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# REVIEW OF THE WHITE PAPER ON IRISH AID

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### SUMMARY

#### Overview

- Irish Aid has a deservedly very high reputation at the World Bank for the generosity of the continuing commitment of scarce resources to development assistance during a period of economic and financial difficulty in Ireland.
- The effectiveness of Irish Aid and the skill and expertise of their people are recognised and appreciated.
- Irish Aid's commitments to the poorest people and countries, to partnership and aid effectiveness and to addressing questions of hunger and food security are widely acknowledged.
- The World Bank particularly appreciates Irish Aid's continued support for critical Trust Funds and for the Irish Government's announcement in 2011 of the renewed commitment to IDA.
- In reviewing the White Paper, therefore, the Canada, Ireland and Caribbean Constituency at World Bank would be anxious to ensure that Irish Aid's achievements should be maintained and built on in looking to the future development of policies and programmes.

#### Relationship of Irish Aid with the World Bank

- Although in per capita terms, Ireland is a significant contributor to the World Bank, the consultation document does not address in substance the relationship between agencies delivering bilateral aid programmes and multilateral aid institutions - among which the World Bank has a leading role. In addition, Irish Aid, through the Canada, Ireland and Caribbean Constituency, contributes knowledge, observations and advice to the Board of the World Bank. In this regard the review of the White Paper should be seen as an opportunity to consider in a strategic manner the structural and systematic issues of bilateral and multilateral resourcing, to evaluate Irish Aid's engagement with the World Bank and to point towards how that relationship might evolve in the future.
- The World Bank is playing a leading role in cooperation with other Aid Agencies in implementing the commitments of the Paris Declaration on Aid Effectiveness in relation to: (1) **Country-led** development strategies; (2) **Donor alignment** with country and sector strategies; (3) **Harmonisation** of procedures and building capacity in country systems; (4) **Managing for results**, specifically measureable results in donor-supported activities; and (5) **Mutual accountability** by donors and countries for agreed development objectives. The World Bank is also recognized as a global convener on critical initiatives including the Busan partnership for effective development cooperation which concluded that openness, trust and mutual respect and learning lie at the core of effective partnerships in support of development goals, recognising the different and complementary roles of all actors. Again, the review of the White Paper might provide an opportunity to look strategically at how Irish Aid and the World Bank might deepen their engagement on these issues.

- The high focus on food and hunger in the consultation paper seems appropriate in the context of Irish Aid’s magnificent track record on this issue and also in light of the challenges this year in the Horn of Africa. In this regard the review might reference the World Bank Global Monitoring report 2012.

**Strategic Issues for consideration.**

- Ireland is a member of the same World Bank constituency as Canada and 11 English-speaking Caribbean countries. Accordingly, the review of the White Paper might consider how Irish Aid might contribute towards a deepening and strengthening of the relationship between countries in the Constituency. In particular, Irish Aid might consider whether there is a role for their activities in the Caribbean region. Most Caribbean countries are small island economies with geographic-economic similarities to Ireland and, in some cases, a shared history. On missions to the region and in consultations with country authorities during meetings in the World Bank (and the IMF) Ministers and senior officials have sought information on features of Ireland’s development model. As Irish Aid already provides supports to more than 80 countries, the review might consider whether support for our World Bank (and IMF) constituency colleagues might align with other objectives including climate change, whether in terms of funding or provision of expertise. In the context of scarce resources, it may be possible to explore whether Irish Aid could work in innovative ways with other State Agencies to provide support to Caribbean countries in a partnership approach rather than via direct funding. Consideration might also be given to opportunities for Irish Aid support for seconding experts or knowledge sharing as **alternative ways** of making a contribution.
- It is noted that **Trade** Policy is now a shared part of the responsibilities of the parent Department of Irish Aid. However, the references to trade in the consultation document are tentative (e.g. paragraph 6.17). In this context, the review Irish Aid may wish to consider the World Bank Trade Strategy which provides some areas of mutual interest in relation to trade and development.
- In addition, in the context of increased urbanization, a dynamic global environment where developing countries are now driving growth and the rising influence of the BRICs, the consultation on the White Paper might contemplate the implications of these changes for development aid in general and the realization of mutual interests in a partnership context. Many developing and middle income countries supported by World Bank programmes now provide significant business opportunities. While the consultation paper addresses the changing context, the review might consider a wider focus embracing knowledge sharing – particularly south-south - and an increased emphasis on disaster risk management, climate justice and transformations in the Middle East and North Africa as development challenges and as opportunities for increased engagement by the Irish private sector.

