



**Department of Foreign Affairs and Trade**

A Value-for-Money and Policy Review of  
Ireland's Bilateral Diplomatic Missions in European Union Member States

December 2013

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## List of Acronyms

ASP	Assembly of States Parties
CSO	Central Statistics Office
DFAT	Department of Foreign Affairs and Trade
EC	European Commission
EI	Enterprise Ireland
EMC	Economic Management Council
EU	European Union
FDI	Foreign Direct Investment
GDP	Growth Domestic Product
GIN	Global Irish Network
HQ	Headquarters
ICC	International Criminal Court
ICEE	Interdepartmental Committee on European Engagement
ICJ	International Court of Justice
ICOC	Irish Chamber of Commerce
ICT	Information Communications Technology
IDA	Industrial Development Agency
IMF	International Monetary Fund
MAC	Management Advisory Committee of the Department of Foreign Affairs and Trade
ODA	Official Development Assistance
OPCW	Organisation for the Prohibition of Chemical Weapons
ORP	Organisational Review Programme (within public service reform)
OSCE	Organisation for Security and Cooperation in Europe
PCA	Permanent Court of Arbitration
PIAD	Promoting Ireland Abroad Division
PR-EU	Ireland's Permanent Representation to the EU
QMV	Qualified Majority Voting System of the European Council
SME	Small and Medium Enterprise
SoS	Statement of Strategy
SOGEU	Senior Officials Group on the European Union
UN	United Nations
UNIDO	United Nations Industrial Development Organisation
VFMPR	Value for Money and Policy Review

# Executive Summary

## Introduction

The Department of Foreign Affairs and Trade (DFAT) is the primary institution of Government through which Ireland's foreign policy, values and interests are promoted and pursued internationally, and through which Ireland builds and maintains relations with other states and multilateral organisations.

Membership of the European Union (EU) is fundamental to Ireland's political and economic interests and accordingly provides a key framework within which the Irish Government pursues its foreign policy objectives. Given this importance, Ireland maintains close diplomatic relationships with the institutions of the EU and with its EU partners through a Permanent Representation to the EU institutions in Brussels and through bilateral diplomatic missions located in the capital of each member state, states which encompass most of Ireland's main trading partners. The Permanent Representation functions to represent Ireland's policy positions and interests in the day-to-day business of the EU, especially in the preparations for Council meetings, while the bilateral missions have an immediate responsibility for promoting and protecting Ireland's interests in its relations with the individual EU member states. Overall coordination of Ireland's EU business is the responsibility of EU Division in the Department of the Taoiseach, while Europe Division in DFAT has responsibility for bilateral relations with the individual EU member states.

The bilateral diplomatic missions, in promoting and protecting Ireland's interests, also support the work of Ireland's Permanent Representation in Brussels; are available to provide information as to where member states stand on particular issues; and, as cases arise, can seek support for Ireland in relation to strategic EU issues. Furthermore, given the volume and complexity of interactions between counterparts at different levels of Government across the EU, the bilateral missions are a resource available to facilitate coherence in how Ireland conducts its EU business at the level of the individual member states. This latter capacity as a facilitator has a particular importance given the imperative for a whole-of-Government approach to how Ireland conducts its EU and bilateral business.

## VFM Purpose

Since the onset of the banking and fiscal crisis in 2008, the maintenance of close relations with its EU partners has become increasingly important for Ireland and its economic recovery. This heightened importance in turn highlights the roles played by Ireland's EU bilateral mission network. Being a significant user of DFAT resources, it is essential that the effectiveness and efficiency of the network is maximised.

In this context, the Value-for-Money and Policy Review (VFMP) examined the work of Ireland's bilateral diplomatic network in the other 26 EU member states over the years 2008-2011, the period of DFAT's most recently completed strategy cycle and a period of significant challenge for Ireland

and its economy (Croatia was outside the scope of this review as it only became an EU member state in 2013). In addition to helping provide accountability to the Irish public in general, this assessment aims to help inform decisions in relation to future expenditures and improved value-for-money.

The review was directed by a Steering Committee chaired by an independent chairperson and included key officials from four Government Departments.

## Key Findings

- *Alignment with Government Policies*

A review of the missions' annual business plans, associated activities and resulting outputs shows that the work of the EU bilateral missions has been closely aligned with current and evolving Irish Government policies. In addition, the evidence indicates that the missions were very active in responding to the banking and fiscal crisis that unfolded from 2008 onwards, focusing their work on helping restore Ireland's reputation and on helping advance Ireland's economic priorities.

- *Increased activities despite reduced resources*

The escalating efforts of the missions to project and protect Ireland's interests at a time of crisis are reflected in a significant increase between 2008 and 2011 in the reported numbers of trade and cultural events facilitated or organised by the EU missions, often in collaboration with Ireland's trade and investment promotion agencies. This increased activity of the bilateral missions took place despite decreasing resources, with the overall cost of maintaining the EU bilateral mission network dropping by 21.3% between 2008 and 2011 and with total staffing in the missions 17% lower in 2011 than in 2008. The reduction in costs are due mainly to pay reductions, non-replacement of staff, the large reduction in staff in the London mission, a reduction in representational costs, as well as non-pay costs such as building renovation. However, "*Representational costs*" had the largest percentage reduction (more than 36% - see Table 5). Whilst there were significant reductions in costs and staffing, all of the missions continued to provide a full range of services.

- *Leveraged strength of the embassy network*

The EU missions' contribution to the Government's agenda of restoring Ireland's international economic reputation and helping bolster export growth involved leveraging the strength of the embassy network as a support for trade promotion and getting the message out about Ireland's strengths in innovation and key industrial sectors. In particular, the bilateral missions focused on business and government decision-makers, commentators, and media organisations in disseminating key messages about Ireland's plans for economic recovery.

- *Supports from Headquarters and closer collaboration with state agencies*

In contributing to the Government's agenda of economic recovery, the associated economic and public diplomacy work of the missions was supported by Headquarters in the form of guidance material setting out practical ways in which promotional activity can be undertaken, and by supplying the missions with a range of information that was produced, for the most part, by the Department of Finance, the Central Bank, the Central Statistics Office and Ireland's trade and investment promotion agencies. In 2011 the bilateral missions' collaborative work with the state

agencies and key Government Departments became more structured when responsibility for trade promotion was formally assigned to the Department of Foreign Affairs and Trade, and with bilateral missions exercising a coordinating role for trade and investment promotion in countries identified as priority markets for Ireland.

- *Single-Diplomat embassies*

A very notable feature of the staffing at Ireland's EU missions was the introduction in 2010 of single-diplomat embassies, a model of diplomatic representation that is driven by the importance a country attaches to maintaining a resident diplomatic presence in the maximum number of states deemed to be of particular importance whilst having to cope with reducing resources. A single-diplomat embassy presents very specific challenges such as; high administration demands on the Head of Mission; being able to keep fully abreast of what is happening at multiple levels in the host country and in Ireland; and being able to provide a full range of consular services to Irish citizens. Whereas it appears that Ireland's new single-diplomat missions in the EU coped well with these challenges, a single-diplomat mission is ultimately a solution to a problem of reduced resources and though it is reasonably cost effective, it is far from being ideal and warrants close monitoring.

A single-diplomat mission is not feasible in countries where, for example, there are high demands for consular services, high levels of tasking from headquarters, secondary accreditations, or multilateral responsibilities in addition to a mission's primary bilateral focus.

- *Limited data for performance assessment*

Overall, though the EU missions were proactive in helping restore Ireland's reputation and on helping advance Ireland's trade, investment and wider economic interests, and though they increased their outputs between 2008 and 2011, unfortunately many of these outputs cannot be fully quantified, much less directly costed. This is because the available quantitative data often gives insufficient information with regard to matters such as the scale of a trade promotion event and benefits that subsequently resulted, or the amount of time that was actually involved in helping resolve a particular consular case.

While such activities are hard to assess with any precision even when there is very detailed data available, the missions and HQ could have done more to detail and track their work and to help assess their performance. In addition, apart from the reporting against the activities contained in annual business plans (essentially a self-assessment) and inspection visits by HQ of 8 of the missions, the review team found no formal evaluation exercises of the performance of the missions. However, during the period of the review DFAT management did recognise a need to improve the quality of business planning and subsequent performance assessment, and, led by a new Strategy and Performance Division at HQ, changes were made to improve how all DFAT business units undertook their annual planning.

## Conclusions

Overall, this review finds that the work of the EU bilateral mission network has played a key role in how Ireland maintains close relations with its EU partners and in how Ireland's economic and other interests are promoted. This supports a rationale for continued funding of the bilateral mission

network, notwithstanding the fact that Ireland's EU policy objectives are also advanced through a range of interactions involving counterparts at different levels of Government.

- *Relevance*

Uniquely placed to report on the political contexts within which member states are formulating policy positions, the EU bilateral missions serve to help build within the EU partner countries understanding and support for Ireland's positions in relation to key decision-making in the European Council and the Councils of Ministers, and also serve to promote Ireland's economic and other interests within the host countries. Given the importance of the EU to Ireland and given the service the missions can offer, it is evident that the relevance of Ireland's EU mission strategy remains valid and could well increase, and that Ireland's EU bilateral missions with their networking capacities will continue to be a resource for a whole-of-Government approach to how Ireland maintains relations with its EU partners and to how Ireland can present a cohesive image of its values, interests and foreign policy in the EU member states, both to Governments and to civil society.

- *Efficiency*

Over the period of this review there were significant reductions in the resourcing of the EU bilateral mission network. Despite these reductions the missions continued to provide a full range of services to Irish citizens and the host-country wider public, and there was a large increase in reported outputs, especially the outputs in relation to helping restore Ireland's reputation and to promoting Ireland's economic and cultural interests.

The fact that the EU bilateral missions have managed to maintain their level of service and have managed to do significantly more in a number of areas of their work despite fewer resources, indicates that between 2008 and 2011 increasing efficiencies were achieved and sustained. However, the available information does not permit a strictly quantitative assessment of cost efficiency.

- *Effectiveness*

Given the highly qualitative nature of the work of the missions, the full impact of the work of the missions cannot be demonstrated in an absolute sense. Assessing the effectiveness of the EU bilateral mission network is made difficult both by the nature of the work itself (messaging, influencing, and relationship-building) and by insufficient detail in relation to the scale and significance of many of the individual activities undertaken by the missions.

Notwithstanding these challenges, and with quite modest resources, the evidence indicates that the EU missions did what they set out to do (as per their business plans) or were called upon to do (responding to evolving policy priorities); that they made available a platform to help advance Ireland's policy objectives in EU member states; and that in a variety of ways the EU bilateral missions made important and timely contributions, directly and indirectly, to promoting and protecting Ireland's strategic interests, including helping rebuild Ireland's reputation damaged as a result of the recent banking and fiscal crisis.

## Recommendations

### Recommendation 1:

With a view to helping assess and enhance the effectiveness of the work of the missions, the Steering Committee recommends that drawing upon best practices in other Foreign Ministries and drawing upon the potential output performance indicators/performance measures in Box 14 of this report, DFAT continues to strengthen and improve business planning, risk management and performance measurement processes, including the identification and specification of quantitative and qualitative tools and methods which the EU missions can use to measure and assess performance.

### Recommendation 2:

In view of enhancing effectiveness, the Steering Committee recommends that DFAT in its foreign policy and management role, together with the Department of the Taoiseach in its internal policy role, and in collaboration with the Senior Officials Group on the EU (SOGEU) and with other key actors across Government, leads a bi-annual review (in advance of each EU Presidency cycle) of the strategic priorities for the EU bilateral mission network that are of key importance to Ireland and on which each EU mission should focus as a matter of priority in its business plan.

### Recommendation 3:

In view of enhancing efficiencies and given reduced resources, especially human resources, the Steering Committee recommends that DFAT reviews, on a case by case basis, whether there is a continuing need for each EU bilateral mission, especially one-diplomat missions, to provide the current full range of consular and visa processing services thereby potentially freeing up time and effort to better focus on advancing Ireland's strategic interests in the EU. Any such considerations will need to take account of how services can be adequately delivered in an alternative and cost effective way, and take account of whether the available technologies and systems can support alternative approaches.

### Recommendation 4:

In view of enhancing efficiencies and effectiveness, the Steering Committee recommends that missions be grouped for the purposes of periodic experience sharing, providing missions with opportunities to learn from innovative practices of other missions, and possible resource-sharing or specialisation. The grouping might take account of geographic, linguistic and size considerations.

### Recommendation 5:

Recognising the challenges associated with the operation of one-person missions, the Steering Committee recommends that the situation in these missions be monitored from the perspective of health and safety, isolated working environment, risk to business objectives and operational capacity.

### Recommendation 6:

In view of enhancing effectiveness, the Steering Committee recommends that as part of the formulation of a new DFAT Human Resource Strategy, continuing emphasis is given to the development of economic, trade-related, and language skills, identifying potential providers of

training and specifying any training considered necessary for service in particular areas of the Department's work.

Recommendation 7:

The Steering Committee recommends that in close consultation with the Department of the Taoiseach, the Department of Finance, the Department of Public Expenditure and Reform and state agencies, DFAT leads a review of arrangements for coordinating the work of Ireland's diplomatic missions in the EU, including an examination of how DFAT can optimally support the EU, bilateral and trade-related activities of other Government institutions. Findings from this review can serve to give more structure to how DFAT and other Government institutions can best collaborate. Such structure could be described in memorandums of understanding that outline ways of working, including issues such as the prioritisation of tasks, reporting, communication, mutual accountability and how performance might be jointly reviewed at regular intervals.

Recommendation 8:

The Steering Committee recommends that in close consultation with the Department of the Taoiseach, the Department of Finance and the Department of Public Expenditure and Reform, DFAT undertakes a focused annual review of how efficiently and effectively the agreed coordination arrangements for the work of Ireland's diplomatic missions in the EU are functioning. It is recommended that these reviews should focus on how efficiencies and effectiveness of coordination arrangements can be maximised, taking account of the fact that the EU missions are at the service of a whole-of-Government approach to promoting Ireland's interests and policy objectives in the EU and its member states, while at the same time being immediately accountable to the Secretary General of the Department of Foreign Affairs and Trade.

Recommendation 9:

Given the centrality of the EU for Ireland's interests and policy objectives, the Steering Committee recommends that Ireland continues its current policy of having a resident diplomatic mission in each EU member state.

# Chapter 1: Background and Context

## 1.1 Chapter Introduction

This Chapter sets out the background to the Report and situates Ireland's 26 European Union (EU) bilateral missions within the wider network of Ireland's diplomatic missions globally. It then goes on to set out the purpose of the Review and the methodology used, and then describes the structure of the Report.

## 1.2 The Department of Foreign Affairs and Trade

The Department of Foreign Affairs and Trade (DFAT) is the primary institution of Government through which Ireland's foreign policy, values and interests are promoted and pursued internationally<sup>1</sup>, and through which Ireland builds and maintains relations with other states and multilateral organisations. The work of DFAT is delivered through specialist functions at headquarters in Ireland<sup>2</sup> and through a network of diplomatic missions abroad reporting to headquarters. The diplomatic missions are essentially the extension of the State beyond Ireland's borders, providing services to Irish citizens, pursuing Government objectives, supporting Irish economic interests and promoting Irish Government policies through a broad range of activities.

Currently, Ireland maintains 73 diplomatic missions worldwide of which 56 are *bilateral diplomatic missions*<sup>3</sup>, eight are *consulates general*<sup>4</sup>, six are *permanent representations* to multilateral organisations<sup>5</sup>, two are representative offices in Northern Ireland, and there is a *representative office* to the Palestinian National Authority. Of these 56 bilateral missions, 26 are in the EU member states, and are the focus of this Review<sup>6</sup>. In addition to advancing Ireland's values and interests, these missions, particularly the *bilateral diplomatic missions* and the *consulates general*, provide a range of services to Irish citizens and to citizens of other countries. A number of bilateral missions also function as permanent representations to international organisations.

Though trade promotion and economic diplomacy has long been an explicit and core feature of the work of DFAT and its missions abroad, responsibility for trade promotion was formally assigned to the Department in 2011<sup>7</sup>. This change reflects the significantly increased economic diplomacy work of the embassies and their efforts since 2008 to restore Ireland's reputation damaged by the recent banking and fiscal crisis and contribute to economic recovery. At the same time that responsibility for trade promotion was transferred to DFAT, DFAT's EU-Division was transferred to the Department

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<sup>1</sup> Article 1 of the Ministers and Secretaries Acts, 1924-2011, gives to the Minister for Foreign Affairs immediate responsibility for external affairs in general, including the operation of the Foreign Service. See also Department of Foreign Affairs (1996:46) '*Challenges and Opportunities Abroad - White Paper on Foreign Policy*'.

<sup>2</sup> At DFAT Headquarters there are eight core divisions with a further eight subordinate sections/units.

<sup>3</sup> Technically, the term "embassy" refers to the diplomatic delegation itself that is accredited to a country. The place in which the delegation works is technically the "chancery". The term "bilateral diplomatic mission" embraces both.

<sup>4</sup> A Consulate General is a representative office in a country, but ultimate responsibility for relations with the receiving state lies with an ambassador resident in the host country or elsewhere.

<sup>5</sup> Examples: the United Nations (UN); the Council of Europe; the Organisation for Security and Cooperation in Europe (OSCE).

<sup>6</sup> Croatia, which became the 28<sup>th</sup> EU member State of the European Union on the 1<sup>st</sup> of July 2013 is not included as part of this Review.

<sup>7</sup> Responsibility for trade policy remains with the Department of Jobs, Enterprise and Innovation.

of the Taoiseach. The transfer of EU-Division reflects changes introduced by the Lisbon Treaty and also how aspects of Ireland's external relations had, in practice, further evolved in recent years, especially since the onset of the banking and fiscal crisis in 2008, and the central role of the EU institutions and fellow member states in these relations.

Notwithstanding the fact that the Minister of Foreign Affairs and Trade retains responsibility for coordinating EU affairs, the movement of DFAT's EU-Division to the Department of the Taoiseach emphasises the fact that EU business must be a matter for the whole-of-Government, a matter that has become all the more important under the Lisbon Treaty which came into force in 2009.

### 1.3 Bilateral Diplomatic Missions

Originally serving as a channel of communications between States, the work and role of diplomatic missions has changed very significantly through the centuries. In recent times diplomatic relations have been conducted within the framework of the 1961 "*Vienna Convention on Diplomatic Relations*". State parties to this convention commit themselves to observing specified protocols and modes of behaviour in cases where a country maintains a diplomatic mission in another country<sup>8</sup>. Most of the protocols pertain to protections enjoyed by the sending country. Notable among the commitments of the sending country is that it nominates a resident Head of Mission and that it identifies an officer to serve temporarily in the place of the Head of Mission should the post be temporarily vacated (Article 19). These provisions are important in considering options for diplomatic missions, including EU bilateral missions, into the future.

