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Irish Aid

An Roinn Gnóthaí Eachtracha agus Trádála
Department of Foreign Affairs and Trade

Department of Foreign Affairs and Trade

**Development Cooperation Division
Vote 27 - International Cooperation**

**The Public Accounts Committee
Examination of Appropriation Account
2012**

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ODA 2012 - Overview

In 2012, expenditure on Official Development Assistance (ODA) under Vote 27 amounted to €507 million. When ODA from other Government Departments and Ireland's share of the EU Development Budget is taken into consideration, total ODA for the year amounted to €628 million representing approximately 0.47% of Gross National Product (GNP).

Overview of Vote 27

The overall structure of the Vote and expenditure subheads with allocations and final outturn for 2012 is as follows. (2011 Outturn figures are provided for comparison purposes)

Figures in €000's

	2012 Estimate provision	2012 Outturn	2012 Saving on Estimate	2011 Outturn
A Working on poverty and hunger reduction				
A.1 Administration – pay	16,962	15,927	1,035	16,306
A.2 Administration - non pay				
Travel and subsistence	2,500	2,038	462	2,084
Training and development and incidental expenses	2,490	1,134	1,356	1,488
Postal and telecommunications services	1,835	1,527	308	1,563
Office equipment and external IT services	1,840	1,178	662	1,207
Office premises expenses	3,600	3,355	245	3,364
Consultancy services and value for money and policy reviews	1,400	588	812	1,092
Foreign representation and accommodation expenses	1,600	1,174	426	1,099
A.2 Total Administration Non pay	15,265	10,994	4,271	11,897
Total Administration	32,227	26,921	5,306	28,203
A.3 Payment to grant-in-aid fund for bilateral and other co-operation (grant-in-aid)	357,303	357,303		365,633
A.4 Emergency Humanitarian Assistance	51,000	51,000		50,997
A.5 Payments to international funds for the benefit of developing countries	34,000	33,999	1	34,354
A.6 Contributions to United Nations and other development agencies	39,500	39,498	2	39,500
Gross Vote	514,030	508,721	5,309	518,687
B Appropriation-in-aid	1,153	1,419	266	1,790
Net Expenditure	512,877	507,302	5,575	516,897

Overview of Administration Subheads

Overview

The administrative budget covers the costs of managing the development programme at Headquarters and in the Programme Countries.

In 2012 the total allocation to the administrative subheads amounted to €32.27 million – representing approximately 6% of the Vote allocation.

The final outturn was €26.9 million representing savings of €5.3 million across the administrative subheads

Approximately 50% of the administration budget is allocated to A1 - Salaries Wages and Allowance for HQ and field based staff. The remainder is allocated across the Non pay administration subheads, for the most part to cover the administration of key Partner Country Embassies and offices.

A1 Salaries and Wages

	2011	2012	2013
Allocation	17,057	16,962	15,822
Outturn	16,306	15,927	15,370

This subhead covers the following categories of expenditure:

- Salaries, wages and foreign service and other allowances
- Local staff at Vote 27 Embassies and Offices
- Medical Costs

All related salary and wages costs of HQ staff assigned to DCD and Vote 27 missions and offices are charged to this subhead.

Savings have been consistently delivered across the subhead in the three years period 2011 through to 2013 - expenditure has decreased by 6% in the same period. The budget allocation for 2014 is set at €14.859 million inter alia, reflecting the level of expected savings to be delivered under the Haddington Road Agreement of July 2013.

A2 (ii) Travel and Subsistence

Figures in €000's

	2011	2012	2013
Allocation	2,831	2,500	2,200
Outturn	2,084	2,038	2,171

This provision covers:

- Travel abroad from Ireland on business and on postings for Irish Aid staff
- Travel within Ireland, and in particular between Limerick and Dublin
- Travel by the Minister of State;
- Local travel by Mission Staff within Key Partner Countries;
- Authorised travel for home leave etc;
- Authorised travel by eligible children of officers serving in Programme Countries and
- Transfer of effects of officers and their families to/from postings in Programme Countries.

Expenditure under this subhead is strictly controlled and is subject to the detailed Departmental travel and subsistence guidelines.

A2 (iii) Incidental Expenses

Figures in €000's

	2011	2012	2013
Allocations	2,920	2,490	2,450
Outturn	1,488	1,134	1,432

This subhead covers the following expenditure areas

- Training and staff development
- Audit and professional fees
- Vehicle replacements and running costs
- Publications etc
- A management charge to Vote 28 for shared services
- Other incidental administration costs

The allocation for 2012 was reduced by almost 15% on the 2011 level - while expenditure fell by almost 20%. Strong savings continue to be delivered across all expenditure classification within this subhead.

