

RESTORING IRISH OVERSEAS AID EXPENDITURE FOR A MORE JUST AND STABLE WORLD:

TRÓCAIRE SUBMISSION FOR BUDGET 2020



trócaire

SUBMISSION FOR BUDGET 2020 SUMMARY

Trócaire welcomed the publication of the Government's new policy on international development co-operation, "A Better World" in February 2019 which recommitted Ireland to reach 0.7% of GNI as official development assistance (ODA) by 2030 and focuses Ireland's aid programme on four main areas - gender equality, reducing humanitarian need, climate action and strengthening governance.¹

Despite global development gains in recent years, in 2019, nearly 132 million people in 42 countries around the world will still need humanitarian assistance, including protection.

The €110m increase in ODA in Budget 2019,² an allocated €817m in overseas aid, which is approximately equivalent to 0.39 per cent of GNI* was vital, particularly in the context of extremely high humanitarian needs globally, and gaps in financing for the realisation of the UN Sustainable Development Goals (SDGs). While recognising the potential constraints that Ireland faces, particularly in light of uncertainty regarding Brexit, Trócaire urges the Government to honour its commitment to the most vulnerable in our world and to provide an additional **€144m in ODA in Budget 2020 to bring Ireland a step closer to reaching its historic commitment to the UN target of 0.7% GNI.**

Rising humanitarian needs exacerbated by conflict and climate change

Despite global development gains in recent years, in 2019, nearly 132 million people in 42 countries around the world will still need humanitarian assistance, including protection. Conflict and political instability remains the main driver of humanitarian needs. The impact of climate change is both a cause and a compounding factor in many conflicts. It leads to increased

pressure on land and water, causing conflict and displacement. Trócaire's largest humanitarian programmes have been in regions where conflict and displacement have been normalised, such as the Middle East, South Sudan and Myanmar. Humanitarian needs will remain at exceptionally high levels in Syria, the Democratic Republic of the Congo, Ethiopia, Yemen and South Sudan in the coming years.

Natural disasters and climate change are also having a devastating impact.³ In Southern Africa, people are still picking up the pieces from Cyclone Idai earlier this year. The cyclone compounded the effects of persistent drought in the region and food aid needs in the region will remain exceptionally high through to 2020 as a result. Zimbabwe declared its "worst ever" hunger crisis with an estimated 5.5 million people in the rural areas experiencing food insecurity, of whom over 3 million people – or 38% of the rural population – are projected to be in need of urgent humanitarian support between the period October to December 2019.⁴ In the context of severe droughts affecting Eastern Africa, an estimated 11.4 million people require urgent food assistance

Cover photo:

Maji Hka Ra (53) and her family fled the fighting in Myanmar's Kachin state and are living in Lana Zup Ja camp for displaced people. She has received basic assistance such as rice from Trócaire's local partner KMSS to feed her family. (Photo: Gyung Dau)

According to recently published OECD figures, ODA to the least-developed countries fell by 3% between 2017 and 2018, aid to Africa fell by 4%, and humanitarian aid fell by 8%.

in Ethiopia, Somalia, Kenya, and Uganda.⁵ After decades of declining levels of food insecurity across the globe, hunger began to increase again in 2015. More than 821 million people suffered from hunger worldwide last year, according to a new United Nations report - the third year in a row that the number has risen.⁶

According to recently published OECD figures, ODA to the least-developed countries fell by 3% between 2017 and 2018, aid to Africa fell by 4%, and humanitarian aid fell by 8%. This trend was described by

the organisation's head, Angel Gurría, as a "*worrying picture*" of stagnating public aid that showed that "*donor countries are not living up to their 2015 pledge to ramp up development finance.*"⁷ Whilst it may seem that responding to the scale of humanitarian needs is overwhelming, it is a question of global priorities. By comparison, the world's total military expenditure has increased to €1.6 trillion. The cost of closing the humanitarian funding gap and providing people with basic support is the equivalent of approximately 1% of this military expenditure.⁸ The current funding

crisis is due to a combination of more protracted and longer-lasting humanitarian crises globally, and the emergence of more self-interested policies in several wealthy countries. In the context of a worrying trajectory among some states towards nationalism and away from the values of solidarity and peace, Ireland often stands out as a continued champion of multilateralism and human rights, including the right of people and organisations to mobilise peacefully and speak out against injustice.



Milka Irungu, Trócaire's Emergency Programme Coordinator, helps to register people for assistance at our centre in Somalia.
(Photo: Allan Gichigi)

IRISH SUPPORT FOR ODA

Recent EU surveys suggest there is huge support from the Irish public for international aid, with 93% believing that helping people in developing countries is important.