Article 3 of the 1961 Vienna Convention broadly describes the purpose of a diplomatic mission (bilateral) as consisting of, *inter alia*:

1. *Representing the sending State in the receiving State;*
2. *Protecting in the receiving State the interests of the sending State and of its nationals, within the limits permitted by international law;*
3. *Negotiating with the Government of the receiving State;*
4. *Ascertaining by all lawful means conditions and developments in the receiving State, and reporting thereon to the Government of the sending State;*
5. *Promoting friendly relations between the sending State and the receiving State, and developing their economic, cultural and scientific relations.*

Since 1961 the functions stated above have become ever more extensive and complex, particularly in relation to developing economic relationships and promoting a country's interests. Nation states are now members of an increasing number of international organisations and alliances. Intergovernmental negotiations involve a much wider range of interests than had previously been the case, nowhere more so than in the EU. For example, there are new non-governmental

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<sup>8</sup> Closely related to the 1961 Vienna Convention is the *Vienna Convention on Consular Relations* (1963) which provides a framework specifically for consular relations; how a country protects the interests of its nationals in the host country; and how commercial, economic, cultural and scientific relations are promoted between the sending country and the host country. In the case of Ireland, both conventions came into force with the passing into law of the *Diplomatic Relations and Immunities Act, 1967*.

international organisations and coalitions<sup>9</sup> who play a significant global role and with whom diplomatic missions need to interact if they are to represent and advance their countries' national policy objectives. In addition, there are also new agendas and re-emerging agendas that vary from things such as cross-border regulatory agreements driven by issues such as the global banking and financial crisis; to an increasingly complex international security agenda that now also includes issues such as climate change and the spread of diseases; to a re-emergence of geopolitical agendas associated with competition for influence and the control of natural resources. Furthermore, the work of diplomatic missions is increasingly in the areas of both economic and public diplomacy<sup>10</sup>.

#### 1.4 Ireland's Diplomatic Missions in the European Union

Membership of the European Union (EU) is fundamental to Ireland's political and economic interests and accordingly provides a key framework within which the Irish Government pursues its foreign policy objectives<sup>11</sup>. Given this importance, Ireland maintains close diplomatic relationships with the institutions of the EU through a Permanent Representation to the EU institutions in Brussels and with individual EU member states and through bilateral diplomatic missions in member states. In addition, Irish state agencies maintain offices in a number of EU countries, particularly in the larger member states<sup>12</sup>.

Changes in an increasingly complex global environment are, in many respects, blurring distinctions between domestic and international affairs, magnifying the need for a 'whole-of-government' approach to the conduct of international relations and the importance of cooperation between government and state agencies<sup>13</sup>. This is particularly the case in the exercise of relations between states within the EU. As well as having an inter-state character (maintaining relations with the other member states and promoting Ireland's interests bilaterally), the work of Ireland's bilateral missions in the EU has a very strong domestic character (resident Embassies are uniquely placed to report deeply on the domestic contexts within which member states are formulating national policy positions, thus helping inform and advance with other EU members agreed policy objectives and strategies). The degree of this domestic character and the imperative to engage with the work of the EU are a distinguishing feature of the work of Ireland's EU bilateral missions as compared to Ireland's bilateral missions outside of the EU<sup>14</sup>.

In terms of their specific role, the EU bilateral missions have immediate responsibility for promoting and protecting Ireland's interests in its relations with the individual EU member states, states which encompass most of Ireland's main trading partners. For example, in 2011 EU member states as a group accounted for about 63% of Ireland's exports, 58% of its imports, 40% of overseas investors<sup>15</sup>

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<sup>9</sup> For example, in relation to environmental and climate change issues, the *International Institute for Environment and Development* and the *Community Action Network* are notably active as lobbyists and advocates within the EU.

<sup>10</sup> Related to economic diplomacy which aims to promote commercial and trade relations, public diplomacy aims to explain and canvas support for positions among a wide range of groups in the host country – among government, parliament, political parties, the business community, social partners, the media, academic and cultural life, and the wider public in general.

<sup>11</sup> See Chapter 2.

<sup>12</sup> Enterprise Ireland (offices in 11 member states), Tourism Ireland (9), Bord Bia (7), and the IDA (3).

<sup>13</sup> Overseen by the Export Trade Council, bilateral missions in Ireland's priority market countries are charged with coordinating the development and implementation of Local Market Plans, plans to which all state agencies contribute.

<sup>14</sup> The extent of engagement is discussed in Ferris (2009).

<sup>15</sup> The percentage of IDA assisted overseas companies in Ireland that are of EU origin.

and 80% of overseas visitors<sup>16</sup> (see Table 1 below).

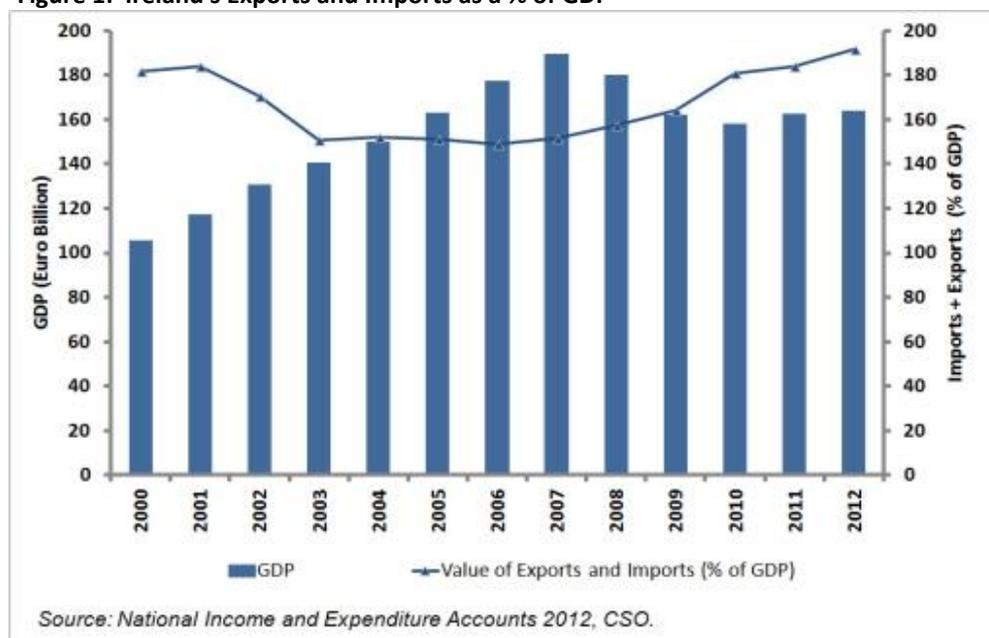
**Table 1: Importance of the EU to Irish Exports, 2008 and 2011**

	2008	%	2011	%
<b>Goods Exports (€m)</b>				
EU	53,710.4	62.3%	53,771.3	57.9%
Rest of World	32,507.5	37.7%	39,164.5	42.1%
TOTAL	86,217.9	100.0%	92,935.8	100.0%
<b>Services Exports (€m)</b>				
EU	45,096.0	65.2%	48,116.0	59.1%
Rest of World	24,107.0	34.8%	33,332.0	40.9%
TOTAL	69,203.0	100.0%	81,448.0	100.0%
<b>Total Exports (€m)</b>				
EU	98,806.4	63.6%	101,887.3	58.4%
Rest of World	56,614.5	36.4%	72,496.5	41.6%
TOTAL	155,420.9	100.0%	174,383.8	100.0%

Source: Central Statistics Office

The 2012 Globalization Index rated Ireland as the third most globalised economy in the world (highest of the EU countries). The figure below shows that our imports and exports were nearly twice GDP in 2012 a very strong indicator of an open economy. This highlights our dependence on market access (in part negotiated via the EU) and on sourcing suppliers and trade partners. The data does not cover Irish investments abroad nor does it completely capture trade in services, which is growing in importance.

**Figure 1: Ireland's Exports and Imports as a % of GDP**



Source: The Economic and Social Research Institute

In promoting and protecting Ireland's interests, the bilateral diplomatic missions support the work of Ireland's Permanent Representation in Brussels, available to provide information as to where member states stand on particular issues and, as cases arise, seeking support for Ireland in relation

<sup>16</sup> Fáilte Ireland (2011).

to strategic EU issues. Furthermore, given the volume and complexity of interactions between counterparts at different levels of Government across the EU, the bilateral missions facilitate coherence in how Ireland conducts its EU business at the level of the individual member states. This latter role as a facilitator has a particular importance given the imperative for a whole-of-Government approach to how Ireland conducts its EU business.

Overall, the roles played by the EU bilateral missions reflect wider changes that are happening in the nature of diplomacy. Whereas traditional diplomacy exercised a “gate-keeping” role in which the diplomat acted as the conduit through which most inter-state relations were conducted, the role is now substantially that of influencing and facilitating cross border relations at a variety of levels and involving a wide range of individuals and arms of government, and in a way that helps give coherence to the work of multiple entities acting on behalf of a state (Hocking et al, 2012:5-7).

Distinct from the bilateral missions, Ireland’s Permanent Representation to the EU (PR-EU) functions to represent Ireland’s policy positions and interests in the day-to-day business of the EU, especially in the preparations for Council meetings. This work involves participation in negotiations, helping build alliances with other member states on key issues and maintaining good working relationships with the EU institutions, in particular the European Commission, the President of the European Council, the European Parliament and the European External Action Service. While this work entails close contact and cooperation with other member states, the Permanent Representation is not responsible for bilateral relations between Ireland and these countries. This responsibility rests with each of the twenty six bilateral embassies Ireland maintains in EU countries. As such the PR-EU is not in a position to either closely track and report on developments, including public opinion, within the individual member states, or promote at a country level issues of importance to Ireland.

## **1.5 Coordinating the Work of the EU Bilateral Missions**

At present the EU missions might be tasked by any Government Department. However, the tasking of missions predominantly originates in the Departments of Foreign Affairs and Trade, the Taoiseach and Finance. Primary responsibility for coordinating Ireland’s EU business lies with the EU Division in the Department of the Taoiseach. This coordination responsibility includes convening a Senior Officials Group on the EU (SOGEU) representing key Government Departments.

The EU Division in the Department of the Taoiseach is responsible for the coordination of Ireland’s EU business, while Europe Division in DFAT has responsibility for bilateral relations with the EU member states and for the management of Ireland’s overall diplomatic mission network in Europe, including embassies in the EU countries. Europe Division is also responsible for Ireland’s contribution to EU enlargement and the EU’s external relations policies in the neighbouring countries. Corporate Services’ Division in DFAT has responsibility for resource management and helping strengthen the capacities of missions to deliver their goals.

## **1.6 Purpose of the Value-for-Money and Policy Review**

As Ireland’s bilateral diplomatic missions in the EU member states are a significant user of DFAT resources in terms of both personnel and other resources, it is important that these resources are

deployed so as to maximise efficiencies and effectiveness. Therefore, the overall purpose of this Value-for-Money and Policy Review (VFM) is to provide an evidence informed assessment of the functioning and performance of Ireland's bilateral diplomatic missions in the European Union over the period 2008-2011. In addition to helping provide accountability to the Irish public in general, this assessment should help to inform decisions in relation to future expenditures and improved value-for-money, giving consideration to whether or not a robust rationale exists for the allocation of public monies<sup>17</sup>. In particular, the Review examines the following standard VFM issues:

1. The rationale and objectives of the EU mission network
2. The relevance of the objectives in the light of evolving policy priorities
3. The level and trend of costs and staffing resources; the outputs associated with the work of the missions; and the efficiency by which these outputs were achieved
4. The extent to which objectives have been achieved and overall effectiveness
5. The degree to which these outputs warrant the allocation of public funding on an ongoing basis
6. Whether there is scope for alternative approaches to achieving these objectives in a more efficient and/or effective way, and whether there are potential future indicators that might be used to monitor performance better

The examination of these issues takes cognisance of the 2009 *“Report of the Special Group on Public Service Numbers and Expenditure Programme”* which proposed as cost saving measures; that Ireland's worldwide mission network be reduced with a consequent reduction in 65 staff posts between HQ and missions; that most ambassadorial posts be filled at the level of Principal Officer; and that lower priority Embassy buildings that have accumulated a significant capital value be disposed of in favour of less expensive leased premises. This review is also cognisant of the 2011 *“Comprehensive Review of Expenditure, Department of Foreign Affairs and Trade”* which concluded; that the Department's contribution to national fiscal consolidation had been above average across the public sector; that substantive administrative economies had been achieved while maintaining the full range and geographic reach of the work of the Department; and that there are no significant savings that can be identified that will not have direct impacts on the Department's ability to meet the objectives of its work.

## 1.7 Scope of the VFM

Viewed from the perspective of Ireland's foreign and European Union policy priorities, the VFM examined expenditures and the work of Ireland's bilateral diplomatic network in the 26 other EU member states for the years 2008-2011. This was the period of the Department of Foreign Affairs and Trade's most recently completed strategy cycle and a period of significant challenge for Ireland and its economy. The VFM will view the mission network as a whole and is confined to the EU bilateral missions<sup>18</sup>. Multilateral missions such as the Permanent Representation in Brussels are not

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<sup>17</sup> See Appendix 1 for the full Terms of Reference.

<sup>18</sup> In addition to the 26 bilateral diplomatic missions, Ireland's Foreign Service also maintains, within the EU, four multilateral missions that serve particular functions. Furthermore, in the EU member states there are 29 offices operated by Ireland's state agencies whose work focuses on trade, tourism and investment issues. Though these missions and offices benefit in varying degrees and in varying ways from the bilateral missions, these other offices do not have responsibility for maintaining formal bilateral relations with the EU member states. Not being part of the bilateral mission network, these offices are not examined as part of this exercise.



As with many multifaceted and complex areas of activity that have multiple factors at play, including the work of others, most of the outcomes associated with the work of the missions cannot be attributed solely to the missions themselves nor can the impacts of the work of the missions be proven in an absolute sense. Recognising this reality the methodology for this Review thus sought to assess the performance of the missions from the perspective of the contributions they made<sup>22</sup>, seeking to establish whether or not there is credible evidence to support a view that they contributed to the achievement of the intended objectives.

The five phases of the Review were:

1. Scoping, identification of sources of information, the approval of the ToR and the approach by the Steering Committee, and the approval of the ToR by the Department of Public Expenditure and Reform.
2. Documentation review, including a review of business plans and subsequent reports.
3. Gathering of quantitative information:
  - a. Promotional activities of the bilateral missions
  - b. Consular activities of the bilateral missions
  - c. Expenditure trends in relation to the bilateral missions and their activities
  - d. Staffing trends in relation to the bilateral missions
  - e. Other relevant data sets, including trade data and data in relation to the operations of other foreign services
4. Gathering of qualitative information (interviews with a range of key people).
5. Data analyses and report writing.

Phase 1 involved preliminary informal interviews<sup>23</sup> to gain clarity as to how the missions plan, work and operate.

Phase 2 involved a review of existing documentation directly related to the work of the EU bilateral missions; and an identification of literature, including academic literature, directly related to the conduct of diplomatic bilateral relations. A list of the main sources used is contained in Appendix 3. Useful sources included the Organisational Review Programme (ORP) report and survey (2010), and international literature on economic diplomacy. This phase highlighted a general paucity internationally of formal evaluation work in relation to the assessment and/or evaluation of diplomatic work. It also showed that the amount of easily available quantitative data on the outputs of the missions was limited.

The work of bilateral missions does not easily lend itself to quantitative measurement and informed by a preliminary review of documentation, it became evident that significant use of qualitative information would be necessary for the purposes of the assessment. The Steering Committee thus approved a twin step approach to information gathering/information generation.

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<sup>22</sup> Elaborated by John Mayne and subsequently adapted in various ways by others, assessing performance through analysing contribution, "Contribution Analysis", is now a widely accepted approach for performance measurement/assessment.

<sup>23</sup> The people consulted were all DFAT personnel, ranging from senior management to middle ranking officers recently returned from postings in EU missions.

The first of these (Phase 3) was to request all 26 missions to supply a range of quantitative information in relation to the services they provided in the years 2008-2011 (activities/events in relation to public diplomacy and economic diplomacy, consular services provided, passports issued, visas processed, other services in support of Irish trade and policy interests, and other services to Irish citizens). This data was also supplemented with a review of data from other sources on Ireland's links with EU countries, e.g. CSO trade statistics.

The second of the primary information collection steps was to interview a wide range of key people using a structured interview<sup>24</sup> (Phase 4). Devised around the six key questions of the Terms of Reference, the structured interview was piloted with a small sample of four people. This pre-testing led to some modifications and a decision to have a slightly different interview for interviewees from within DFAT and interviewees external to DFAT (see Appendices 6 and 7). Interviewees from Government Departments and state agencies were mostly from senior management level<sup>25</sup>.

A database was constructed to enable quantification and subsequent analyses of the responses to each question. Responses from the interviews (139) were grouped into six categories of people:

1. DFAT HQ personnel (12);
2. DFAT personnel serving in missions (31);
3. Key personnel from other Government Departments (10);
4. Key personnel from Irish State Agencies (15);
5. Key people from the private sector (25)<sup>26</sup>;
6. Other key people, including the voluntary sector, officials and diplomats from other countries, academia, retired officials and local staff in the Irish missions (46).

The interview process included visits to nine of the 26 EU bilateral missions. Approved by the Steering Committee, the choice of missions aimed to achieve a representative sample based on the level of expenditure being incurred (large, medium, small), level of staffing, presence or non-presence of Irish State Agencies (Enterprise Ireland, IDA, Bord Bia, Tourism Ireland) and geographic spread. Each visit involved formal interviews with people from interviewee categories 2, 4, 5 and 6 above. The missions visited were: Berlin, Helsinki, London, Luxembourg, Madrid, Nicosia, Prague, Sofia, and Tallinn. In addition, the three most senior officers at Ireland's Permanent Representation to the EU in Brussels were also interviewed. All interviews took place between the beginning of October 2012 and the end of March 2013, and were conducted by two staff members of the Evaluation and Audit Unit.

Lastly, all 9 members of DFAT's Management Advisory Committee (MAC) were interviewed after completion of the structured interviews. These interviews with the MAC members essentially explored emerging issues from preliminary analyses of documentation, resource application trends and information from the structured interviews. A list of all interviewees is attached as Appendix 2.

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<sup>24</sup> A Structured Interview is a fixed format interview in which the same questions are asked of each interviewee in the same sequence.

<sup>25</sup> In all, more than 170 individuals were consulted, including those interviewed using a structured interview.

<sup>26</sup> As some of these interviews involved more than one person, a total of 31 individuals from the private sector were interviewed. The 31 individuals come from a range of sectors such as: Management Services (10), Media Production/IT (5), Tourism/Hospitality (2), Import/Export Business (3), Investments /Finance (3), Marketing (1), Medical (1), Engineering/Construction (2), Food (1) and Telecoms (1). There were 2 interviewees with interests in a number of sectors.