A2 (iv) Postal and Telecommunication Services

Figures in €000's

	2011	2012	2013
Allocation	1,920	1,835	1,720
Outturn	1,563	1,526	1,324

This subhead covers the following expenditure areas:

- Costs of satellite links and communications with mission is Key Partner countries
- Telecommunication costs incurred at Key Partner Country level – land lines telephone, internet, mobile phones etc
- A recharge to Vote 28 to cover the costs associated with shared telecommunication services.

For 2012 the Department continued to achieve efficiencies on the telecommunication and datalink connections between HQ and the Vote 27 programme country missions.

A2 (v) Office Equipment Supplies and IT Related Services

Figures in €000's

	2011	2012	2013
Allocation	2,020	1,840	1,630
Outturn	1,207	1,178	1,139

Expenditure under this subhead included the following main areas of expenditure

- Maintenance and support to the Financial Management System
- Supplies of stationary for Vote Embassies and Offices
- Office equipment maintenance and purchases at Programme Country level
- Allocation from Vote 28 for central services used by the DCD at HQ and at mission level – mainly the computer infrastructure.

A2 (vi) Office Premises

Figures in €000's

	2011	2012	2013
Allocation	3,910	3,600	3,205
Outturn	3,365	3,354	2,838

This subhead covers the following expenses:

- Rental, repairs and maintenance of Vote 27 Embassies and Offices
- Capital expenditure on state owned premises

- Rental, repairs and maintenance on Head of Mission residences in Key Partner Countries

A2 (vii) Consultancy Services

Figures in €000's

	2011	2012	2013
Allocation	1,400	1,400	1,000
Outturn	1,092	588	423

Consultancy services are engaged where specialised knowledge and skills are not available within the Department and where independent appraisal, audit, monitoring and evaluation of programmes and projects is required. Given the overall scale, range and diversity of the Irish Aid programme, as well as the firm commitment to the highest quality, accountability and evaluation, it is necessary to complement the in-house capacity with specialised skills and advice. A key criterion in the selection of professional service providers is the extent to which they can provide value for money for the taxpayer.

The level of expenditure on consultancy services is constantly monitored to ensure that it does not exceed the level required for the proper management, oversight, monitoring, evaluation and audit of the aid programme.

A2 (vii) Foreign Representation and Accommodation Services

Figures in €000's

	2011	2012	2013
Allocation	1,485	1,600	1,600
Outturn	1,099	1,174	1,174

This subhead covers the in country costs of HQ posted staff mainly

- Rental costs of accommodation for HQ staff posted to missions
- Necessary school fees
- Representational Allowance

For 2012 rental and housing costs charged for HQ staff posted to Vote 27 missions totalled €794k, school fees amounted to €207k, while representation costs were €173k.

Overview of Programme Subheads

A3 Payment to Grant in Aid Fund for Bilateral aid and Other Cooperation

	2011	2012	2013
Allocation	365,633	357,303	337,903
Outturn	365,633	357,303	337,903

Funding under subhead A3 covers a wide range of bilateral aid and includes areas such as funding provided to Key Partner Countries, support to NGOs and Missionary Organisations, recovery assistance, payments to global funds and initiatives including support to Global HIV/AIDS, Development Education and Public Information.

In 2012 almost €176 million was allocated and delivered to the Key Partner Countries and South Africa. The Programme Countries are Lesotho, Tanzania, Zambia, Uganda, Mozambique, Ethiopia, Malawi, Timor Leste and Vietnam. The Mission to Timor Leste was closed in October 2012. In addition smaller bilateral programmes totalling €20.8 million were operated in countries such as Zimbabwe, Sierra Leone, Liberia, and the Palestinian Authority.

We engage in our Key Partner Countries mainly in sectoral based programmes at a national level in the key social sectors, primarily education and health. There is an ongoing focus on governance, democracy and respect for human rights and the promotion of gender and social equity in the countries we assist.

Ireland has a strong programme of collaboration with NGOs and the Civil Society sector. In 2012 grants were provided under various schemes in support of Civil Society emergency assistance, development and human rights activities. Irish Aid funding implemented by NGOs in 2012 amounted to well in excess of €100 million.

Under subhead A3 a number of budget lines are in place to manage 'global' or cross cutting initiatives. In 2012 more than €12 million was spent under the dedicated HIV/AIDS budget line. This is in addition to the funding provided under the Ireland – Clinton Foundation partnership for Mozambique and Lesotho. Funding of €7 million was allocated under the Global Health initiatives and €4.1 million for Global Education initiatives. In addition, significant funds were disbursed at programme country level and through the Civil Society support schemes to combat HIV/AIDS and other communicable diseases and through voluntary core support to the multilateral system including €3.0 million provided to UNAIDS.