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The Irish people have continually and generously supported Trócaire throughout our history and we believe it is right that Government policy should continue to build on and reflect this feeling of compassion towards the world's most vulnerable people. Ireland, through Irish Aid, is rightly considered a world leader in terms of the quality and impact of our overseas assistance. Ireland has also been a notable leader in resisting the worrying international trend of diverting development assistance funding away from poverty reduction and towards the security, commercial and migration objectives of donor countries.⁹

review of Irish Aid in March 2018 in the context of the development of Ireland's "A Better World" policy. The positive reputation of the Irish Aid programme and its high quality was a recurring theme in discussions with, and submissions from, stakeholders. Committee Members, overwhelmingly endorsed that positive reputation and **urged that the focus on quality, untied aid, directed to addressing the needs of the poorest and most vulnerable people and communities, would continue.**

The Committee took the view that a commitment to achieving ODA expenditure of 0.7% of GNI by 2030 is critical to the future of international development. There was a strong cross party endorsement on the importance

Pharmacist Essam Abed Rabo in the Caritas Jerusalem clinic in Nuseirat refugee camp in Gaza gives essential medicines to a family to treat intestinal worms. (Photo: Mark Steadman / Trócaire)

The Joint Committee on Foreign Affairs and Trade, and Defence had concluded a comprehensive



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of restoring Ireland's ODA budget with the Committee unanimously and unequivocally supporting calls for a multi-annual plan to increase the aid budget on an incremental, phased basis. The Committee further proposed that the Government submits a clear, multi-annual plan to the Committee on Budgetary Oversight for consideration.

Ireland is actively campaigning to ensure success in its bid to secure a non-permanent United Nations Security Council seat for the term 2021-2022. Ireland's future reputation and credibility as a leader on international development pivots on meeting its 0.7% UN target for ODA, and by maintaining its commitment to high quality and high impact poverty reduction focused aid. The next DAC Peer Review of Ireland's development co-operation is taking place this year. The review is an opportunity for Ireland to share its experience on poverty reduction and humanitarian donorship.¹⁰

Climate Finance will need to increase within, and alongside increases in overall ODA

Climate change and environmental degradation are at existential threat levels. We are living in the sixth age of mass extinction.¹¹ The combination of species decline and a warming world means the Earth is careering towards a catastrophic collapse of ecosystems. Progress on all other societal objectives hinges on a stable climate and urgent action to move towards low carbon

and environmentally sustainable societies.

Further to Ireland's longstanding reputation for effective development policy, Irish Aid is recognised internationally for having developed a high quality, poverty-focused approach to climate and development policy, with an additional and vital focus on gender. "*A Better World*" recognises that arresting climate change is the major global challenge of this generation, and rightly highlights the importance of a people-centred global response and a focus on the most vulnerable. The commitment in the "*A Better World*" policy to advocate for greater allocations of finance for grassroots adaptation are particularly welcome, as is the reiteration of the policy of one hundred percent of Ireland's climate finance being untied and grant-based.

Financing for both mitigation and adaptation in developing countries remains significantly underfunded and will have to be significantly scaled up if the temperature limits and adaptation commitments set out in the Paris Agreement are to be fulfilled. Grant based and public finance are essential to ensure that the critical work to support those most affected by the impacts and with least capacity to cope and adapt receive adequate and appropriate funding. These are in many cases unlikely to lend themselves to - or be appropriate for - certain finance instruments requiring financial returns. Increasing emphasis on private sector financing to meet

international climate finance commitments can result in finance being diverted away from pro-poor projects that have greater need for climate finance. Accounting methods are another means used in many contexts to classify existing or already committed finance flows as increases in climate finance without any additional funds in practice on the ground.

While much climate finance, in particular adaptation finance, will be channelled via ODA structures, climate finance obligations differ from ODA in that they stem from Article 4.3 of the United Nations Framework Convention on Climate Change (UNFCCC). This commits donor countries to providing "new and additional financial resources" for the "full incremental costs" of addressing climate change, as a result of their proportionately greater contribution to the causes of climate change, and the greater resources at their disposal to respond to it. To consolidate and build on the positive aspects of Ireland's contributions to climate finance, climate finance allocations will need to increase, within and alongside increases in overall ODA. Allocations should increase taking into account Ireland's capacity and responsibility in terms of historical and current emissions. Climate finance should remain untied, grant-based and focused on adaptation and the most vulnerable, avoiding the risks of relying on private finance to deliver and ensuring accounting is guided by both transparency and integrity.

SUMMARY OF KEY PROPOSALS FOR BUDGET 2020

Trócaire welcomes the commitments outlined by the Irish government in “A Better World” which align closely with our work, and the work of our local partner agencies around the world.

The key focus on strengthening governance and women’s empowerment, while tackling climate change and humanitarian need, reflects the major challenges facing the world’s poorest people.