## 1.9 Methodological Challenges and Limitations

A literature search at the outset of this Review identified little documentation of a directly comparable nature internationally that might have helped inform methodological choices. Account had to be taken of the following:

- Missions function as a policy instrument (representing, influencing and messaging), and this is inherently difficult to measure
- Outcomes with regard to the missions' work are substantially qualitative in nature
- There are also challenges in being able to establish a causal relationship between embassy inputs and outcomes
- The available quantitative data does not permit a strictly quantitative assessment of cost efficiency
- Missions operate in contexts that are not always directly comparable, thus making it difficult to meaningfully identify variations in performance between missions
- There is an absence of centrally managed and consistently gathered information in relation to outputs and outcomes
- There was inconsistent reporting in the period under review
- There is apparent under-reporting of the full scale of activities
- The quantitative information often gives insufficient data with regard to the scale or time required for certain outputs.

These issues aside, there were clear disaggregated expenditure data managed centrally, and missions were able to extract from their records details at the output level of certain types of services provided. They were also able to provide estimates of their time usage at Mission level.

In generating the qualitative information, the use of structured interviews helped provide a rigour and a consistency for the gathering and recording of information for later analysis. The credibility of the overall response was enhanced by having a relatively large and varied sample size. The issue of bias was mitigated by categorising different groupings of interviewees and, in particular, clearly separating responses of internal (DFAT) interviewees from external (Non DFAT) interviewees.

## 1.10 Report Structure

The report that follows is structured on the basis of the six key issues for examination as specified by the Terms of Reference (these six issues are also listed above in section 1.6). Each chapter opens with briefly describing that which the reader can expect to find in the chapter. Following from this the evidence is presented. Chapters 2-6 conclude with a brief presentation of the key findings. Chapter 7 contains the main conclusions and recommendations.

## Chapter 2: Rationale, Objectives and Relevance of Ireland's EU Bilateral Missions

### Issues in relation to the Terms of Reference

- Identification of the rationale and objectives of the missions
- How relevant is the work and objectives of the missions in the light of evolving policy priorities?

### 2.1 Chapter Introduction

This chapter first outlines the rationale for Ireland's EU bilateral missions, a rationale grounded in Ireland's policy in relation to the EU and the critical importance to Ireland of maintaining close relationships with its EU partners, relationships which can help support Ireland's interests in the EU and inform Ireland's policy positions. The chapter then briefly elaborates the core objectives of the EU bilateral missions and how these objectives relate to Ireland's Programme for Government and trade policies. An overview is then given of how different stakeholders assess the relevance to Ireland of its EU bilateral missions.

### 2.2 Ireland's EU Policy and the Rationale for the EU Bilateral Missions

EU membership is at the heart of Irish Government policy and this membership provides a key framework within which the Government pursues its foreign policy objectives. Describing the EU as the "cornerstone of political and economic stability in Europe",<sup>27</sup> Ireland seeks to work closely with the other member states in the development of both the EU's internal functioning and regulatory framework, and the implementation of the EU's Common Foreign and Security Policy.

Whereas certain high level values have remained a constant in Irish foreign policy<sup>28</sup>, the emphasis given to particular issues has varied over time, reflecting changes in the external and internal environments and the resultant foreign policy priorities of successive Irish Governments. These priorities shape the thrust of the work of Ireland's diplomatic missions.

Having bilateral missions is a long-established tool of international diplomacy and they are seen as a key element in the promotion of a country's economic, diplomatic, political, cultural and other interests with important partners as well as provision of services to citizens and businesses. Missions are invariably part of a country's wider foreign policy institutional structure and are a public good funded by the sending country's exchequer.

It has been Ireland's policy, stated and in practice, to maintain bilateral diplomatic missions in all EU member states. Articulated in a November 2004 Memorandum to Government, the core rationale for this policy position is that although capital-to-capital contacts, both political and official, are vital, resident Embassies are uniquely placed to report deeply and widely on the political contexts within which member states are formulating policy positions, and to develop and maintain a wide range of contacts with key policy makers and shapers.

<sup>27</sup> Department of Foreign Affairs and Trade website: <http://www.dfa.ie/home/index.aspx?id=28456>

<sup>28</sup> International peace and security has long been a feature of Ireland's foreign policy in one form or another.

The November 2004 Memorandum to Government stressed the particular importance of the EU missions in building and maintaining alliances within the EU and in expanding trade and economic opportunities for Irish interests, commenting that the underlying rationale for the EU bilateral missions is to maximize Ireland's presence and influence across all areas of national importance, including and in particular, key EU-related issues, trade and investment.

Essentially, the work of the EU bilateral missions serves to project Ireland's values and interests within fellow member states of the European Union thereby helping build within the EU partner countries understanding and support for Ireland's positions in relation to key decision-making in the European Council and the Councils of Ministers. In helping build understanding and support for Ireland's positions the missions complement and directly contribute to the work of the Permanent Representation to the EU in Brussels, which engages with their counterparts from the other member states and with the EU Commission in preparation for Council meetings<sup>29</sup>.

### **2.3 Helping Facilitate a Whole-of-Government Approach in the EU**

As a facilitator of international relations that are exercised at a variety of levels, and as a representative and instrument of official Government policies, the work of diplomatic missions by its nature has (or should have) a 'whole-of-Government' focus. The changing nature of international relations and diplomacy and the widening range of actors involved in the conduct of relations between states is particularly pronounced for EU member states, requiring a high degree of coherence, given the importance of EU affairs for each member state.

The ordinary business of the EU involves multiple levels of inter-governmental engagement, many of which are bilateral contacts between counterparts as they negotiate and work through sectoral issues at an intra-EU, yet nonetheless international level. The fact that many of these interactions are very often focused on technical issues involving officials with a particular expertise heightens a need for Ireland to ensure that a coherent, whole-of-Government approach is maintained. With a focus on the wider picture, Ireland's bilateral missions with their networking capacities are positioned to provide a platform to both facilitate issue-specific bilateral interactions, to advise on the evolving position of their host government, to explain the host government Irish viewpoints and objectives, to build alliances and encourage support for them. The embassies are also well placed to present to the host government and to civil society in the host country a cohesive image of Ireland's values and foreign policy. This contributes to the pursuit of Ireland's objectives in the EU, to the refinement of policy and overall policy coherence.

Ireland's bilateral missions are also in a position to provide continuity in the relationship between Ireland and individual member states, ensuring that relations do not become reduced to the sum of interactions that might be intermittent, issue-specific and involving representatives who may not meet again. Maintaining close and strong relations with the member states requires attentiveness to issues at many levels, including attention to the wider society of a host country and to related public

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<sup>29</sup> Preparations for Council meetings are primarily handled by two groups of senior officials known as Coreper 1 and Coreper 2.

diplomacy work. These important aspects of Ireland's relations with EU countries ordinarily fall outside the remit of sector specialists.

## 2.4 The Strategic Objectives of Ireland's Bilateral Missions in the EU

For the four-year period under review, the work of the EU bilateral missions was initially shaped by the Department of Foreign Affairs' Statement of Strategy, 2008-2010<sup>30</sup>, and then greatly influenced by national and global events which unfolded in the years 2008-2011. The 2008-2010 strategy identified six High Level Goals with associated strategic objectives. The High Level Goals were:

1. Contribute to international peace and security, promote conflict resolution, respect for human rights and the rule of law, and support effective common strategies to address global challenges.
2. Deliver on the commitments in the White Paper on Irish Aid through reducing poverty, supporting sustainable development and promoting development cooperation as an integral part of Ireland's foreign policy.
3. Secure Ireland's interests in the EU and contribute fully to the Union's future development.
4. Promote the full implementation of the Good Friday Agreement by supporting the effective operation of its institutions, strengthening North/South cooperation and working for lasting reconciliation.
5. Promote Ireland and its bilateral relations with other countries; advance our economic interests and enhance our cultural profile.
6. Provide a high quality passport and consular service to all Irish citizens and actively engage with our Diaspora.

Distilled from the Statement of Strategy and from other public statements by DFAT (e.g. on its website), the key strategic objectives of particular and direct relevance to the EU bilateral missions are:

- *Objective 1* Building strong bilateral relationships with our EU partners and advancing Ireland's overall position within the EU
- *Objective 2* Advancing Ireland's economic interest within the EU
- *Objective 3* Advancing Ireland's cultural interests within the EU
- *Objective 4* Meeting the needs of Irish citizens through the provision of passport and consular services and actively engaging with the Irish Diaspora

Though the above strategic objectives are interconnected in different ways and in varying degrees, the banking and fiscal crises that unfolded from September 2008 onwards resulted in Ireland's EU missions increasingly focusing their work firstly on limiting the damage caused to Ireland and then concentrating on restoring Ireland's reputation and advancing Ireland's economic and trade interests. The 2007-2012 Programme for Government had already looked to the EU as "*a key catalyst in Ireland's economic and social transformation*"<sup>31</sup>. The economic focus was further emphasised in the Renewed Programme for Government (2009), including an emphasis on the

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<sup>30</sup> Though intended to direct DFAT's work for the years 2008-2010, it was 2012 when the Statement of Strategy was formally superseded with a new Statement of Strategy. *De facto* the 2008-2010 Statement was extended to cover 2011.

<sup>31</sup> Department of the Taoiseach, Programme for Government (2007:79).

importance of building alliances with Ireland’s EU partners and the need to “*strengthen our relationship with the global Irish Diaspora to ensure those with a strong interest in Ireland can work together and contribute to our overall efforts at economic recovery*”<sup>32</sup>.

The current Programme for Government (2011) once again emphasises the centrality of restoring the Irish economy and speaks of a determination “*to restore Ireland’s standing as a respected and influential member of the European Union*”, adding that “*We will ensure that our diplomatic network aids the repair of our reputation*” and that “*We will take advantage of our links at an EU level to engage in bilateral exchanges with other countries to ensure that any changes in EU policy (...) do not place the Irish agri-food sector at a competitive disadvantage*”<sup>33</sup>. In June 2011 these policy positions were reiterated by the Tánaiste, first at a gathering of Irish ambassadors (1<sup>st</sup> June) and later to the Joint Committee on Foreign Affairs and Trade (5<sup>th</sup> June) at which he said that all ambassadors had been instructed to attach the highest priority to “*restoring Ireland’s international economic reputation and bolstering the export-led growth that is crucial to our recovery*”.

The actions that are elaborated in the annual work plans of the different EU missions are clearly in keeping with these stated policy priorities even if the plans were often of differing quality and often lacking specificity with respect to certain areas of activity (the issue of the quality of planning and reporting is dealt with later).

## **2.5 Interviewee Assessments of the Relevance of the EU Bilateral Missions**

The formal stakeholder interview process that was part of this Review explored the issue of the “*Relevance*” of Ireland’s bilateral missions in the EU. Overall, a high percentage (88%) of the interviewees<sup>34</sup> considered the work of the EU missions to be very relevant to advancing Ireland’s policy priorities and needs. This view was broadly uniform across all categories of people interviewed, irrespective of whether they were internal to DFAT, from other state bodies, from the private sector, or from outside either the state sector or the private sector. Only 3 out of the 137 respondents considered the relevance of EU bilateral missions to be less than “*relevant*”, expressing the view, “*somewhat relevant*”.

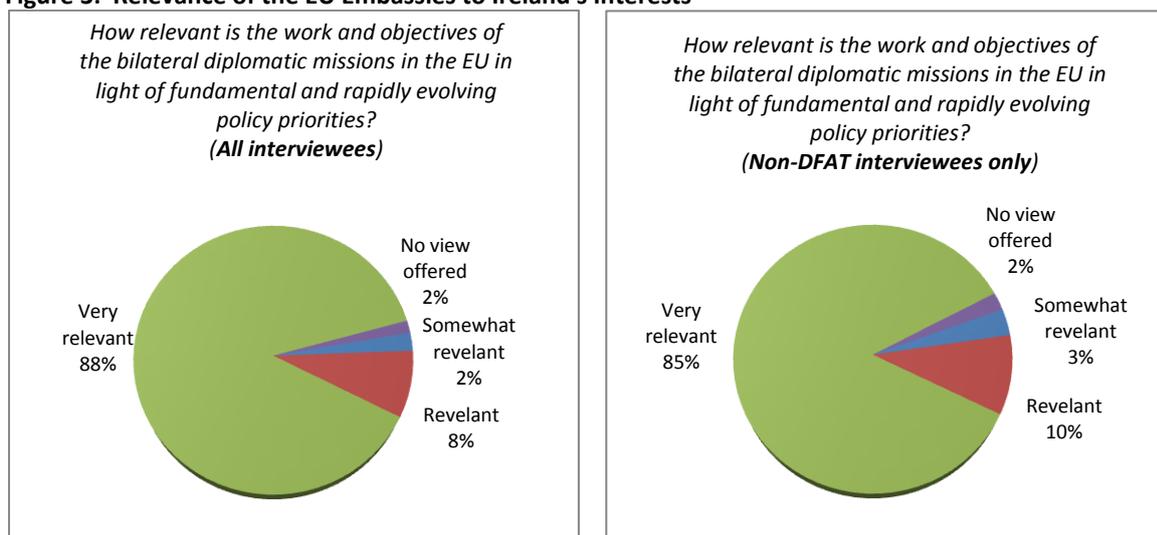
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<sup>32</sup> Department of the Taoiseach, Renewed Programme for Government (2009:41).

<sup>33</sup> Department of Public Expenditure and Reform, Programme for Government (2011), Section on Foreign Affairs, ODA and Defence.

<sup>34</sup> 121 of the 137 interviewees were asked to give an assessment.

**Figure 3: Relevance of the EU Embassies to Ireland's Interests**



[Based on responses from 137 interviewees – DFAT (43) and non-DFAT (94)]

Economic/Trade promotion was the most frequently given reason why interviewees considered the EU missions to have relevance for Ireland’s needs and policy objectives (74 interviewees or 54% of the total, and was highest for interviewees from the state agencies and the private sector, 67% and 68% respectively). This strongly reflects the emphasis given to trade promotion in the work of the bilateral missions themselves, in the work of Ireland’s state agencies directly promoting trade and investment, and in Irish Government policy. Other frequently given reasons for the relevance of the missions include:

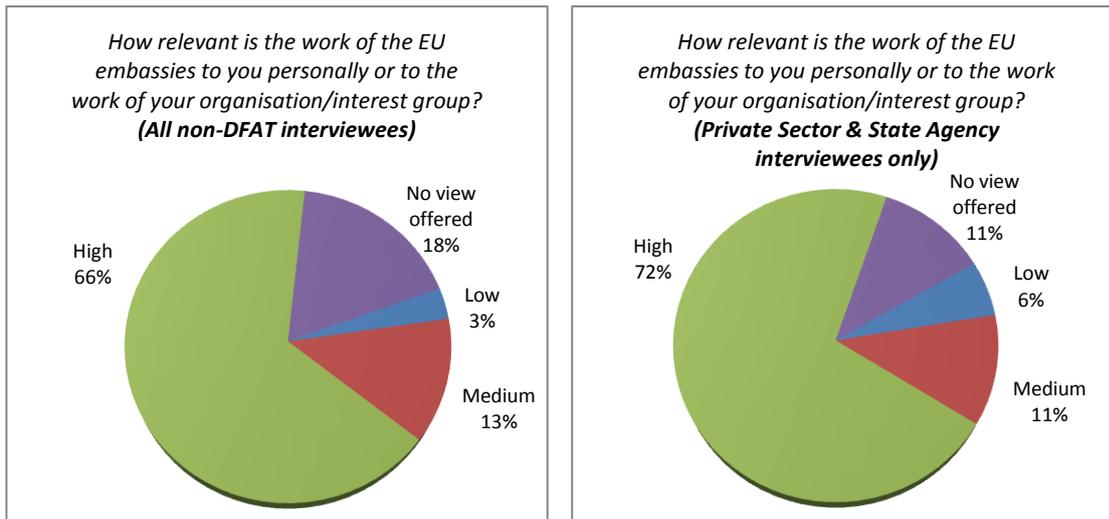
- Working to restore Ireland’s reputation (52 interviewees or 38%, and highest among DFAT and state agency interviewees at 44% and 40% respectively)
- Building bilateral relationships (50 interviewees or 36%, and highest among “Other” interviewees and lowest among state agency interviewees, 50% and 13% respectively).

Two interviewees from other Government Departments expressed strong views to the effect that the relevance of the EU bilateral missions was greater than ever before because the building of bilateral relations now demands going beyond the Foreign Ministries to the building of links with officials in “domestic” ministries.

Interviewees external to DFAT were asked whether the EU missions had relevance for their particular interests. A relatively large percentage (66%) saw them as having high relevance to their particular interests, while 18% of the interviewees who were asked this question said they were not in a position to comment or it did not impinge on them in one way or another<sup>35</sup>. Private sector and state agency interviewees rated the relevance of the embassies to themselves higher than interviewees overall.

<sup>35</sup> 35% of the non-DFAT interviewees were not asked this question. These were primarily Government officials and diplomats from host member states, and also locally employed staff at Irish missions.

**Figure 4: Relevance of the EU Embassies to non-DFAT Interviewees**



[Based on responses from the 62 non-DFAT interviewees – Private Sector (21), State Agencies (14), Other Government Departments (9), and Other (18)]

Many of the interviewees, especially from the state agencies and the private sector, spoke explicitly of the role embassies play in proactively facilitating the making of contacts with key people. Some interviewees from the state agencies observed that the ability of the embassies to ‘open doors’ and to attract key people to events was sometimes a critical factor for securing contracts or achieving particular objectives. This echoes views expressed in the Enterprise Ireland expenditure review report of 2004 which speaks of circumstances where missions can intervene in ways that the trade promotion agency cannot (2004:102) and where the involvement of an ambassador in a trade promotion event increases attendance and facilitates “*access to people in higher levels in business*” (ibid:106)<sup>36</sup>.

In 18 of the 25 private sector interviews the view was strongly expressed that the embassies played an important role in helping them make contacts with key people (“opening doors”<sup>37</sup>). Two of these interviewees added that they were initially surprised that the embassies were so proactive in promoting Irish trade-related issues only becoming aware of this aspect of the embassies’ work when they were invited to participate at a networking or trade promotion event being organised by an embassy.