€8.5 million was managed through the Global Hunger Initiatives budget line, established to support the implementation of the 2008 Hunger Task Force recommendations. As with expenditure under the cross cutting issue of HIV/AIDS, overall expenditure, in 2012, on hunger related initiatives across the bilateral aid programme was estimated to be approximately 20% of bilateral aid.

Support to other cross programme initiatives included €4 million provided for a number of miscellaneous budget lines including Governance, Environment and Gender.

€18 million was disbursed under subhead A3 for Recovery Assistance and €5 million to the Rapid Response Initiative. A further €5.0 million was disbursed under the Stability Fund budget line, which largely funds initiatives co-managed with Vote 28 such as in the area of conflict resolution.

A4 Emergency Humanitarian Assistance

	2011	2012	2013
Allocation	51,000	51,000	60,000
Outturn	50,997	51,000	59,979

Funding for emergency humanitarian assistance is provided for relief operations to alleviate the immediate effects of natural disasters, famine, drought or conflict related emergencies. The funding is channelled through Irish Non-Governmental organisations such as Concern, Trócaire and Goal and through international humanitarian agencies such as the United Nations High Commissioner for Refugees and the International Red Cross movement. Typically the funding is directed at refugees, displaced persons or other vulnerable groups. The 2012 expenditure to Emergency Humanitarian Assistance under Subhead A4 was €51 million.

A5 Payments to International Funds for the benefit of Developing Countries

	2011	2012	2013
Allocation	34,354	34,000	30,000
Outturn	34,354	33,999	30,000

Subhead A5 comprises payments to the European Union, and other International bodies. Funding is also provided to promote trade capacity building (Aid for Trade) for developing countries in the context of the World Trade Organisation's Doha Development Agenda and the EU Strategy on Aid for Trade. Payments to the European Development Fund (EDF) form the bulk of expenditure under this subhead.

A6 Contributions to the United Nations and Other Developing Agencies

€000	2011	2012	2013
Allocation	39,500	39,500	39,550
Outturn	39,500	39,498	39,550

Subhead A6 covers voluntary contributions to a broad range of UN agencies involved in development activities, including democracy-building and electoral reform, education and training, assistance to refugees, protection of human rights, combating HIV/AIDS, developing health systems and environmental protection. In 2012 as in previous years, the largest share of funding went to three UN bodies, UNDP, UNICEF and UNHCR, the policies and priority concerns of which are considered to

fit well with Ireland's and which have made a tangible contribution to the alleviation of poverty and suffering.

B Appropriations and Aid

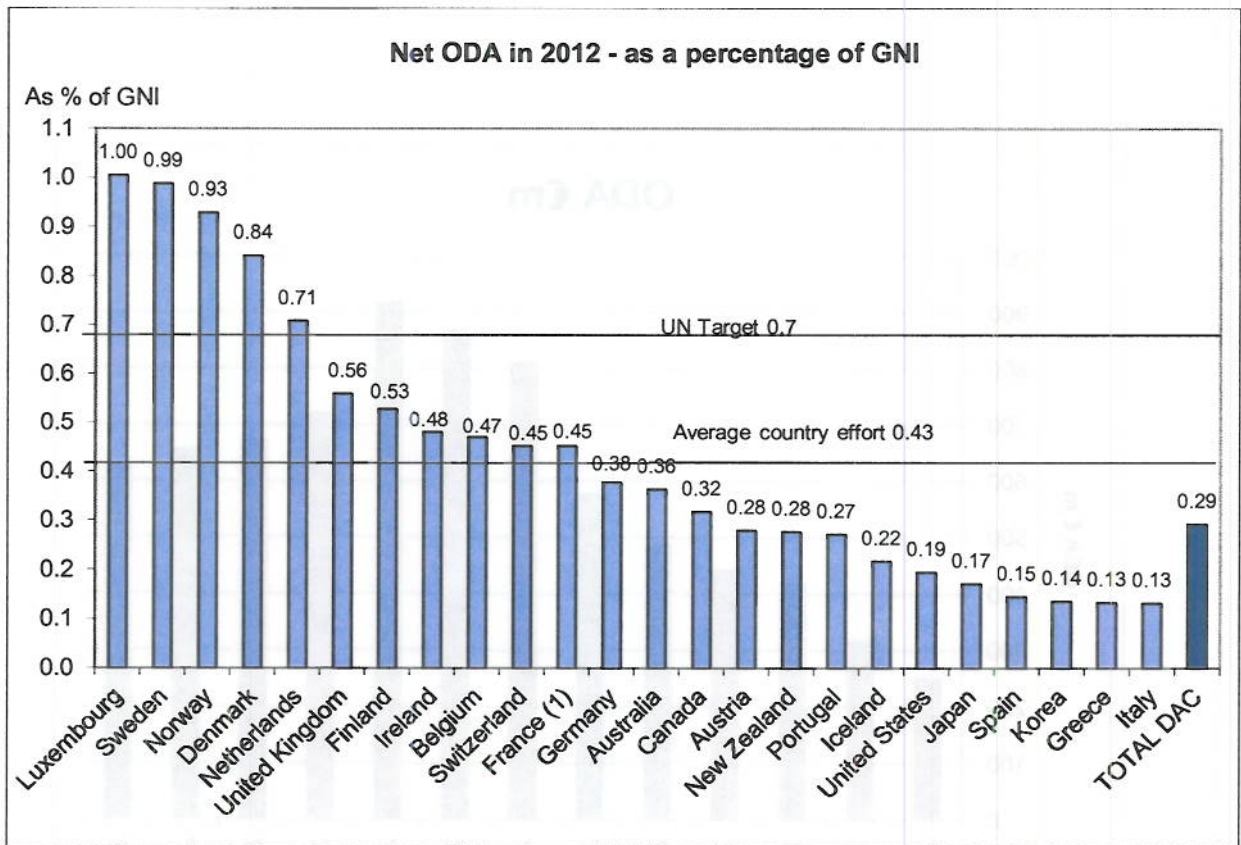
	2011	2012	2013
Allocation	1,153	1,153	1,150
Outturn	1,790	1,419	1,406