Budget 2019 allocated €817m in overseas aid; an amount approximately equivalent to 0.39 per cent of GNI*. Trócaire strongly welcomed this €110m increase in the ODA allocation in Budget 2019. Given the historic commitment to reach the UN target of 0.7% of GNP in 2000, the government should evidence its renewed commitment to this target by increasing the aid budget over the next 5 years. Table 1 (below) shows how the Government can reach this target by 2025. Using GNI* as a proxy

for GNP, this would return the aid budget to pre-recession levels by 2023, allowing coherent forward planning for aid recipients which would maximise the impact of that aid.¹²

1. The Government should submit a clear, multi-annual plan to the Committee on Budgetary Oversight for consideration in line with recommendations of the Joint Committee on Foreign Affairs and Trade.
2. Given the scale of global humanitarian and development needs, Trócaire continues to urge a medium term strategy for sustaining progress towards returning to 0.54% of GNI* by 2022 and for the 0.7% target to be met

by 2025 in order to reach the Sustainable Development Goal targets by 2030.

3. Budget 2020 should be used as a platform for developing this strategy towards fully reaching the 0.7% target. Specifically, for Budget 2020, an increase in the ODA spend by €144million would enable Ireland to reach an estimated interim 0.44% of GNI.*
4. To consolidate and build on the positive aspects of Ireland’s contributions to climate finance, climate finance allocations will need to increase, within and in addition to increases in overall ODA.

Table 1: Pathway to UN target of 0.70% of GNI* by 2025

Year	GNI* (€m)	% of GNI* to achieve 0.7% target by 2025	Required budget for ODA in each year (€m)	Increase in Budget allocation for ODA (€m)
2019	207,600	0.39	817	-
2020	218,425	0.44	961	144
2021	227,650	0.49	1,115	154
2022	237,400	0.54	1,282	166
2023	247,750	0.60	1,487	205
2024	257,660	0.65	1,675	188
2025	267,966	0.70	1,876	201

Figures from Social Justice Ireland Budget Choices 2020¹³



Siblings Richard (17), Godfrey (14), Reagan Oketayot (12), Ivan Agnerwot (9), Prossy (7) and Ivan Onono (5). After their parents were killed in South Sudan, the children fled to Uganda, where they are now living in a refugee camp. Trócaire is supporting refugees in northern Uganda with trauma counselling, skills training so they can earn an income and with kitchen gardens so they can grow their own food. (Photo: Mark Stedman / Trócaire)

With the support of the Irish public, Irish Aid and other institutional donors Trócaire's work improved the lives of 2.9 million people in some of the poorest countries in the world in 2018/2019.¹⁴

Trócaire's work at a glance 2018/19



HUMAN RIGHTS

€5m spent – 207,000 people supported directly



RESOURCE RIGHTS

€19.3m spent – 496,000 people supported directly



WOMEN'S EMPOWERMENT

€17.2m spent – 272,000 people supported directly



HUMANITARIAN

€24.8m spent – 1,900,000 people supported directly

ENDNOTES

- ¹ <https://www.trocaire.org/news/trocaire-welcomes-new-aid-policy>
- ² <https://www.trocaire.org/news/trocaire-welcomes-overseas-aid-increase-ireland-moves-closer-delivering-its-long-held>
- ³ <https://www.unocha.org/sites/unocha/files/GHO2019.pdf>
- ⁴ <https://reliefweb.int/report/zimbabwe/government-un-launch-revised-humanitarian-appeal>
- ⁵ <https://reliefweb.int/report/somalia/horn-africa-joint-call-action-major-regional-humanitarian-crisis-joint-position-paper>
- ⁶ <http://www.fao.org/3/ca5162en/ca5162en.pdf>

- ⁷ <http://www.oecd.org/development/development-aid-drops-in-2018-especially-to-neediest-countries.htm>
- ⁸ https://www.theguardian.com/global-development/2019/jul/16/alarms-shortfall-foreign-aid-worlds-biggest-crises?CMP=Share_iOSApp_Other
- ⁹ https://concordeurope.org/wpcontent/uploads/2018/03/CONCORD_AidWatchPaper_Aid_Migration_2018_online.pdf?d65bd5&d65bd5
- ¹⁰ https://www.oecd-ilibrary.org/sites/941ec6f0-en/index.html?itemId=/content/component/5e331623-en&csp_=b14d4f60505d057b456dd1730d8fcea3&itemIGO=oecd&itemContentType=chapter

- ¹¹ <https://horizon-magazine.eu/article/sixth-mass-extinction-could-destroy-life-we-know-it-biodiversity-expert.html>
- ¹² <https://www.socialjustice.ie/sites/default/files/attach/publication/5860/budgetchoices2020.pdf?cs=true>
- ¹³ <https://www.socialjustice.ie/content/publications/budget-choices-2020>
- ¹⁴ https://www.trocaire.org/sites/default/files/trocaire_annual_report_2018-19.pdf

* GNI - Gross National Income

Trócaire, Maynooth,
Co. Kildare, Ireland

T: +353 (0)1 629 3333

F: +353 (0)1 629 0661

E: info@trocaire.org

www.trocaire.org

Trócaire, 50 King Street, Belfast,
BT1 6AD, Northern Ireland

T: +44 (0) 2890 808030

F: +44 2890 808031

E: infoni@trocaire.org

Northern Ireland Charity Number XR 10431

Charity Regulatory Authority No. 20009601; Revenue Number Chy 5883