**Box 1: Assisting an Irish Agency to make contacts - 'Opening Doors' in Austria**

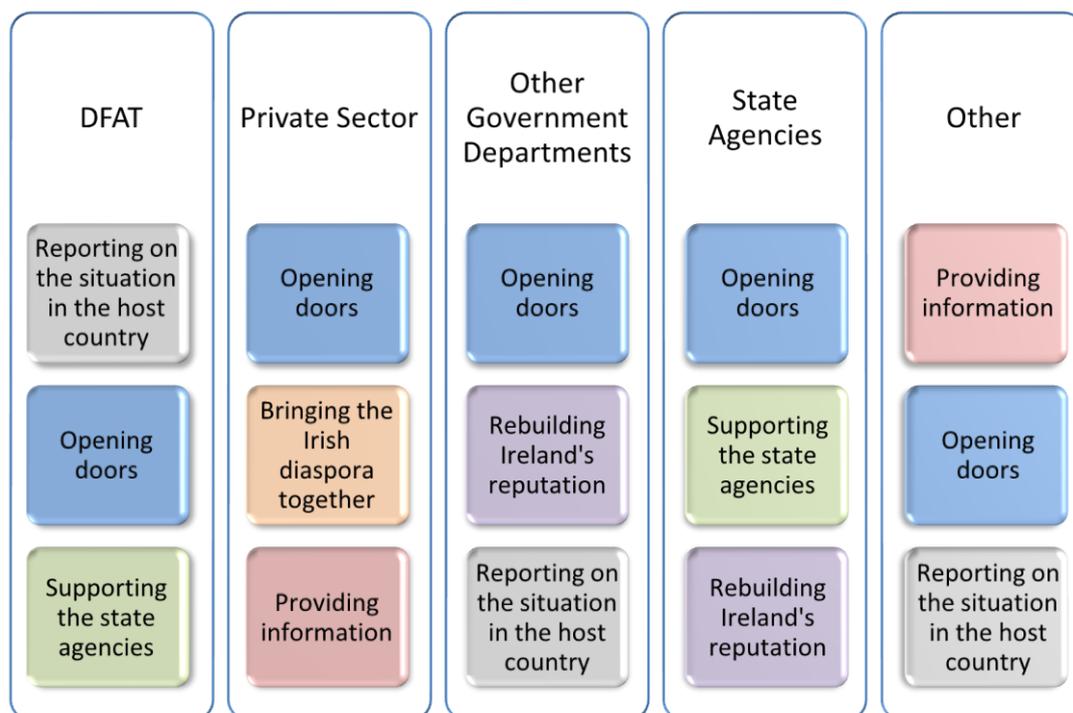
Shannon Development is an Irish government regional development company dedicated to promoting and developing the Shannon Region of Ireland. In March 2011, the Embassy of Ireland in Vienna was instrumental in introducing representatives of Shannon Development to senior executives of the United Nations Industrial Development Organisation (UNIDO). The meeting explored possible cooperation between UNIDO and Shannon Development which resulted in Shannon Development winning a contract to host a business coaching and study tour by Iraqi government officials later in the year.

<sup>36</sup> Elsewhere in the same report the assistance and involvement of an ambassador is described as “invaluable” for the work of the state agency.

<sup>37</sup> The interviewee references to “opening doors” were in the context of connecting trade and investment related interests with key people in the host country. This was particularly the case with interviewees from the state agencies and the private sector.

After “opening doors” (facilitating introductions and contacts with key people) the other most commonly given reasons for why the embassies were considered relevant are largely related to the gathering and provision of information. The top three reasons why they are considered relevant for different groupings of interviewee are illustrated in Figure 5 below.

**Figure 5: Top three reasons given by different categories of interviewee as to why the Missions are considered relevant**



## 2.6 Rationale, Objective, Relevance – Key Findings

The maintenance of bilateral missions is an established part of the foreign policy of modern independent states and they are a highly important instrument for promoting and protecting national interests particularly at a time when intergovernmental and international negotiations involve a much wider range of interests than had previously been the case.

Evidenced by the activities contained in the missions’ annual business plans and the subsequent outputs (see Chapter 3), over the period of this review the work and objectives of the EU bilateral missions has been closely aligned with and relevant to current and evolving Irish Government policies. For example, the work of the missions has been highly relevant to critical issues such as helping advance Ireland’s economic interests<sup>38</sup> and also in helping rebuild Ireland’s damaged reputation following the banking and fiscal crisis that unfolded throughout 2008-2011<sup>39</sup>.

<sup>38</sup> This work embraces engaging with issues in relation to financial and banking reforms; the Eurozone; monetary policy; and the European Central Bank.

<sup>39</sup> Of the 127 interviewees asked to identify the main external challenge the missions had to address in the period 2008-2011, 100 named the economic crisis confronting Ireland and an associated need to help restore Ireland’s image.

Most interviewees, including those from outside both the Department of Foreign Affairs and Trade and the public sector, regard the EU missions as having high relevance for Ireland and many also see the bilateral missions as having immediate relevance for their own work and interests.

Overall, Ireland's EU bilateral missions with their networking capacities are a very relevant resource for a whole-of-Government approach to how Ireland maintains relations with its EU partners and to how Ireland can present a cohesive image of its values and foreign policy in the EU member states, both to Governments and to civil society.

## Chapter 3: Level and Trend of Costs, Outputs and Efficiencies

### Issue in relation to the Terms of Reference

- Identification of the level and trend of costs and staffing resources; the outputs associated with the work of the Missions: and comment on the efficiency by which these outputs were achieved

### 3.1 Chapter Introduction

This chapter first describes the level and trend of costs of the EU bilateral missions in the period 2008 to 2011. The specific outputs of the missions are then outlined, elaborating through some examples the nature of these outputs. The chapter then presents interviewee assessments of how efficiently the missions function and then concludes with outlining key findings in relation to efficiency.

### 3.2 Total DFAT Expenditure, 2008-2011

The costs of Ireland's EU bilateral diplomatic missions are covered by Vote 28, "Foreign Affairs and Trade"<sup>40</sup>. Current costs, including Ireland's contributions to international organisations such as the United Nations, account for the bulk of this Vote's expenditure, a summary of which is given for 2008-2011 in Table 2 below.

**Table 2: Vote 28 Expenditure, 2008-2011 (€ million)**

Year	Gross Total Outturn	Appropriations in Aid <sup>41</sup>	Net Total Outturn	Total Admin Outturn	Contributions to International Organisations	Total Costs All Missions	Total Costs EU Missions only
2008	255.386	35.706	219.680	183.028	38.103	96.788	37.390
2009	231.822	40.506	191.316	168.195	37.246	92.921	34.724
2010	224.181	42.869	181.312	154.248	52.340	85.953	32.055
2011	208.903	44.364	164.539	143.648	44.437	80.320	29.409
<b>Totals</b>	<b>920.292</b>	<b>163.445</b>	<b>756.847</b>	<b>649.119</b>	<b>172.126</b>	<b>355.982</b>	<b>133.578</b>

Source: Department of Public Expenditure and Reform

While the number of diplomatic missions and representative offices maintained by Ireland did not reduce in the period covered by this Review, Table 2 shows that between 2008 and 2011;

- There was a reduction of €46.483m (18.2% less) in the gross total outturn, DFAT Vote 28
- There was a reduction of €55.141m (25.1% less) in the net total outturn, DFAT Vote 28
- There was a reduction of €39.380m (21.5% less) in administration expenditure
- There was a reduction of €16.468m (17.0% less) in the total costs of the full mission network
- There was a reduction of €7.981 (21.3% less) in the total costs of the EU bilateral missions
- "Appropriations in Aid" substantially increased by €8.658m (24.2% higher)

<sup>40</sup> Managed by the Department of Foreign Affairs and Trade, there is separate parliamentary approval for *International Cooperation*, Vote 27.

<sup>41</sup> Passport and other consular fees accounted for most of the "Appropriations in Aid".

### 3.3 Cost of the Worldwide Mission Network, 2008-2011

Between 2008 and 2011 the costs of maintaining Ireland’s diplomatic missions worldwide reduced from nearly €97m to a little over €80m, a reduction of 17%. The cost of the network changed little as a percentage of both the annual gross expenditure outturn and the annual net expenditure outturn (see Table 3 below).

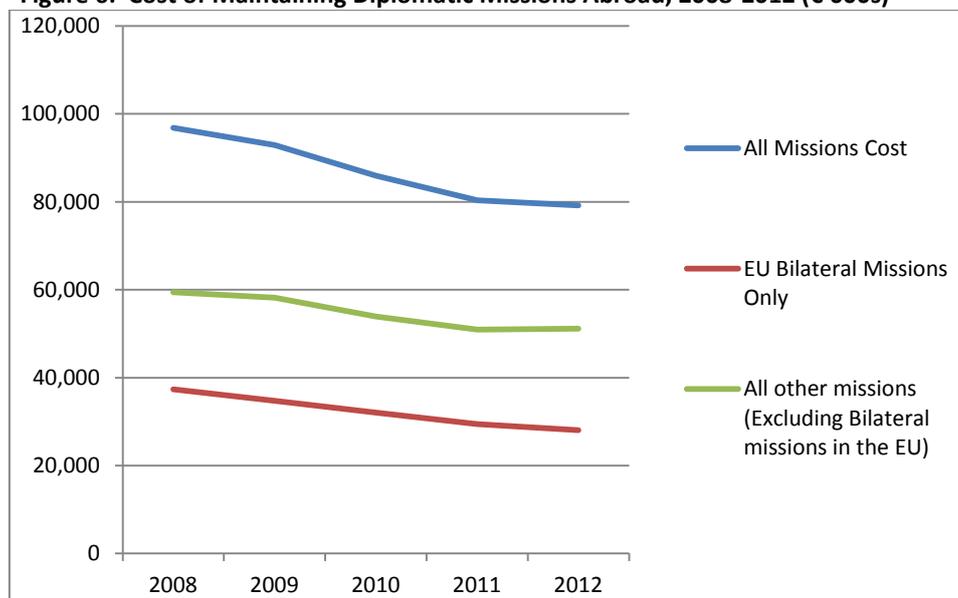
**Table 3: Vote 28 Expenditure in Maintaining Diplomatic Missions (€ million)**

Year	Gross Outturn	Net Outturn	Missions Worldwide (Total)			Missions Worldwide (excluding the EU)			EU Bilateral missions only		
			€m	% Gross	% Net	€m	% Gross	% Net	€m	% Gross	% Net
2008	255.386	219.680	96.788	37.9%	44.1%	59.398	23.3%	27.0%	37.390	14.6%	17.0%
2009	231.822	191.316	92.921	40.1%	48.6%	58.197	25.1%	30.4%	34.724	15.0%	18.2%
2010	224.181	181.312	85.953	38.3%	47.4%	53.898	24.1%	29.7%	32.055	14.3%	17.7%
2011	208.903	164.539	80.320	38.5%	48.8%	50.911	24.4%	30.9%	29.409	14.1%	17.9%
<b>Totals</b>	<b>920.292</b>	<b>756.847</b>	<b>355.982</b>			<b>222.404</b>			<b>133.578</b>		

Sources: Department of Public Expenditure and Reform and DFAT Finance Unit

The 17% decline in the overall expenditure for the missions worldwide (a gross reduction of €16.468m between 2008 and 2011) was not much different from the 18.2% decline in the gross expenditure for the Department as a whole in that period. However, between 2008 and 2011 the reduction in expenditure was greater for the EU bilateral missions (21.3% reduction) than for non-EU missions worldwide (13.9% reduction). This variation is reflected in the small increase in the percentage share of both the Gross Outturn and Net Outturn of the missions worldwide (excluding the EU bilateral missions) and corresponding small decreases in the percentage shares of the EU bilateral missions.

**Figure 6: Cost of Maintaining Diplomatic Missions Abroad, 2008-2012 (€'000s)**



Source: DFAT Finance Unit

Overall, the total cost of maintaining all diplomatic missions abroad in the years 2008-2011 has varied between 44% and 48% of the total Vote 28 net expenditure.

### 3.4 Cost of the EU Bilateral Missions

In 2011 the 26 EU bilateral missions accounted for a little over 36% of total expenditure (Vote 28) on maintaining missions abroad while the other 40 missions covered by Vote 28 accounted for a little over 63% of the total expenditure on missions<sup>42</sup>. In 2008 the corresponding percentages were a little less than 39% and a little over 61%.

In 2008 the maintenance of Ireland's bilateral diplomatic missions in the EU accounted for 17% of Vote 28 costs to the exchequer (Net Outturn). In 2011 this increased slightly to 17.9% (see Table 3 above)<sup>43</sup>.

With only some exceptions the costs of maintaining the individual EU bilateral missions have reduced between 2008 and 2011. In several cases the reduction in costs is substantial, and the overall reduction between 2008 and 2011 is 21.3%. By 2012 the eight missions with costs in excess of €1m accounted for more 61% of total EU mission expenditure and five missions had costs less than €0.5m (See Table 4 below). The average cost of the one-diplomat missions (6) was nearly €0.437m and the average cost of a two-diplomat missions (11) was a little over €0.688m.

**Table 4: Cost of Individual EU Bilateral Missions, 2008-2012 (€)<sup>44</sup>**

Mission	2008	2009	2010	2011	2012	% Change 2008-2011
United Kingdom	7,853,608	6,008,725	5,610,699	6,158,761	5,472,388	-21.6%
France	3,121,074	3,041,137	3,133,000	2,715,224	2,780,149	-13.0%
Italy	1,937,848	1,806,573	1,679,679	1,568,066	1,953,875	-19.1%
Germany	1,938,096	1,874,832	1,707,476	1,702,035	1,624,037	-12.2%
Austria	1,367,164	1,309,790	1,369,977	1,648,416	1,606,734	+20.6% <sup>45</sup>
Spain	1,879,899	1,816,162	1,625,335	1,450,071	1,378,310	-22.9%
The Netherlands	3,556,260	3,534,736	1,875,320	1,227,541	1,248,825	-65.5%
Poland	1,349,229	1,174,751	1,237,363	1,125,349	1,079,574	-16.6%
Belgium	1,283,117	1,518,339	1,156,921	870,803	875,525	-32.1%
Denmark	934,928	849,356	797,169	760,276	755,039	-18.7%
Sweden	698,015	914,126	972,369	835,148	754,574	+19.6% <sup>46</sup>
Czech Republic	925,564	1,123,516	1,680,868	879,216	727,610	-5.0%
Romania	860,581	824,629	688,033	738,136	725,096	-14.2%
Greece	944,333	870,332	851,476	817,940	711,567	-13.4%
Finland	1,061,760	964,787	777,099	747,570	706,030	-29.6%
Portugal	918,073	745,104	838,240	737,952	690,544	-19.6%
Hungary	756,240	763,503	613,135	711,982	616,222	-5.9%
Slovenia	780,067	670,692	630,438	693,265	597,882	-11.1%
Bulgaria	732,350	606,819	552,293	554,537	568,813	-24.3%
Lithuania	712,900	643,181	619,345	598,529	552,089	-16.0%
Luxembourg	960,042	960,693	890,971	533,539	523,072	-44.4%
Estonia	614,955	544,525	565,819	565,164	489,427	-8.1%
Malta	433,462	445,621	564,024	438,635	471,298	+1.2%
Cyprus	546,175	538,436	517,654	480,118	437,900	-12.1%
Slovakia	555,403	616,391	560,137	562,849	419,370	+1.3%
Latvia	669,194	556,998	540,432	288,349	280,145	-56.9%
<b>Total</b>	<b>37,390,337</b>	<b>34,723,753</b>	<b>32,055,271</b>	<b>29,409,472</b>	<b>28,048,107</b>	<b>-21.3%</b>

Source: DFAT Finance Unit

<sup>42</sup> The cost of maintaining 7 embassies in countries where Irish Aid has development programmes is covered by Vote 27.

<sup>43</sup> In 2012 the cost of maintaining the EU bilateral mission network reduced to 15.4% of DFAT's net total expenditure.

<sup>44</sup> Between 2008 and 2011, the large reduction in the cost of maintaining the embassy in The Netherlands (see Table 4 above) is primarily due to the fact that major renovation costs were incurred in 2008 and 2009.

<sup>45</sup> Additional costs were temporarily incurred in preparation for and during Ireland's presidency of the OSCE.

<sup>46</sup> A larger property has been leased in anticipation of co-location with Irish state agencies.

A comparison of costs between the different missions could easily be misleading due to a number of factors such as whether or not Ireland owns the embassy's building (thus having no rental costs)<sup>47</sup>, the nature of the property rental market in the different countries, and typical local salaries. Whereas the reduction in the numbers of DFAT staff serving in the missions does account for some of the reduced costs, other factors account for much of the saving, most notably a curtailment of building renovations.

**Table 5: Cost of EU Bilateral Missions Abroad: Breakdown by Type of Expenditure (€)**

	2008	2009	2010	2011	% Change 2008-2011
Representational costs	968,783	803,131	661,613	615,796	-36.4%
Other costs	14,107,245	13,270,825	12,040,647	9,851,293	-30.2%
<i>of which Chancery and Residence lease costs</i>	<i>5,216,820</i>	<i>5,771,838</i>	<i>5,412,422</i>	<i>5,181,295</i>	<i>(-0.7%)</i>
DFAT-HQ Staff costs	16,035,543	14,638,859	13,278,646	13,109,768	-18.2%
<i>of which housing costs</i>	<i>3,275,109</i>	<i>3,041,916</i>	<i>2,845,750</i>	<i>2,556,107</i>	<i>(-22.0%)</i>
<i>of which salaries and maintenance costs</i>	<i>12,760,434</i>	<i>11,596,943</i>	<i>10,432,896</i>	<i>10,553,661</i>	<i>(-17.3%)</i>
Local staff costs	6,278,766	6,010,937	6,074,365	5,832,614	-7.1%
<b>Total</b>	<b>37,390,337</b>	<b>34,723,753</b>	<b>32,055,271</b>	<b>29,409,472</b>	<b>-21.3%</b>

Source: DFAT Finance Unit

As shown in Table 5, compared to 2008, in 2011 the overall cost of maintaining the EU bilateral missions abroad had reduced by nearly €8 million (21.3%). The largest percentage reductions were in relation to representational costs at -36.4% and "Other costs" at -30.2% (see Table 5 above). "Other costs" include the leasing of embassy premises, utilities, security, ICT and communications, official travel and transport, costs associated with official visits, office supplies, building renovations and building maintenance. As can be seen in Table 5 the largest gross reductions in total expenditure involve "Other costs" and DFAT-HQ staff costs. The reduction in "Other costs" is primarily related to the cutbacks in building renovation. There has also been a reduction in staff costs; primarily as a result of reduced numbers of DFAT-HQ staff posted to the missions (see Table 9 and sections 3.5 to 3.7 below).

Ireland owns 15 of the 53 properties that serve the EU bilateral missions, two of which are prestigious buildings<sup>48</sup>. Between 2008 and 2011 there was a relatively small reduction in the overall cost<sup>49</sup> of leasing these properties (22 chanceries, 15 official residences and a passport office in London). These costs vary considerably reflecting differences in the rental markets between countries, the fact that some chanceries require more space and facilities<sup>50</sup>, and the fact that some lease arrangements include a variety of services as an integral part of the lease agreement, services such as the costs of utilities, cleaning, and security. Following from a 2012 internal audit report of accommodation expenditure (conducted between October 2010 and May 2011), the central lease record is being enhanced to provide the necessary management information to benchmark rental costs and to support a proactive role by headquarters in managing lease renewals. In addition, Heads of Mission now have standing instructions to renegotiate downward rent levels or examine

<sup>47</sup> Among the EU bilateral missions, Ireland owns 4 of the chanceries and 11 of the official residences.