Receipts arise largely from activities in the Bilateral Aid Programme, tend to fluctuate from year to year and are, by their nature, difficult to predict in advance.

This subhead includes receipts for;

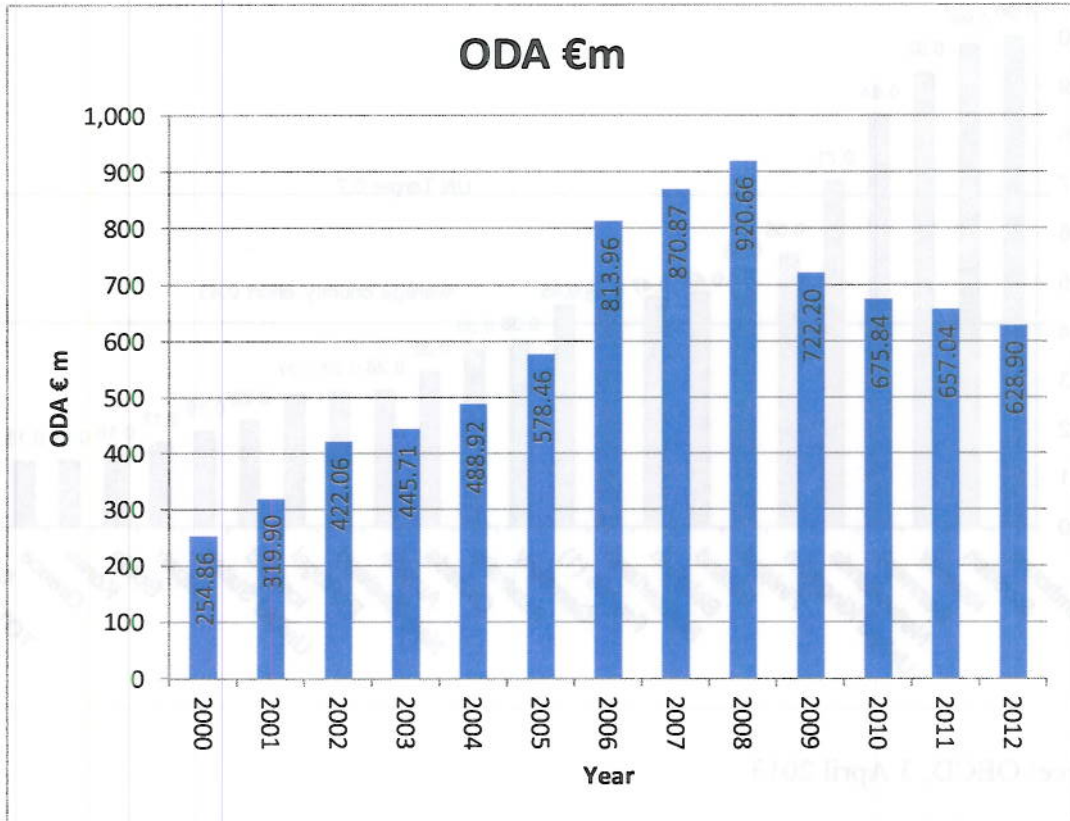
- Bank interest received;
- Vat refunds received by Irish Missions in key Partner Countries;
- Proceeds from the sale of fixed assets – primarily motor vehicles and
- Occasional refunds of Bilateral Aid project grants.

OECD DAC ODA Comparisons 2012



Source: OECD, 3 April 2013

ODA Volumes 2000 – 2012



ODA as a % of GNI 2000 - 2012

