levels of malnutrition, this would translate into an economic **loss** of some **\$260 billion annually**. This in turn could be compared with the approx **\$ 10 billion annually** estimated (by World Bank) to be needed to address malnutrition globally (and the < **\$1billion** currently being spent) and we have an immediate and very tangible case for such an investment.

Hence reducing malnutrition is not just a **humanitarian** objective, but is very much a means to an end – that of reducing/eliminating poverty and under development.

It should therefore not simply be the concern of Ministers of Health or Ministers of Social Welfare. But it is (or should be) the concern of Ministers of Planning and Finance. It is in a very real sense the ‘sine qua non’ of development.

In turn, Ireland’s efforts in spreading the message of SUN and 1000days, hinges on our ability and success in convincing the wider development world of these simple facts.

Nutrition and Good Governance

A further very strong argument for our efforts in the Nutrition sector is the following:

Malnutrition rates are not only an objective measure of progress on development, able to reflect investment in several sectors, but also indicate whether the poorest families are being reached, and therefore whether an equitable development agenda is being pursued.

Hence the tackling of malnutrition has a direct impact on internal **governance**- the third main pillar of the report of the Irish Hunger Task Force (2008). Indeed it is well known that countries demonstrating good governance are more likely to attract both bilateral and multilateral donor support. Thus improvements in nutrition could potentially trigger greater economic support for the countries themselves.

2. Policy towards Africa

I believe the current policy as set out in the Sept 2011 publication ‘Ireland and Africa- Our partnership with a changing continent’ is in need of some review. (and in so far as the stated policy reflects that towards non African countries the comments below are I suggest equally valid)

In particular I note that in the document the primary, and indeed overriding focus is trade between Irish companies and Africa i.e. opportunities for such companies to 'benefit from' a developing and important African market.

And while strongly supporting such efforts in the context of better linking up our aid and trade efforts, I am concerned that the policy as stated appears very 'one directional'. There is little if anything on how we might assist African companies gain better access to Irish, European and indeed global markets. There is need therefore to focus not so much on 'what's in it for Ireland', as on 'what's in it for Africa'

There is an assumption throughout the document that 'all trade is good' and should be encouraged. This is not the case (any more than assuming that 'all aid is good').

There is no recognition that some trade with Africa might have any negative consequences for the people of Africa, and hence that such promotional endeavours need to be carefully and constantly assessed in that context.

One can immediately think of some significant trading, such as in arms and tobacco products where that assumption clearly needs to be questioned. And while I am not aware of any Irish companies in either sector, one might also think of trade in a few less high profile commodities such as milk powder, where controls within the importing country may not be adequate to protect against the well established dangers in its use. (ref WHO guidance)

Similarly when it comes to imports from Africa or other developing countries, our support must take account of the effects which this trade may be having on the people of the country. A strong endorsement or support from government of an exporting country may well hide the facts as to who are the gainers and who are the losers. For example the now flourishing flower export trade from Africa needs to be carefully assessed from this perspective, and also on the effect it is having on the environment in the producing area.

So I believe we should be looking more at, and helping to support

- efforts to promote trade within Africa, how to have barriers removed
- ways in which the benefits of trade can accrue especially to the poor within the country.

And finally but very importantly it continues to be important that we constantly review whether our (Ireland's) own policies and practices in several sectors are 'coherent' i.e. consistent with our objectives in the development area.

Kevin Farrell
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