<sup>48</sup> These are the high priority embassies in Paris and Rome. In both cases, the buildings serve as the chancery and as the official residence, and serve as the venue for high profile trade and cultural events.

<sup>49</sup> A breakdown of total costs by individual missions is provided in Appendix 4.

<sup>50</sup> Enterprise Ireland has offices in 5 chanceries, there are Garda Liaison Officers in 4 chanceries, and Attachés from other Government Departments are in 4 chanceries – in London alone there are 6 such Attachés.

whether it would be more cost effective to source new accommodation, taking account of the attendant relocation costs that would need to be incurred in the event of relocating<sup>51</sup>.

### 3.5 Human Resources - DFAT

At the end of 2008 DFAT had a total staff complement of 1,250.6 (full time equivalents), excluding temporary employees such as interns and locally employed mission staff<sup>52</sup>. Of these 1,250.6 DFAT staff in 2008, 337 (26.9% of total DFAT staff) were serving in the missions worldwide. At the end of 2011, DFAT had a total staff complement of 1,155.4 full time equivalents (again excluding temporary and locally employed mission staff). In 2011 there was 330 DFAT staff (28.6% of total DFAT staff) on posting in the missions worldwide (see Table 6 below).

**Table 6: Total DFAT Staff (full time equivalents), 2008 and 2011**

	2008		2011	
	Staff Numbers	% Total Staff	Staff Numbers	% Total Staff
Total DFAT Staff (Full time equivalents)	1,250.6	100%	1,155.4	100%
HQ Staff in missions	337	27.0%	330	28.6%
<i>of which staff in EU bilateral missions</i>	<i>112</i>	<i>9.0%</i>	<i>94</i>	<i>8.1%</i>
Staff in HQ	913.6	73.0%	825.4	71.4%
<i>of which staff in Passport Offices</i>	<i>360</i>	<i>28.8%</i>	<i>303</i>	<i>26.2%</i>

Source: DFAT Human Resource records

A relatively high percentage of DFAT staff is assigned to the processing and issuing of passports<sup>53</sup>. In 2008 there were 360 staff working in the three Passport Offices in Ireland (28.8% of total DFAT staff). In 2011 this number had reduced to 303 staff (26.2% of total DFAT staff). Even though the overall percentage fell between 2008 and 2011, the total staffing of the Passport Offices was not much less than the total DFAT-HQ staff in all of Ireland's 73 missions worldwide.

In terms of the total staff available (including local staff in embassies and temporary staff such as interns), Table 7 below compares the Foreign Ministry staffing for three other EU member states that are broadly comparable to Ireland in a number of respects<sup>54</sup>.

**Table 7: Number of Missions, Total Staff and Administrative Budgets of Selected Foreign Services (2011)**

	Number of Missions Worldwide	Total Staff	Administrative Budget (€ million)
Denmark	113	2,700	285.2
Austria	103	1,802	231.7
Finland	92	2,704	211
Ireland	73	1,446	143.8

Sources: European Policy Centre and DFAT

<sup>51</sup> In Tallinn, for example, a decision has already been made not to renew the chancery lease and to co-locate the chancery with the official residence. This arrangement will come into effect in January 2014.

<sup>52</sup> According to research by the European Policy Centre (Balfour R. and Raik, K., 2013), compared to the other EU member states, DFAT ranks 19<sup>th</sup> in terms of the level of staffing and 19<sup>th</sup> in terms of the number of missions it maintains worldwide.

<sup>53</sup> Ireland and Cyprus are the only other EU member state where full responsibility for issuing passports lies with the foreign ministry. In all other member states responsibility for issuing passports lies with some local, regional or national authority (abroad, embassies of other EU member states do issue passports and/or emergency travel documents).

<sup>54</sup> The gross value of Ireland's intra-EU trade was higher than that of either Denmark or Finland; their populations are not significantly higher than that of Ireland; and GDP and Average Individual Consumption per capita of all four are broadly similar (Eurostat, 2012). See [www.eurostat.ec](http://www.eurostat.ec).

The figure of 1,446 for Ireland includes 290.6 locally employed staff and the 303 staff assigned to the Passport Offices. As can be seen in Table 7, Ireland’s foreign ministry staffing is comparatively low with a correspondingly lower administrative budget<sup>55</sup>.

### 3.6 Staffing in Ireland’s EU Bilateral Missions

In 2008 there was a total of 112 DFAT staff on posting from Headquarters serving in the 26 EU bilateral missions, of which 77 were diplomatic grades. This figure for DFAT-HQ staff had reduced by over 16% to 94 in 2011 of which 69 were from diplomatic grades<sup>56</sup>. In 2011 London accounted for 34 of the 94 DFAT-HQ staff posted to the EU bilateral missions<sup>57</sup>. Excluding London, in 2011 the remaining 25 EU bilateral missions averaged 2.4 DFAT-HQ staff per mission. In the same year, Ireland’s non-EU bilateral missions had an average total DFAT-HQ staff complement of 3.1.

In addition to DFAT-HQ staff, the missions employed local staff in accordance with the host countries’ employment laws. In 2008 146.5 such staff was employed across all of Ireland’s 26 missions. This number had fallen to 121.5 in 2011, a reduction of 17%. As can be seen in Table 8 below, this is in contrast to the higher numbers of locally employed staff at the EU embassies of countries like Austria, Denmark and Finland.

**Table 8: Staffing at Selected EU Member States (2011)**<sup>58</sup>

	<b>Austria</b>	<b>Denmark</b>	<b>Finland</b>	<b>Ireland</b>
Total Number of EU Missions	26	25	25	26
Number of Diplomatic Officers in the EU Missions	188 (25)	93 (24)	116 (24)	69 (26)
Number of Local Staff in the EU missions	208.5 (22)	215.5 (21)	159.5 (20)	121.5 (26)
Average number of Diplomatic Officers per EU mission	7.5	3.9	4.8	2.6

Source: Ireland’s Bilateral EU Missions

Between 2008 and 2011 the staffing at most on the bilateral missions changed little, though in three instances the diplomatic staff reduced from two diplomatic officers to one officer, a *de facto* 50% reduction. In gross terms, London saw the biggest reductions in staff. This involved non-diplomatic staff and it was a direct result of a decision to move the production of passports in London back to Dublin, a decision that was implemented on a phased basis between 2009 and 2011<sup>59</sup>.

<sup>55</sup> The European Policy Centre (2013) data cautions that its figures for “Total Staff” may not include locally employed staff. In the case of Ireland, the total of 1,446 does include locally employed staff.

<sup>56</sup> Of the 25 non-diplomat grades serving in 2011, 23 were in London (7 of who were serving in the Passport Office) and there was one each in Madrid and Nicosia. Both of the latter have been withdrawn subsequently.

<sup>57</sup> London is the only EU capital where Ireland has a dedicated Passport Office. By the end of 2012 the number of DFAT-HQ staff on posting to London had reduced to 27.

<sup>58</sup> The numbers in brackets are the numbers of missions for which data was available to the review team.

<sup>59</sup> Though produced in Dublin, passports continue to be processed and issued from London.

**Table 9: Ireland's EU Bilateral Missions' Staff, 2008-2011 (full time equivalents)**

Bilateral Mission	2008			2009			2010			2011		
	D	ND	L									
<i>(Secondary Accreditations in brackets)</i>												
Austria (Multilateral role)	3	-	6	3	-	5	3	-	5	3	-	5
Belgium	2	-	4	2	-	4	2	-	4	2	-	4
Bulgaria (Armenia, Georgia)	3	-	4	2	-	4	2	-	4	2	-	4
Cyprus	1	-	3	1	1	3	1	1	3	1	1	3
Czech Republic (Ukraine)	3	-	5	2	-	6	2	-	6	2	-	6
Denmark (Iceland)	3	-	4.5	2	-	4.5	2	-	4.5	2	-	3.5
Estonia	2	-	3	2	-	3	2	-	3	1	-	2
Finland	2	-	3	2	-	3	2	-	3	2	-	3
France (Monaco)	5	1	11	5	1	11	5	1	11	5	-	11
Germany	6	-	5	6	-	5	6	-	5	6	-	5
Greece (Albania, Serbia)	3	-	5.5	3	-	5.5	3	-	5.5	3	-	5.5
Hungary (Kosovo, Montenegro)	2	-	4	2	-	4	2	-	4	2	-	4
Italy (Libya, San Marino) (Multilateral role)	4	-	9	4	-	9	4	-	9	3	-	9
Latvia	2	-	2	2	-	2	1	-	2	1	-	2
Lithuania (Belarus)	2	-	3	2	-	3	2	-	3	2	-	3
Luxembourg	2	-	3.5	2	-	3.5	2	-	3.5	1	-	3.5
Malta	1	-	2	1	-	2	1	-	2	1	-	2
Netherlands (Multilateral role)	3	-	6	3	-	6	3	-	6	3	-	6
Poland	3	-	4	3	-	4	3	-	4	3	-	4
Portugal (Morocco)	2	-	5	2	-	4	2	-	4	2	-	3
Romania (Moldova)	3	-	4	2	-	5	2	-	5	2	-	5
Slovakia (Macedonia)	2	-	3	2	-	3	2	-	3	2	-	3
Slovenia (Bosnia and Herzegovina, Croatia)	2	-	5	2	-	4	2	-	3	2	-	3
Spain (Andorra, Tunisia)	3	1	7	3	1	8	3	1	8	3	1	8
Sweden	2	-	4	2	-	4	2	-	4	2	-	4
UK (incl. London Passport Office)	11	33	31	11	31	30	11	29	12	11	23	10
<b>Subtotal</b>	<b>77</b>	<b>35</b>	<b>146.5</b>	<b>73</b>	<b>34</b>	<b>144.5</b>	<b>72</b>	<b>32</b>	<b>126.5</b>	<b>69</b>	<b>25</b>	<b>121.5</b>
<b>Total</b>	<b>258.5</b>			<b>251.5</b>			<b>230.5</b>			<b>215.5</b>		

[D= Diplomatic Staff, ND= Non-Diplomatic Staff, L= Locally Hired Staff]

Source: EU Bilateral Missions

The figures above for diplomatic staff do not include 8/9 non-DFAT staff accredited as Attachés from other Government Departments and who were based in four missions, London (6), Paris (1), Warsaw (1), and Madrid (1, during the period 2008-2009). Furthermore, a Garda Liaison Officer was based in four missions; The Hague, Madrid, London and Paris.

In addition to reductions in the aggregate numbers of DFAT-HQ staff serving in the EU missions there were notable changes in the grade-profile of DFAT-HQ officers serving in the missions (see Table 12 below). By the end of 2011, the number of Assistant Secretaries serving as ambassadors in the EU bilateral missions had reduced by 6 since 2009 and starting in 2010 First Secretaries/Assistant Principal Officers were, for the first time, appointed as Ambassadors in Irish missions.

Decisions about appointments of Heads of Mission are made taking account of a number of factors. As would be expected, the more senior and more experienced diplomats are appointed as Ambassadors in those missions that are deemed to be of highest strategic importance to Ireland. In the case of one-diplomat missions, a range of factors are taken into account when considering the choice of ambassador (cf. section 6.4.1).

### 3.7 Staff Costs and Non-Staff Costs

Staff costs account for a significant proportion of the overall costs of operating Ireland's 26 EU bilateral missions (see Table 10 below).

**Table 10: Total Staff and Non-Staff Costs of the EU Bilateral Missions (costs in € million)**

Year	No. of Local Staff	Costs of Local Staff	% of Total Costs	No. of HQ Staff	Costs of HQ Staff	% of Total Costs	All Staff Costs	% of Total Costs	Other Costs	% of Total Costs	Total Costs
2008	146.5	6.279	16.8%	112	16.036	42.9%	22.315	59.7%	15.076	40.3%	37.391
2009	144.5	6.011	17.3%	107	14.638	42.2%	20.649	59.5%	14.074	40.5%	34.723
2010	126.5	6.074	19.0%	104	13.279	41.4%	19.353	60.4%	12.702	39.6%	32.055
2011	121.5	5.833	19.8%	94	13.110	44.6%	18.943	64.4%	10.466	35.6%	29.409

Sources: Ireland's EU Bilateral Missions and DFAT Finance Unit

The "Other costs" given above primarily involve the leasing of premises, security, ICT and communications (including costs of the diplomatic bag), official travel and transport costs, costs associated with official visits, representational costs, office supplies, and building maintenance and renovation. While staff costs have significantly reduced in gross terms, they now represent a higher percentage of overall expenditure given the cutbacks in other areas of expenditure such as, for example, renovations.

**Table 11: DFAT Staff Costs of the EU Bilateral Missions (€ million)**

Year	No. of DFAT-HQ Staff	Costs of DFAT-HQ Staff (All 26 Bilateral Missions)			Totals
		Salaries + Service Allowances	Rents	Other staff costs	
2008	112	12.478	3.276	0.282	16.036
2009	107	11.385	3.041	0.212	14.638
2010	106	10.133	2.846	0.300	13.279
2011	94	10.188	2.557	0.365	13.110

Source: DFAT Finance Unit

In 2008 the overall unit cost, including salaries, of a DFAT officer serving in the EU bilateral missions was a little over €143,000 per annum. In 2011 the overall unit cost was roughly €139,500 per annum. It is worth noting that officers can vary in grade from a Clerical Officer to a 2<sup>nd</sup> Secretary General. Rental costs per officer reduced by 7% and "Other staff costs" per officer increased by over 50%<sup>60</sup>. The January 2010 salary reductions of approximately 7% do not translate into a corresponding percentage reduction in the overall unit cost per officer, 2010 to 2011.

In keeping with the proposal of the "Report of the Special group on Public Service Numbers and Expenditure Programmes" (2009) there was a notable reduction in the number of Assistant Secretaries serving as Ambassadors. This is reflected in the overall grade profile of officers serving in the bilateral missions between 2008 and 2011 (Table 12 below).

**Table 12: Breakdown of Staff Grades Serving in the EU Bilateral Missions**

Staff Grade	2008	2011	Difference 2008-2011
Second Secretary General	0	1	+1
Deputy Secretary General	1	1	0
Assistant Secretary	15	9	-6
Counsellor/Principal Officer	14	13	-1
First Secretary/Assistant Principal Officer	23	24	+1
Third Secretary/Higher Executive Officer	24	21	-3
Executive Officer	10	7	-3
Clerical Officer	22	15	-7
Service Officer	3	3	0
<b>Total</b>	<b>112</b>	<b>94</b>	<b>-18</b>

Sources: EU Bilateral Missions, DFAT Human Resources Unit

<sup>60</sup> These costs include furnishings and school allowances and can vary considerably in any given year depending on the family circumstances of officer.

Compared to the total diplomatic staffing in the EU bilateral missions of mid-sized EU member states that are not very different to Ireland, the overall level of HQ staff on posting in the Irish EU bilateral missions is comparatively low (see Table 8 earlier).

### 3.8 Outputs and Associated Trends

The missions were asked by the VFM review team to estimate the percentage of time given in 2011 to working towards the high level departmental goals<sup>61</sup> identified in Chapter 1. Seventeen missions estimated that the primary focus of their work was on building strong bilateral relationships and advancing Ireland's interests in the EU. Five missions (UK, Spain, Romania, Belgium and Portugal) estimated that the provision of services to Irish citizens was the most time-absorbing aspect of the overall work of their missions. Both the UK and Spain estimated that 40% of the embassies' work effort was given to providing services to Irish citizens. These estimates reflect the fact that the mission in the UK reports both the highest number of passports issued and the highest number of consular cases handled, and that Spain reports the second highest number of passports issued and the second highest number of consular cases handled. The overall estimates are averaged below.

**Table 13: Average Estimated Time Spent on Working towards High Level Goals**

EU Bilateral Mission (Secondary Accreditations in brackets)	DFAT High Level Goals					
	Building bilateral relationships & advancing Ireland's position in the EU	Advancing Ireland's economic interests	Advancing Ireland's cultural interests	Meeting the needs of Irish citizens and other consular activities	Advance reconciliation and cooperation	Multilateral engagement
Austria	55%	30%	7%	8%	0%	0%
Belgium	15%	25%	15%	45%	0%	0%
Bulgaria (Armenia, Georgia)	30%	30%	20%	20%	0%	0%
Cyprus	50%	15%	5%	30%	0%	0%
Czech Republic (Ukraine)	40%	35%	10%	15%	0%	0%
Denmark (Iceland)	45%	35%	10%	10%	0%	0%
Estonia	30%	30%	20%	20%	0%	0%
Finland	30%	35%	20%	15%	0%	0%
France (Monaco)	35%	30%	10%	25%	0%	0%
Germany	37%	30%	10%	20%	3%	0%
Greece (Albania, Serbia)	35%	20%	10%	35%	0%	0%
Hungary (Kosovo, Montenegro)	35%	35%	10%	20%	0%	0%
Italy (Libya, San Marino)	20%	25%	15%	25%	0%	15%
Latvia	35%	20%	10%	35%	0%	0%
Lithuania (Belarus)	30%	20%	30%	20%	0%	0%
Luxembourg	30%	30%	15%	25%	0%	0%
Malta	25%	50%	15%	10%	0%	0%
The Netherlands	37%	18%	4%	21%	0%	20%
Poland	30%	50%	7%	13%	0%	0%
Portugal (Morocco)	25%	15%	25%	35%	0%	0%
Romania (Moldova)	28%	18%	22%	32%	0%	0%
Slovakia (Macedonia)	40%	25%	10%	25%	0%	0%
Slovenia (Bosnia and Herzegovina, Croatia)	33%	27%	15%	25%	0%	0%
Spain (Andorra, Tunisia)	23%	25%	12%	40%	0%	0%
Sweden	33%	30%	15%	22%	0%	0%
United Kingdom	15%	20%	5%	40%	20%	0%
<b>Expenditure Weighted Average</b>	<b>30%</b>	<b>27%</b>	<b>11%</b>	<b>27%</b>	<b>4%</b>	<b>1%</b>

Source: EU Bilateral Missions

<sup>61</sup> The 2012 annual business planning process included a requirement of missions to estimate the anticipated level of effort that would be given to working towards the different high level goals specified in the Statement of Strategy.

In interviews with embassy staff, people expressed the view that the building of bilateral relationships and the advancing of Ireland’s cultural interests and supporting networks of the Irish diaspora also directly serve to advance Ireland’s economic interests<sup>62</sup>. This suggests that the time given to advancing Ireland’s economic interests probably absorbed, directly and indirectly, more than the average of 27% of the missions’ work as estimated by the missions themselves. Based on the estimates given (see Table 13 above) and the total expenditure for 2011 (see Table 4 earlier), the indicative costs of the direct economic/trade promotion work of the EU missions would likely have been in the region of €8.2m for the year 2011.