**The International Finance Corporation**

- In addition, the World Bank has an increasing commitment to private sector development through the International Finance Corporation (IFC). IFC fosters sustainable economic growth in developing countries by financing private sector investment, mobilizing capital in the international financial markets and providing advisory services to businesses and governments.
- IFC helps companies and financial institutions in emerging markets create jobs, generate tax revenues, improve corporate governance and environmental performance and contribute to their local communities. The goal is to improve lives, especially for the people who most need the benefits of growth. Ireland has been relatively under-represented In IFC activities and the review of the White

Paper should enable a more thorough examination of the options and benefits of a closer engagement at institution level and with the private sector in Ireland.

### **Trust Funds**

- In addition to financial contributions to the component organisations of the World Bank, Ireland contributes significant amounts to Trust Funds administered by the Bank for development activities. The main funds to receive funding from Irish Aid include *The Global Fund for AIDS, TB and Malaria; Education for All – Fast Track Initiative Catalytic Trust Fund; The Afghan Reconstruction Trust Fund (ARTF) The Global Agriculture and Food Programme Trust Fun; and The Comprehensive Africa Agriculture Development Programme*. The Irish Government also supported the Global Environment Facility which provides funding to developing countries to meet the agreed incremental costs of environmental targets.
- These Trust Funds add value as distinct aid-financing vehicles. However, the World Bank has been progressing a series of reforms of the structure and management of Trust Funds addressing issues of strategic alignment, integration with budget and business processes, cost recovery and efficiency and oversight. In this context – and given the significant commitment of resources – the review of the White Paper might consider the strategic issues arising for Trust Funds particularly in relation to proposed umbrella facilities (funding mechanisms linked to specific sectors/themes, to facilitate a more strategic and disciplined approach, to increase development effectiveness and operational efficiency), portfolio reviews and fund raising coordination and explore how Irish Aid’s engagement with Trust Funds might be enhanced.

### **Global Partnership on the Oceans**

- In February 2012, the President of the World Bank, Robert Zoellick announced the Global Partnership for Oceans at The Economist’s World Oceans Summit in Singapore. The partnership brings together a powerful coalition of governments, international organizations, civil society groups, and private sector interests to confront widely documented problems of over-fishing, marine degradation and habitat loss. The World Bank Group already has a substantial “oceans” portfolio, providing more than \$1 billion between 2007 and 2011. Many of those projects promote sustainable governance of marine fisheries, establishment of coastal and marine protected areas and integrated coastal zone management. The new partnership is intended to scale up workable solutions to ocean challenges and bring a renewed focus to oceans. It will bring science, advocacy, the private sector and international public institutions together to advance mutually agreed goals for healthy and productive oceans. Given Ireland’s island status and the work of the Marine Institute, it would be useful if the review could examine ways in which Irish Aid could link into and align with the World Bank’s Oceans strategy.

### **Agriculture**

- The *World Development Report 2008: Agriculture for Development* set out a scaled-up World Bank Group commitment to support the improvement of agriculture’s contribution to food security, raise the incomes of the poor, facilitate economic transformation and provide environmental services. The WDR built on previous themes found in *Reaching the Rural Poor*, the 2003 Agriculture and Rural Development Strategy. In implementing the strategy the World Bank Group now gives greater attention to increasing agricultural productivity, especially of poor smallholders, for greater progress

in rural poverty alleviation. In addition, there is greater differentiation in the mix of support across the three “country worlds” of agriculture (i.e. agriculture-based, transforming and urbanized). Finally, there is greater emphasis on the role of agriculture in providing environmental services, including agriculture in the context of climate change. The review of the White Paper should present an opportunity to examine the alignment Irish Aid programmes with the Bank’s approach drawing on areas of expertise within Ireland in the agricultural sector, including research and development and innovation.