### 3.9 Specific Outputs and Products

#### 3.9.1 Events and Promotional Activities

Each of the 26 missions was asked to supply a range of information that included quantifying different types of events planned or facilitated by the missions either by themselves alone or in cooperation with other actors such as the Irish state agencies. Unfortunately some of the embassies said they were not in a position to provide accurate detail of certain types of information for the early years covered by this review, especially for 2008. Thus, for the purposes of being able to see trends, the events categorised in Table 14 below provide quantitative information only for those missions who provided data for all four years, 2008-2011<sup>63</sup>.

**Table 14: Numbers of Events and Promotional Activities**

Type of Event	2008	2009	2010	2011	Totals
Economic/Trade related events	121 (20)	138 (20)	167 (20)	221 (20)	647 (20)
Cultural Events	171 (21)	170 (21)	201 (21)	253 (21)	795 (21)
Official Visits/Events	117 (23)	86 (23)	73 (23)	94 (23)	370 (23)

Source: Ireland’s EU Bilateral Missions

The substantial increase in economic/trade related events and cultural events reflects the increasing emphasis that was given by the embassies over the period of this review to promoting Ireland’s economic interests and helping to restore Ireland’s reputation damaged by the banking and fiscal crisis.

<sup>62</sup> The recognition of a clear relationship between cultural promotion work and trade promotion work is mentioned occasionally in the minutes of meetings and in progress reports related to the implementation of individual *Local Market Action Plans* which are coordinated by the Irish ambassador.

<sup>63</sup> The number of missions contributing to the data given for a particular type of event is in the brackets beside the aggregate number.

## Box 2: Promoting Ireland

### Vienna 2009

The Embassy organised a St. Patrick's Day marquee in central Vienna to promote Ireland to the media and public, and showcase contemporary and traditional Irish music, as well as food and beverages from Ireland. The marquee attracted several thousand visitors over two days.

### Prague 2010

Enterprise Ireland and the Embassy co-hosted a dinner for visiting Irish companies and their Czech business partners. The event was preceded by a seminar with the theme, "Selling to Multinationals". Among the over 100 guests in attendance were executives from Telefonica O2, Vodafone, Deloitte, Nokia Siemens Networks, Commerzbank, Philip Morris, Raiffeisenbank, TESCO as well as officials from the Czech Ministries of Industry and Trade and the Environment and the promotional agencies CzechTrade and CzechInvest. The dinner was addressed by the Czech Deputy Trade Minister, and also by the Head of International Sales and Partnering, Enterprise Ireland, and the Enterprise Ireland Regional Manager for the Czech Republic.

### Paris 2011

The Irish embassy hosted a private sector breakfast meeting which was attended by individuals from across the private sector, including a representative from Carrefour, the second largest retail group in the world in terms of revenue. As a result of the meeting, Carrefour undertook to hold an 'Ireland Day' at their buying centre in May 2011 which led to Irish companies securing contracts.

### Berlin 2011

The Irish Embassy in Germany and Tourism Ireland cooperated with Temple Bar Traders to organise a concert featuring the Dubliners to launch the 2012 *Trad Fest*. The annual *Trad Fest* attracts visitors from all over the world. Supported by the Embassy and Tourism Ireland, the launch event contributed to making German visitors account for highest percentage (13.4%) of international ticket sales for the 2012 *Trad Fest*. Germany is a key market for Ireland, with over 443,000 Germans visiting in 2011.

## 3.9.2 Other Promotional Activities

In addition to what might be considered the more formal or structured events, the EU missions undertake other, less formal activities. Many of these involve networking and helping others to network. For example, promoting Irish companies in the local market or supporting, as appropriate, Irish companies in dealing with administrative and regulatory barriers.

Apart from the networking that would be a feature of what might be called, "traditional diplomacy", the missions report a range of other activities (some formal). These other activities include:

- Community focused events linking the Irish Diaspora
- Media events
- Trade/business introductions
- Op-eds (placement of promotional or informational material in newspapers).

From the information provided by the missions, arranging media events would appear to be a feature of the work of missions that has increased in the last few years. However, the successful placement of op-eds in newspapers is more a feature of the larger EU missions.

Only five missions provided data with respect to numbers of trade/business introductions and most of these figures appear to be estimates. Other missions simply commented to the effect that the numbers of such introductions were 'very many'.

### 3.9.3 Services to Irish Citizens and to the Public

Similar to Ireland's bilateral missions worldwide, the EU bilateral missions provide a range of specific services to Irish citizens and to the wider public. Prominent among these other services are the issuing of passports, the processing of visa applications and the provision of consular assistance to Irish citizens.

**Table 15: Major Services to Irish Citizens and to the Public<sup>64</sup>**

Service provided	2008	2009	2010	2011	Totals 2008-2011
Passports issued	48,431	50,998	49,524	48,245	197,198
<i>of which London issued</i>	<i>41,681</i>	<i>43,924</i>	<i>41,525</i>	<i>39,807</i>	<i>166,937</i>
Visa applications processed	14,993	14,549	13,917	14,890	58,349
Reported number of Consular Cases	3,380	3,397	3,357	3,489	13,623

*Source: Ireland's EU Bilateral Missions*

Table 15 above gives aggregate numbers. However, the level of these services varies considerably across all 26 missions. London is by far the largest provider of these services, alone accounting for over 80% of all passports issued by the EU missions in 2011. In contrast, some of the smaller missions issue less than 100 passports per year with fewer than 20 passports being issued in 2011 in the case of two of these smaller missions. Other services provided by the missions include:

- Issuing temporary passports
- Issuing emergency travel documents
- Registering foreign births
- Legalising documents
- Facilitating introductions
- Providing information on a wide range of issues
- Visiting Irish citizens in gaol

### 3.9.4 Secondary Accreditations and Multilateral Obligations

Thirteen EU missions have secondary accreditations and three others have responsibilities with regard to multilateral organisations. From time to time these additional responsibilities can put heavy demands upon the missions concerned<sup>65</sup>. Similarly, with two secondary accreditations, the embassy in Slovenia estimated that 40% of the total work effort of the mission involved Ireland's engagement with its countries of secondary accreditation. Though having a multi-country remit, the level of reporting from missions with secondary accreditations is not significantly different to the level of reporting of missions of a similar size but with no secondary accreditations.

<sup>64</sup> Data represents information from 25 of the 26 EU bilateral missions.

<sup>65</sup> For example, over a 10-day period in September 2012, Ireland's mission in The Hague was called upon to attend 18 multilateral meetings.

### **Box 3: Multilateral Obligations - The Hague**

The Hague hosts several international organisations of which the most important are the International Court of Justice (ICJ), the Permanent Court of Arbitration, (PCA) the International Criminal Court (ICC), the Organisation for the Prohibition of Chemical Weapons (OPCW) and the ad-hoc tribunals on the former Yugoslavia, the Lebanon and Sierra Leone. While the embassy has regular contact with each of these institutions, it interacts most frequently with the ICC and the OPCW both of which have institutionalised intergovernmental structures (see below).

#### **International Criminal Court (ICC)**

Commitment to the Rome Statute is at the heart of Ireland's commitment to the Rule of Law. The ICC has an intergovernmental structure which involves annual meetings of the Assembly of States Parties (ASP). In between the annual meetings the Hague Working Group is responsible for relations with the Court including cooperation, governance and budget issues. In the light of limited resources, the embassy, in consultation with Legal Division, focuses on a limited range of issues of particular interest to Ireland.

#### **Organisation of the Prohibition of Chemical Weapons (OPCW)**

The OPCW is the only disarmament agreement which seeks to eliminate a specific category of weapons of mass destruction. The Conference of States Parties meets annually in The Hague. In recent years HQ has relied on the embassy to service all intergovernmental meetings.

#### **Resource Issues**

The time commitments arising from the multilateral work of the Embassy varies during the year with a peak engagement from September to December. The first secretary covers key issues at the ICC and the third secretary engages with OPCW. The Ambassador participates in meetings of the Executive Council of the OPCW and the annual meetings of both the ICC and OPCW. Many embassies of States comparable in size to Ireland have a dedicated diplomatic officer dealing with the International Organisations in The Hague.

### **3.9.5 Information Gathering and Reporting**

A key function of an EU bilateral mission is its potential to report deeply and widely on the political contexts within which the host Member State is formulating policy positions. Political, Economic and Cultural reporting are common activities of the missions. The volume and frequency of this reporting fluctuates depending on events both in the host country and internationally, and depending on the information needs of Government Departments in Ireland, particularly the Departments of Foreign Affairs and Trade, the Taoiseach and Finance. The data provided by the larger missions such as London, Berlin, Paris and Rome, show that they prepare upwards of 100 reports annually in relation to political, economic and cultural matters. By comparison, the smaller missions prepare between 25 and 45 reports on these same matters<sup>66</sup>. Data from the missions show that these levels of formal written reporting have reduced between 2008 and 2011, a reduction that is paralleled by an increased volume of e-mail communications with HQ and regular use of video conferencing enabling quicker and more efficient exchanges of information. For example, prior to the weekly meetings of the Economic Management Council (EMC) there is a pre-EMC video conference chaired by the Secretary General, DFAT, and involving, as appropriate, a large number of the EU bilateral missions.

<sup>66</sup> While most reports are channelled back to DFAT, there is also reporting, depending on the topic, to other Departments such as the Department of the Taoiseach and the Department of Finance.

## 3.10 Analysis of Costs and Related Outputs

### 3.10.1 Costing the Overall Work Effort

Whereas it is not possible to definitively match the work effort of the missions with the high level goals of DFAT's Statement of Strategy (2008-2011), the estimations of the missions themselves does permit a rough, though strictly indicative valuation of the overall work effort in relation to those high level goals.

Taking the averaged estimation of time given by the EU bilateral missions to the high level goals of the Department's Statement of Strategy (see Table 13 above) the effort of the mission network can be roughly valued as follows based on the outturn (all 26 missions) of €29.409m for 2011:

**Table 16: Indicative Cost of the Overall Work Effort of the EU Bilateral Mission Network, 2011**

High Level Goal	Estimated Effort (Weighted Average)	Estimated Cost (€m)
Building strong bilateral relationships & advancing Ireland's overall position within the EU	30%	8.823
Advancing Ireland's economic interests	27%	7.941
Meeting the needs of Irish citizens & other consular activities	27%	7.941
Advancing Ireland's cultural interests	11%	3.235
<b>Total</b>	<b>95%</b>	<b>27.931</b>

Sources: Ireland's EU Bilateral Missions and DFAT Finance Unit

The two other areas of work effort (Multilateral engagement and Anglo Irish reconciliation and co-operation) account for the remaining 5% of effort, at an estimated cost of €1.470m.

The cost estimations in Table 16 above are only indicative for the overall EU mission network. The estimated level of effort given to advancing Ireland's economic interests is lowest among some of the larger missions<sup>67</sup> and highest among some of the smaller or medium sized missions. This said the averaged estimation of 28% reflects, for example, the estimate of 30% given to this high level goal by the mission in Berlin, a mission of particular importance in helping advance Ireland's economic interests.

### 3.10.2 Outputs: Passports and Other Consular Services

The EU missions issued more than 48,000 passports in 2011 (see Table 15), a year when the cost of a standard passport varied between €80 and €95 depending upon the mode of application. Typically, however, the higher fee applied in the case of the EU missions. Overall, an estimation of fees from the issuing of passports is almost €4m, a considerable proportion of the estimated cost (€7.06m) of providing the full range of consular services in all EU missions. London alone accounted for over 80% of all passports issued by the EU missions. In 2011 only three other missions issued in excess of 1,500 passports. With only one exception the missions that issued less than 100 passports processed higher numbers of visa applications. Unlike London, for example, in the smaller missions it is not a case that there is a person or persons whose only function is the processing of passports and/or

<sup>67</sup> These larger missions are missions that report high demands for consular services.

visas. This said DFAT does have to balance the costs of a mission being ready and able to issue a passport with the likely volume of requests for passports.

#### **Box 4: Consular Activity - Berlin**

The mission in Berlin issued 1,656 passports in 2011. With a self-estimation of 20% of its work effort given to consular services and an indicative total cost of €1.702m for the mission, the overall valuation of the provision of all consular services in 2011 is thus roughly €0.34m. The 2011 Embassy of Berlin *Report of Internal Audit* commented that it was “*an extremely busy mission, and also has a large volume of consular activity*”. Consular receipts were in excess of €100,000.

The provision of consular support for Irish citizens is difficult to analyse from the perspective of actual costs. The 13,623 consular cases dealt with by the EU missions in the period of this review do not illustrate the amount of work and the cost that might have been involved. One case alone can absorb the full time attention of a diplomatic officer for several days and may even protract over a number of months. By contrast, another case can be resolved in a matter of hours or less.

#### **Box 5: Dealing with a Sudden or Tragic Death**

The sudden or tragic death of an Irish citizen can put considerable demands on the time of an embassy official. This can vary from most of 2 or 3 days up to weeks in exceptional cases, a very large demand on an embassy’s resources, especially for the typical embassy with just two diplomatic officers (all the more demanding for a one-diplomat embassy). Embassies give much importance to providing such services, services that the Irish public have come to expect. Assistance to a distraught family typically includes liaison with the police, liaison with other emergency services, liaison with medical services (including the practicalities associated with a post mortem), arranging initial counselling, advising on funeral service providers, advising on repatriation procedures (including necessary legalities that must be fulfilled and restrictions some airlines apply), and in general, acting as a channel of communication with the family in Ireland.

The numbers of consular cases formally recorded are probably under-reported to some degree. All consular cases should be entered into the Department’s database<sup>68</sup> for recording and tracking consular cases. However, some DFAT interviewees commented that when a consular case is dealt with quickly, it might not be entered into the database simply because having to do this is an additional administrative burden in an already busy embassy<sup>69</sup>. The probable under-reporting further understates the time and effort given by the missions to providing consular services.

In addition to providing consular assistance to an individual, there are exceptional situations where the presence of a mission enabled Ireland respond in a concerted way to a crisis involving many Irish citizens.

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<sup>68</sup> The database is known as *Cabhair*, and apart from providing a record of the number of cases handled by DFAT, it also enables people track progress towards helping resolve any outstanding issue.

<sup>69</sup> It is also the case that embassy staff regularly and routinely provide advice to people encountering problems. Briefly dealt with, the fact of doing this might not be captured in any record system.

#### **Box 6: Responding to a large Scale Emergency**

During the Libyan crisis of early 2011, the Embassy of Ireland in Malta was called upon to play a central role in the evacuation of 45 Irish citizens from Libya. Closely supported by Consular Section in Dublin, the actions of the Irish ambassador and the embassy team included gathering information, liaising with other EU member states on joint evacuation efforts, ensuring Irish citizens were included in the manifests of ships evacuating expatriates, keeping families updated as to what was happening, meeting evacuees as they came ashore in Valletta, helping arrange medical treatment for those injured or traumatised, requesting services for the Irish citizens from the Maltese authorities, issuing travel documents to evacuees, assisting with accommodation and helping evacuees with onward travel arrangements. This service to Irish citizens entailed the 24-hour availability of the small embassy team over several days.

#### **3.10.3 Outputs: Economic/Trade Promotion Activities**

Reflecting the high policy priority given to economic/trade promotion the data available from 20 of the EU missions indicate a significant increase in the numbers of economic/trade promotion events hosted or facilitated by the missions. These missions reported hosting or facilitating more than 221 such events in 2011 as compared to 121 such events in 2008 (647 events over the 4-year period). It is likely that these figures are also under-reported to some degree. For example, an interim progress report from a mission refers to a number of economic/trade related events that are in excess of the number shared with the VFM review team for that particular year. Unfortunately, it is not easy to gauge the scale and significance of the events hosted/facilitated and there is not much information as to outcomes to which the activity may have contributed, whether in the short term or the long term. However, there is empirical evidence from recent research that the economic diplomacy work of embassies can make a significant contribution to bilateral trade and investment flows (this is discussed in Chapter 5). Furthermore, some of the interviewees from the state agencies consulted as part of this VFM commented, unprompted, that the economic/trade promotion activities of the missions in Ireland's priority market countries (11 of them in the EU) make an important contribution to the state agencies' trade promotion work.

#### **3.10.4 Outputs: Cultural Events**

Similar to a significant increase in the number of economic/trade promotion events in the period 2008-2011, the data shows a notable increase in the number of cultural events, rising from over 170 in 2008 to more than 250 in 2011 (based on data from 21 missions). However, similar to the reporting of other events, it is possible that these events are under-reported.

The reports of the EU missions regarding St. Patrick's Day events show much effort and creativity in relation to Irish cultural issues.

The significant increase in the numbers of reported cultural events organised or supported by missions took place despite the fact that the missions do not have their own formal budget for hosting or supporting such events. DFAT-HQ does manage a small budget of approximately €280,000 per annum which is used to fund proposals for culture-related events received from Irish embassies worldwide. Funding for such events can vary from as little as €300 up to €15,000, more typically €2,000 to €4,000. Many of the cultural activities organised or supported by the embassies are undertaken without HQ funding.

#### **Box 7: Cultural Events supported by Embassies - An Example from the Irish Embassy in Bratislava, Slovakia**

##### **'Ireland Through Our Eyes' Exhibition**

The Embassy in Bratislava partnered with the Slovak Embassy in Dublin to mount an exhibition of photographs by members of the Czech and Slovak Photo Club in Ireland, styled "Ireland through our eyes" in the Eurovea Galleria, Bratislava, from March 16<sup>th</sup> -20<sup>th</sup>, 2011. This was part of a wider St. Patrick's Day Cultural Event organised and paid for by the Irish Chamber of Commerce (ICOC) with Embassy support. The Slovak Embassy in Dublin arranged free delivery of the exhibits to Bratislava. The Embassy of Ireland in Bratislava funded the transport and the mounting of the photos on display in the Eurovea Galleria. Held over 5 days, the Irish Embassy promoted the exhibition among the Irish community and through various cultural and diplomatic contacts, and the ICOC promoted the event through its contacts.

##### **Media Coverage**

The Irish Ambassador and the Chairperson of ICOC were interviewed on Markiza TV's early morning breakfast programme on March 18<sup>th</sup>. On the 19<sup>th</sup>, Markiza TV was present at the exhibition and various interviews were broadcast on the Main Evening News. Eurovea Galleria reported that approx 30,000 people visit the Galleria Shopping Centre on a typical Saturday and over the 5 days it is estimated that several thousand people visited the photo exhibition. In addition to raising knowledge and understanding of Ireland in Slovak society, the event had tourism-promotion value and offered scope for collaboration with the Slovak community in Ireland. The cost to the Embassy of Ireland was €700.

#### **3.10.5 Outputs: Official Visits/Events**

In the years 2008 to 2011 there was some reduction in the reported numbers of official visits or high level visits, with the EU missions reporting around 100 such visits each year. It is difficult, however, to adequately appreciate the scale, duration and significance of many of these events, information that would give some sense of the work involved in their organisation. It is appreciated that high level visits, such as a state or an official ministerial visit, can be very work intensive and can involve much preparatory work both by the particular mission itself and by HQ. Unfortunately, the benefit to Ireland of any high level visit is difficult, if not impossible, to measure in a definitive way even if it is undoubtedly the case that events such as these are reinforcing to some degree other events and actions in relation to how Ireland builds its bilateral relations and seeks to advance its policy objectives.

#### **Box 8: A High Level Official Visit – Italy, 12<sup>th</sup> – 18<sup>th</sup> March 2010**

In 2010 Ireland's Minister for Agriculture, Fisheries and Food visited Italy from the 12<sup>th</sup> to the 18<sup>th</sup> of March on the occasion of the St. Patrick's Day celebrations. The Minister attended several events in Rome, Milan, Bologna and Mantova. In Milan, the Minister had a bilateral meeting with the Mayor of Milan. The Lombardy region – of which Milan is the capital – is Italy's economic powerhouse, with a GDP larger than Ireland's.

- The Minister attended and spoke at eight different promotional events. These included events with two universities in Rome – to promote studying English in Ireland – and trade events, especially in the crucial agri-business sector;
- St. Patrick's Day events attracted widespread coverage in the Italian national and local media. In Milan, the Minister gave an in-depth interview to Convivium, the magazine of the Italian meat importers association. The Minister presented the Mayor of Milan with a bowl of shamrock at an event which was covered by both the photographic and print media;
- The Minister had an hour-long meeting with Mayor Moratti of Milan and was accompanied by the Irish Ambassador to Italy and the heads of the three state agencies in Milan: Bord Bia, Enterprise Ireland and Tourism Ireland;
- While in Milan, the Minister announced that the Irish healthcare company based in Blackrock, Co. Dublin, would be providing an online blood pressure diagnostic service to Alphega, one of the largest pharmacy groups in Europe, representing over 2,500 pharmacies;
- A meeting was held with the senior executives of the COOP Italia supermarket group, the largest importer of Irish beef in Italy. Beef is the number one Irish export product to Italy valued at €209m in 2009. COOP undertook the sponsoring of a major Celtic Festival in Italy in July and the Embassy, Bord Bia and Tourism Ireland later collaborated with COOP in co-ordinating support for this event.

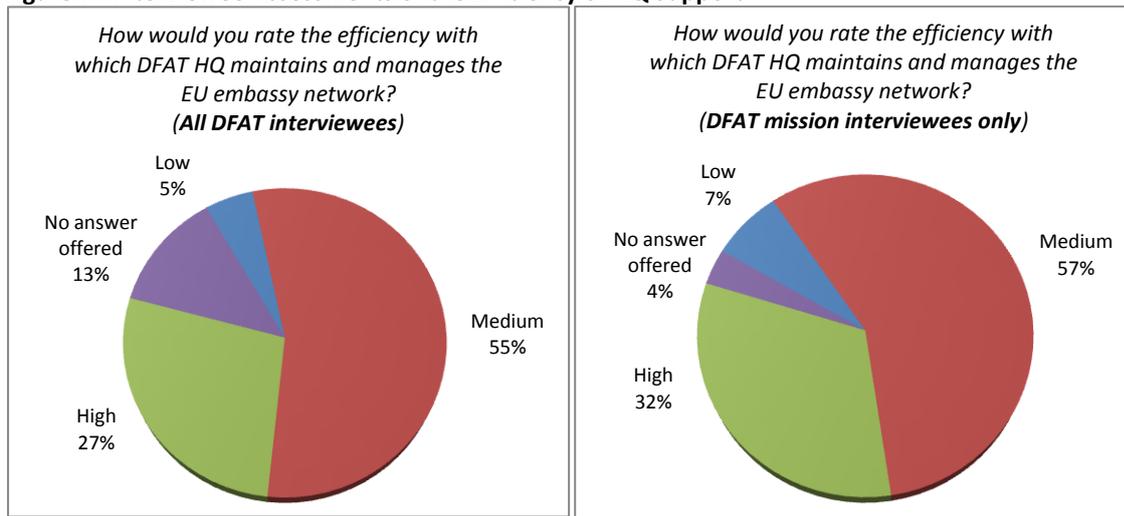
### **3.11 Interviewee Assessments of the Efficiencies of the EU Bilateral Missions**

People interviewed as part of this review were asked to identify the factors that would most likely contribute to enhancing the efficiency of the EU missions. Responses (129 respondents) very significantly focused on the quality and skills of the missions' staff, in particular the diplomatic staff. There was also a significant emphasis given to the quality of HQ coordination and management. This focus on the quality of personnel and of coordination was equally the case for interviewees whether internal to DFAT or external to DFAT.

DFAT interviewees (40) were asked to score on a scale of 1 to 10 both the efficiency by which HQ coordination structures (DFAT and other Departments) supported the EU missions and how efficiently the missions themselves functioned. In relation to the efficiency by which HQ coordination structures supported the EU missions;

- 27% gave a score of 7 or more
- most scored between 4 and 6 (55%)
- 18% either didn't offer a score or gave a score of 3 or less.

**Figure 7: Interviewee Assessments of the Efficiency of HQ Support**

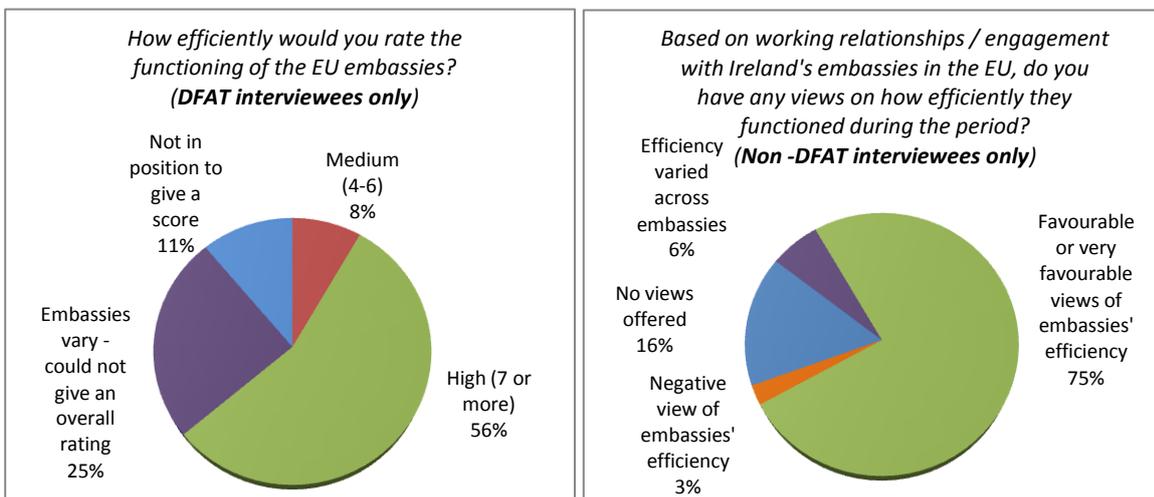


[Based on responses from 40 DFAT interviewees - in HQ (12) and in EU missions (28)]

Somewhat in contrast to how people viewed the efficiency of HQ’s support to the missions, interviewees overall gave higher scores to the efficiencies of the missions themselves<sup>70</sup> (56% gave a score of 7 or more), though a large percentage (36%) either weren’t in a position to offer an assessment or felt the missions varied a lot with regard to how efficiently they functioned and thus they couldn’t give an overall rating.

Interviewees (81) external to DFAT were asked, based on working relationships or other types of engagement they had with the missions, to share any views they had with regard to how efficiently the missions had functioned in the period covered by this review. Overall these interviewees external to DFAT had a positive view of how efficiently the missions operated.

**Figure 8: Interviewee Assessments of the Efficiencies of the EU Bilateral Missions<sup>71</sup>**



[Based on responses from 36 DFAT interviewees, and 68 non-DFAT interviewees from the Private Sector (20), State Agencies (12), other Government Departments (6) and other interviewees (30)]

<sup>70</sup> Compared to the missions themselves, the less positive assessment of the efficiency by which HQ coordination structures support the efficient functioning of the EU missions reflects the fact that in the survey for the Organisational Review Programme report only 39% of respondents from the EU missions were in agreement with the statement that DFAT had in place procedures and structures to support effective management. For the Department as a whole, the overall level of agreement with the statement was 46%.

<sup>71</sup> Irrespective of whether the DFAT interviewee was HQ based or mission based there was little or no difference in the ratings given with respect to efficiencies.

### 3.12 Costs, Outputs and Efficiencies - Key Findings

Mirroring an overall 23% drop in the administration costs (Vote 28) for the entire Department since the beginning of the period under review, the overall cost of maintaining the EU bilateral mission network dropped by 21.3% between 2008 and 2011 (see Table 3). The percentage drop in expenditure was higher for the EU bilateral missions than for the Ireland's other missions worldwide and constitutes a level of *de facto* resource prioritisation. The reduction in costs are mainly due to pay reductions<sup>72</sup>, non-replacement of staff, the large reduction in staff in the London mission as well as non-pay costs such as building renovation. However, "*Representational costs*" had the largest percentage reduction (more than 36% - see Table 5). The 2011 level of staffing at Ireland's EU Bilateral Missions (both DFAT-HQ staff on posting and locally employed staff) was approximately 17% lower than that of 2008. Whilst there were these significant reductions in costs and staffing, all of the missions continued to provide a full range of services.

Unfortunately many of the missions' outputs cannot be directly costed because the available quantitative data often gives insufficient information with regard to things such as the scale of a trade promotion event and benefits that subsequently resulted, or the amount of time that was actually involved in helping resolve a particular consular case. Whereas such things are hard to measure with any precision even when there is very detailed data available, there is an issue with regard to how the missions record and assess their work.

Notwithstanding the difficulties in assessing cost efficiency given the nature of the work of the missions, the quantitative evidence shows that the reported numbers of promotional events organised or facilitated by the missions have increased over the period of the review with the reported number of economic/trade related events hosted increasing from 121 to 221 (data for 20 missions) and the reported number of culture related events increasing for 171 to 253 (data for 21 missions) (See Table 14). In addition, consular and other services to the public, though little changed in volume over the period of the review, continued to be provided despite the reduction in staff numbers and budget.

Overall, despite having significantly fewer resources, the fact that EU bilateral missions have managed to maintain their level of service, doing more in a number of areas of their work, indicates that between 2008 and 2011 efficiencies were achieved and sustained.

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<sup>72</sup> The pay reductions introduced as a result of *Financial Emergency Measures in the Public Interest* legislation.

## Chapter 4: Achievement of Objectives and Overall Effectiveness

### Issue in relation to the Terms of Reference

- The extent to which objectives have been achieved and overall effectiveness

### 4.1 Chapter Introduction

Similar to many aspects of the work of other Government Departments and agencies, strict attribution of specific outcomes to the work of the EU bilateral missions is neither feasible nor realistic. In the case of the work of the missions, assessing effectiveness is made difficult both by the nature of the work itself (messaging, influencing, relationship-building activities) and by the fact that there has not been a standardised system for keeping records of the scale and significance of certain types of activity and evidence of possible impact. Furthermore, the nature of much of the missions' work is such that benefit to Ireland will be, in all likelihood, a product of many complimentary activities sustained over a period of time. Assessing the effectiveness of the missions' work with regard to things such as helping restore Ireland's reputation or helping advance Ireland's economic interests in the EU cannot be done simply on the basis of looking at individual activities at different points in time. Consideration of effectiveness below thus looks at the work of the EU bilateral missions from the perspective of the contributions the missions plausibly and credibly made over time to meeting Ireland's strategic objectives, including contributing to and complimenting the work of other state entities and private sector interests<sup>73</sup>. Consideration of the effectiveness of the EU mission network also takes account of the assessments of key stakeholders and users of the services of the missions.

### 4.2 Achievement of Objectives

The core objectives of the EU bilateral missions are substantially qualitative in nature, focused on four strategic objectives already introduced in section 2.4 above:

- Building strong bilateral relationships with our EU partners and advancing Ireland's overall position within the EU
- Advancing Ireland's economic interest within the EU
- Advancing Ireland's cultural interests within the EU
- Meeting the needs of Irish citizens through the provision of passport and consular services and actively engaging with the Irish Diaspora

The work towards these objectives was heavily shaped by the challenges and events that unfolded from mid-2008 onwards. Officially in recession from the 24th of September 2008, soon afterwards Ireland went into a deepening economic crisis following the state guarantee of the liabilities of 7 domestic banks for a two year period. With emerging evidence of unacceptable practices in Ireland's banking sector and lax regulation, by mid-2009 concern about Ireland's economy and its potential to

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<sup>73</sup> Variations of "Contribution Analysis" are widely used to assess activities that are largely qualitative in nature. Cf. John Mayne, formerly of the Office of the Auditor General of Canada and Canadian Treasury Board Secretary. Also see Funnell and Rogers (2011:473) on 'Causal Analysis'.

negatively affect (along with Greece and Portugal) the Eurozone was seriously damaging Ireland's reputation both in the EU and globally. Within Europe there were fears that the recklessness of Ireland's banking sector and the costs of recapitalising Irish banks might contribute to the collapse of the Euro. Restoring Ireland's reputation and assisting economic recovery quickly became the central strategic focus of the work of the missions.

### 4.3 Contributing to Restoring Ireland's Reputation and its Economic Recovery

#### 4.3.1 Responding to the Economic Crisis

The early damage to Ireland's reputation caused by the economic crisis was reflected in the international media which in many instances and in varying degrees spoke disparagingly of how Ireland's banking and business sectors were putting other EU economies at risk. More moderate in their language, in 2009 broadsheet newspapers were not optimistic about Ireland's economic prospects and Government plans for a recovery. With Ireland viewed poorly internationally, working to help restore Ireland's reputation and its economic recovery thus became a priority for the Irish Government and from an early stage there was sustained messaging on behalf of Ireland involving different institutions of the state and the private sector<sup>74</sup>. In terms of state institutions, the role played by Ireland's foreign service was the most extensive geographically with its network of missions worldwide, including in every EU member state capital, and with a Division at headquarters dedicated to supporting their economic and public diplomacy work, work that was undertaken at different levels and very often in collaboration with other Irish state institutions, especially the trade and investment agencies such as Enterprise Ireland and Bord Bia. The importance attached to the role of the missions in helping restore Ireland's reputation and its economic recovery was later emphasised by the Tánaiste when he addressed Irish ambassadors in June 2011.

Within DFAT, the importance given to the promotional work of the missions is illustrated by the fact that the then *Promoting Ireland Abroad Division*<sup>75</sup> developed in 2009 a 66-page guidance document setting out practical ways in which promotional activity can be undertaken by embassies and consulates. The guidance document worked from the widely accepted premise that diplomatic missions, by virtue of their status, can gain access to the highest levels of Government, media and business in host countries. Emphasising cooperation with other state bodies and agencies, the missions were provided with a range of resources and information. For the most part these materials were originally produced by the Department of Finance, the Central Bank, the Central Statistics Office and, especially, Ireland's trade and investment promotion agencies<sup>76</sup>. Essentially, the missions were expected to facilitate and contribute to the promotional work of state bodies and to extend this work into countries where these bodies did not have an office or a regular presence. The contribution to the Government's agenda of economic recovery was to be one of leveraging the strength of the embassy network as a platform for trade promotion and getting the message out

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<sup>74</sup> Early on in the crisis it was recognised that leading Irish people in business and in public life had a key role to play in helping Ireland's recovery. This recognition led to the formation of the Global Irish Network (GIN).

<sup>75</sup> At this time *Promoting Ireland Abroad Division*, the precursor in certain respects to DFAT's new *Trade and Promotion Division*, was coordinating the provision of economic and public diplomacy materials to the missions. The guidance document, "Promotional Work of Missions", was first circulated in August 2009.

<sup>76</sup> DFAT's *Trade and Promotion Division* continues this work of directing and disseminating materials to the missions, including the preparation of weekly overseas press reports on the Irish Economy which have a major focus on how Ireland is reported by the media within the EU.

about Ireland's strengths in innovation and key industrial sectors. In particular, the missions focused on business and government decision-makers, commentators, and media organisations in disseminating key messages about Ireland's plans for economic recovery.

In 2011 the collaborative work with the state agencies and key Government Departments became more structured when responsibility for trade promotion was formally assigned to the Department of Foreign Affairs and Trade<sup>77</sup>, and with bilateral missions exercising a coordinating role for trade and investment promotion in countries identified as priority markets for Ireland under the direction of the Export Trade Council chaired by the Tánaiste. The trade and economic promotion work of the missions is now directed and coordinated by the *Trade and Promotion Division* which was formed in 2011 with a greatly expanded remit than that of the former *Promoting Ireland Abroad Division*. The extent of this remit is given in Appendix 8.

#### **Box 9: Facilitating a State Agency - The Irish Embassy in London**

Each year the Embassy, in association with Enterprise Ireland, hosts a dinner for the Financial Services Sector. This event has become a highly-valued and prestigious opportunity for Enterprise Ireland clients with high growth potential to develop and consolidate business with key customers and partners, whilst positioning themselves in this very lucrative market and meeting global players in the London Financial Services sector.

The guest of honour for the dinner in November 2011 was the Minister for Jobs, Enterprise and Innovation. The 96 guests who attended the dinner comprised senior executives from 26 Irish technology and internationally-traded services organisations, each of whom was accompanied by 1 or 2 guests. The guests were key existing or prospective clients. In addition to the Enterprise Ireland client companies and their guests, the Embassy also invited senior Irish executives in the UK financial services sector.

For both guests and clients, the presence of the Minister, the Ambassador, senior Embassy officials and senior Department officials demonstrated the support of the Irish Government for Irish companies in this key sector and in Ireland's largest trading partner. While it is not known whether any direct contracts were discussed on the evening, it is acknowledged by the high growth potential Enterprise Ireland clients that this annual event is important for them to pick up new business and new customers.

#### **4.3.2 Attitudes to Ireland**

Despite the early damage to Ireland's reputation caused by the banking and fiscal crisis, from 2010 onwards it was increasingly the case that Ireland's actions to address its problems were viewed favourably by many leading commentators and analysts. The reason for the quite positive assessments of Ireland's economic prospects and its actions to deal with the crisis is undoubtedly many faceted. It is the case that from an early stage in the crisis the Irish Government had recognised how vitally important that specific measures be taken and that the international community, especially Ireland's EU partners, should be in no doubt that Ireland was committed to tackling problems head on (even if the enormity of the problem was yet to be fully known and appreciated) and that people should understand that the Irish Government had put in place a plan of action to deal with the problems (even if some of the planned actions had to change subsequently). It is also the case that the Irish Government's resolve to tackle its problems was respected by a lot of

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<sup>77</sup> Though responsibility for trade promotion was transferred from the Department of Jobs, Enterprise and Innovation, there wasn't a corresponding transfer of resources.

ordinary people looking at Ireland from the outside, a view that was in all reasonableness influenced to some degree by the concerted messaging of Irish state institutions such as the missions who were geographically at the forefront of the effort. The relatively positive views of Ireland are illustrated in the 2012 survey below, views that would have been formed over time.

**Box 10: Attitudes to Ireland - Results of an Irish Times Opinion Poll**

**'Germans hold better opinion of Ireland than other EU bailout states' according to poll commissioned by The Irish Times.**

On the 25<sup>th</sup> August 2012, The Irish Times reported the findings of a poll on German and Irish attitudes towards each other. Set against the backdrop of the economic crisis, the poll found that at the time, Germans were much more favourably disposed to Ireland than to any of other EU bailout country.

Conducted for The Irish Times by Ipsos MRBI in Germany and Ireland, the poll was carried out by telephone with a representative sample of 1,000 people in each country. It found that the German respondents 'had a broadly positive attitude to Ireland', with just 3% of them wanting Ireland to leave the EU.

When asked for opinions on the performance of specific bailout countries, 46% of Germans felt Ireland was trying hard to fix its economy, 23% said Ireland should try harder and the remainder had no opinion. By contrast, 13% of Germans felt Greece was trying hard, 78% felt it should try harder and 9% had no opinion. German perceptions of the two bailout countries, Portugal and Spain, fell between those of Ireland and Greece. Regarding Portugal, 32% of Germans said the country was trying hard, 45% said it should try harder and 23% had no opinion. On Spain, 31% said it was trying hard, 56% said it should try harder and 13% had no opinion.

#### **4.3.2.1 Ireland's Reputation**

Aside from the generally supportive views expressed by some media commentators and others, Ireland's position in some international ranking indices remained reasonably strong since the onset of the economic crisis despite some initial reverses. For example, the Reputation Institute's 2013 *RepTrack Survey*<sup>78</sup> of more than 35,000 consumers in the G8 countries, ranked Ireland's reputation at 12<sup>th</sup> position globally (7<sup>th</sup> among EU countries). In 2009 the *RepTrack* survey had ranked Ireland 11<sup>th</sup> globally, a ranking that fell to 17<sup>th</sup> position in 2011 before recovering to 15<sup>th</sup> place in 2012 and then 12<sup>th</sup> in 2013.

However one might explain the quite positive treatment of Ireland by global mainstream media from mid-2010 and the quite positive perceptions of Ireland, it can be argued that the consistent messaging of the Irish Government and its institutions, including the economic and public diplomacy work of Ireland's missions, contributed to the improved perceptions of Ireland even though this messaging could only take place to the extent that progress was made by Ireland in addressing its economic difficulties. Regardless, it is the case that a lot of people were holding Ireland in generally good esteem and they were being reassured in significant measure that Ireland had the capacity to recover, albeit with necessary external supports.

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<sup>78</sup> Working from the premise that countries, like companies, with good reputations get people to support them, Reputation International's annual *RepTrack Survey* ranks countries' reputation using 16 criteria grouped around three themes: Economy, Environment and Effective Government.

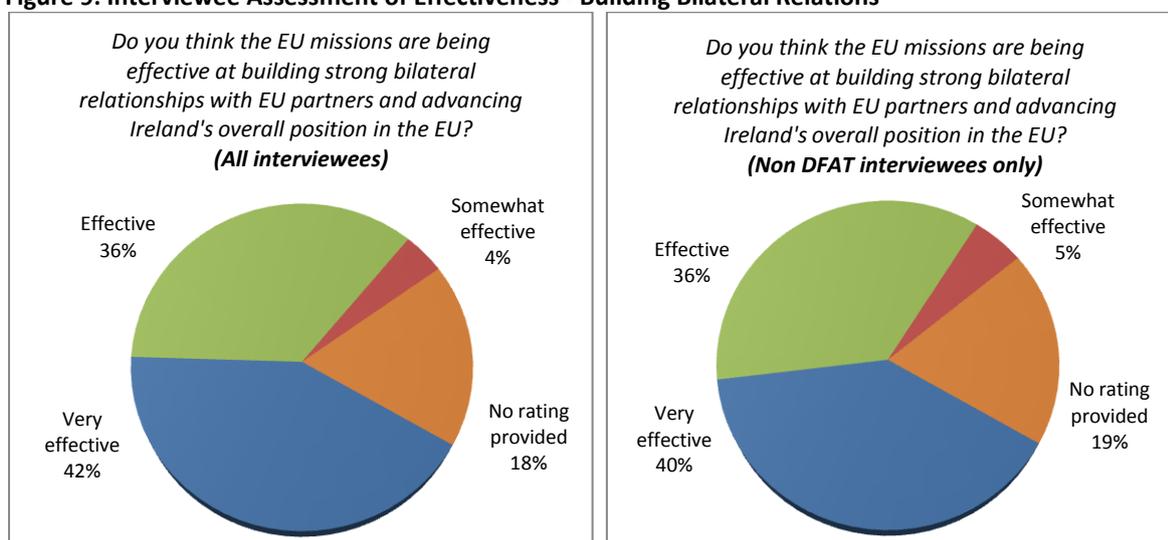
## 4.4 Interviewee Assessments of Effectiveness

### 4.4.1 Building strong bilateral relationships with our EU partners and advancing Ireland's overall position within the EU

As earlier chapters have indicated, a major focus of the work of the EU bilateral missions has been the building of strong bilateral relationships. The importance of this was tacitly expressed by 75% of all people interviewed as part of this review in that they identified a need to respond to the “economic crisis”<sup>79</sup> as the key challenge the missions had to address in the years since 2008.

When asked to rate the effectiveness of the missions in building relationships with Ireland's EU partners and advancing Ireland's overall position within in the EU, 78% (94 out of 121 interviewees asked this question) gave a rating of “Very Effective” or “Effective”. If one excludes the DFAT interviewees this combined “Very Effective”/“Effective” rating drops marginally to 76%, though the “state agency” category of interviewee had the highest percentage of “Very Effective” responses, higher than that of the DFAT interviewees overall.

**Figure 9: Interviewee Assessment of Effectiveness - Building Bilateral Relations**



[Based on responses from 121 interviewees - 43 DFAT, and 78 non DFAT interviewees]

In addition to views shared about effectiveness, a number of non-state sector interviewees gratuitously added a view that as well as having been effective in building strong relationships, the missions had also been quite prompt in responding to a deteriorating situation for Ireland, taking early action to try and restore Ireland's reputation.

Related to the effectiveness of relationship-building with the EU partners, some interviewees commented that the messaging on behalf of Ireland could actually have been too effective in that people might have come to an overly optimistic view of how well Ireland was dealing with its fiscal and economic problems and such an overly optimistic view might not be helpful for Ireland in trying to access certain funds or negotiate concessions.

<sup>79</sup> Asked to identify the key challenge for the missions in the period 2008-2011, 100 out of 133 people named the economic and fiscal crisis.

#### 4.4.2 *Advancing Ireland's economic interests within the EU*

Asked to rate the effectiveness (or not) of the missions in advancing Ireland's economic interests nearly 70% of the interviewees (121 people) gave a rating of "Very Effective" or "Effective", with just three interviewees (one from DFAT) considering the missions as not being particularly effective in this regard.

The assessments above were broadly consistent across all interviewee categories. Outside of DFAT the state agency interviewees would have had most direct interaction with the missions and it is significant that the interviewees from the state agencies were the most positive in their assessment of the effectiveness of the missions (more so than the DFAT interviewees). A number of interviewees commented about the missions gradually coming up to speed in relation to their economic diplomacy work and that their effectiveness in this regard gradually improved. This parallels the gradually increasing emphasis given at HQ to the preparation, collation and dissemination to the missions of messaging material, briefings and economic data. Several times interviewees, especially from the private sector, spoke of how embassies were in a position to make connections that might otherwise be very difficult to make.

##### **Box 11: Making Connections**

In Luxembourg first hand introductions by the Irish ambassador helped an Irish run company distributing Irish made food and drink products to successfully enter the Luxembourg market. Now supplying three major supermarket companies, the success in Luxembourg has led to similar distribution contracts in neighbouring Germany and France. The company owner considers the role of the ambassador to have been hugely important for his success.

#### 4.4.3 *Advancing Ireland's Cultural Interests within the EU*

When asked to assess the effectiveness of the EU missions in advancing Ireland's cultural interests a relatively large number of interviewees responded, "Somewhat Effective" (22%)<sup>80</sup>. However, the overall combined response of "Very Effective" and "Effective" was 59%. The lowest ratings were provided by DFAT interviewees (nearly 38% gave a rating of "Somewhat Effective"). The highest ratings were provided by the 54 interviewees from outside the public service (44% rated effectiveness as "Very Effective" and 26% gave a rating of "Effective").

The reports of the EU missions regarding St. Patrick's Day events show much effort and creativity in relation to Irish cultural issues and some private sector interviewees commented about how such events were very effective in giving Ireland exposure, an exposure that was good for business. Unfortunately it is very hard to put a value on this exposure as there is sometimes little detail as to the scale or significance of the events, or an indication of outcomes such as the coverage the event might have gained for Ireland<sup>81</sup>.

<sup>80</sup> The question was asked of 119 interviewees - 43 DFAT and 76 non DFAT interviewees.

<sup>81</sup> In 2011 a formal reporting system was introduced which required missions to provide specific detail in relation to cultural events financially supported from HQ, including reasonable quantification of the numbers of people reached and/or levels of media coverage.

Many of the culture-related examples of effectiveness cited by interviewees were primarily driven by people external to the missions, with the missions then lending their support through facilitating an event, making important contacts, or helping get financial support or some form of sponsorship. Unfortunately, however, it is not possible to measure quantitatively the impacts of this aspect of the missions' work, or the contributions that this work might be making to issues such as trade (as might be expected of a lot of promotional work, some impacts may only materialise in the medium to longer term). This said it is in all likelihood the case that the promotion of Irish culture contributed to reversing damage to Ireland's reputation and to branding Ireland. It is clearly the case the interviewees external to the public service consider the cultural promotion work of the missions to be quite effective even if their perception of effectiveness might not be shared to the same degree by DFAT staff.

#### ***4.4.4 Meeting the needs of Irish citizens through the provision of passport and consular services and actively engaging with the Irish Diaspora***

Based on the 26 embassies' own estimates of time spent on working towards the Department's high level goals (see Table 13 in Chapter 3), meeting the needs of Irish citizens and other consular activities absorbs roughly a quarter of the total work effort of the EU bilateral missions. Whilst the numbers of passports issued, visa applications processed and consular cases handled varies considerably across the 26 EU bilateral missions, even those missions with an apparent low demand for such services estimate the time spent on meeting the needs of Irish citizens and other consular services as absorbing between 15% and 25% of the mission's work effort. Whereas this might seem very high, it is worth taking into account the fact that the missions with the lower volumes of consular related work are usually small or very small operations. In addition, for seven of the smaller missions their secondary accreditations are very likely to add to the costs of delivering some of their services.

Asked to assess the effectiveness of the missions in relation to meeting the needs of Irish citizens and providing consular services, a significant percentage of the interviewees external to DFAT, 51%, gave a rating of "Very Effective" with a further 23% giving a rating of "Effective"<sup>82</sup>. No respondent gave a low rating. It is quite possible that this broadly high rating is influenced by the fact that, unlike some other EU member states, all Irish EU bilateral missions provide a full range of passport<sup>83</sup>, visa application processing, business introductions and other consular services, including emergency assistance on a 24-hour basis.

## **4.5 Missions' Views on Departmental Effectiveness**

In 2010 the Organisation Review Process (ORP) commissioned an independent online survey of DFAT staff. Some 1,110 staff responded across the Department, of which c.150<sup>84</sup> were staff members of EU bilateral missions. Replies related to the Department as a whole, not explicitly to their own Mission. A number of questions related to Departmental effectiveness and respondents were asked

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<sup>82</sup> 75 non-DFAT interviewees were asked this question

<sup>83</sup> For example, UK citizens living in Belgium and Luxembourg cannot renew their passports at the UK embassies in either Brussels or Luxembourg.

<sup>84</sup> Not all respondents replied to all questions.

to agree or not agree with a series of statements. A selection of these questions and the EU bilateral Mission responses are shown below, together with responses from other Missions and DFAT as a whole.

It is evident that EU Mission staff shared similar positive and less positive views in relation to effectiveness as Departmental colleagues, though views of staff in EU Missions were somewhat less positive in a number of cases.

**Table 17: Responses to Questions posed during the ORP Review Process, 2010**

Topic/Question		Agree	Disagree
I understand how what I do relates to the overall strategy of the Department	EU Missions	67%	18%
	Non-EU Missions	73%	11%
	DFAT as a whole	73%	14%
I am satisfied with the level of co-operation amongst people in the Department	EU Missions	58%	32%
	Non-EU Missions	61%	28%
	DFAT as a whole	62%	14%
There is a clear shared purpose between HQ and Missions	EU Missions	43%	34%
	Non-EU Missions	41%	41%
	DFAT as a whole	43%	31%
The Department delivers quality services that meet the customer needs	EU Missions	78%	12%
	Non-EU Missions	87%	6%
	DFAT as a whole	83%	9%
The Department is good about managing change	EU Missions	36%	43%
	Non-EU Missions	37%	44%
	DFAT as a whole	38%	45%
Projects are well managed within the Department	EU Missions	44%	18%
	Non-EU Missions	55%	17%
	DFAT as a whole	57%	17%

## 4.6 Achievement of Objective and Effectiveness – Key Findings

### 4.6.1 Performance Indicators 2008-2011

As is commonly the case, strategies change *en route* in keeping with changes in the external and internal environments. By and large, the business plans show a responsiveness to the unfolding banking and fiscal crisis in the years since 2008, particularly in relation to working to restore Ireland’s damaged reputation and promoting Ireland’s economic interests. However, though the Statement of Strategy specified Key Performance Indicators, the annual business plans make very little use of these indicators and there are many gaps in relation to reporting on performance. The non-use of the strategy’s Key Performance Indicators is understandable in many respects because several of the indicators lacked specificity and thus were of limited use to the missions for the systematic tracking and measurement of performance.

The 2008-2011 Statement of Strategy identified 60 Key Performance Indicators covering all aspects of the work of DFAT, including the delivery of Ireland’s overseas development assistance programme. Of these 60 indicators 12 are of particular relevance to the work of the EU bilateral mission network (see box 12 below).

#### **Box 12: Statement of Strategy Performance Indicators relevant to the work of the EU Bilateral Missions**

1. Irish policies advocated effectively at all levels within the EU;
2. The provision of quality reports from our EU missions;
3. Regular interdepartmental coordination, contact and meetings. Focused and effective follow-up by ... missions;
4. Irish approaches reflected in EU discussions and outcomes;
5. The number and quality of high level visits organised;
6. The prioritisation within Business Plans of Embassies ... of Ireland's political and economic objectives;
7. Efficient and effective coordination with all relevant stakeholders; positive feedback on the Department's contribution to promoting Ireland's economic and cultural interests overseas;
8. Effective contribution to maintaining and extending access for Irish manufactured goods, services and products;
9. Enhanced service to Irish prisoners abroad in line with the 2007 Report on Irish Prisoners Abroad;
10. Roll out of the "Automated Visa Application Tracking System" (AVATS) to missions by mid-2008;
11. Meet standards set out in the Department's customer charter and its guaranteed passport service levels;
12. Effective representation of Ireland's position before ... Treaty Monitoring bodies;

These performance indicators were first developed in 2007 prior to the onset of the economic crisis in 2008 and the associated damage to Ireland's international standing. Though the original high level goals of the Department's Statement of Strategy remained relevant, it would have been opportune to review the Statement of Strategy, including identifying new performance indicators to help assess the increasing emphasis being given by the missions to helping advance trade and economy related issues and restore Ireland's reputation.

#### **4.6.2 Evidence of Effectiveness**

From an examination of business plans of the EU missions it is the case that they prioritised Ireland's political and economic objectives (indicator 6 above) and it is the case that the "Automated Visa Application Tracking System" was rolled out (indicator 10 above). It is also the case that Ireland's position was represented in the EU before Treaty Monitoring bodies (indicator 12 above) and that relevant and well informed people interviewed as part of this review were of the view that the EU missions had made a very positive contribution to promoting Ireland's high level economic and cultural interests (indicators 7 and 8 above). Some interviewees explicitly commented on the quality and usefulness of reports from the missions (indicator 2), with, in one case, Athens being given as an example by a senior official from another Government department. Making an assessment with regard to most of the other indicators above is difficult not least because they are general by nature and are not easily measured.

Where contributions to helping meet the high level economic policy objectives have been made this was achieved through consistent messaging (both economic and public diplomacy work); through collaboration with Ireland's trade promotion agencies; and through helping link Irish business interests with key people in the host countries. The effectiveness of the economic diplomacy-related work of the missions required effectively adapting their ways of working in response to the economic crisis and being able to understand and discuss with relevant government officials and the media technical economic issues. Interviewees by and large considered that the work of the missions was coherent with and well aligned to the work of other Government departments and the Irish

state agencies<sup>85</sup>. However, whereas there is evidence that the EU missions made an effective contribution to the work of other Departments, State Agencies<sup>86</sup> and the private sector, it is not possible to quantify these contributions.

The evidence shows that the EU missions were also proactive in working to promote Ireland's cultural interests despite having relatively few resources for this purpose. The level of such activity would appear to be partly dependent upon; the presence of external interests willing to drive an event (individuals or groups); competing priorities at a time of reducing resources; and the motivation of the diplomatic officers in any given mission.

In terms of meeting the consular related needs of Irish citizens, the bilateral missions did offer a comprehensive service with quite modest resources, a service that was generally considered effective.

Though there is credible evidence that the EU bilateral missions made significant contributions, directly and indirectly, to promoting and protecting Ireland's strategic interests in a variety of ways, measurement of these contributions is made difficult both by the nature of the work itself and by the fact that performance was not systematically and comprehensively monitored and assessed<sup>87</sup>. In addition, performance may not have been equally effective across all missions. Whereas certain data such as numbers of passports issued and visas processed was aggregated centrally, other types of output, such as proactively facilitating high level trade-related interactions, were not routinely followed-up in order to help determine outcomes. In addition, the evidence suggests that some activities and outputs may have been under-reported. Furthermore, apart from the reporting against the activities contained in annual business plans (essentially a self-assessment) and inspection visits by HQ of 8 of the missions, the review team found no structured or formal evaluation exercises of the performance of the missions. However, during the period of the review DFAT management recognised a need to improve the quality of business planning and subsequent performance assessment, and, led by a new Strategy and Performance Division at HQ, changes were made to improve how all DFAT business units undertook their annual planning.

Overall, despite diminishing resources between 2008 and 2011 annual reports indicate that to a substantial degree the EU bilateral missions did do what they set out to do (as per their business plan reports) or were called upon to do (responding to evolving policy priorities). In particular, the evidence indicates that the bilateral missions have been important contributors to building good relations with Ireland's EU partners; helping restore and maintain Ireland's reputation; and helping promote Ireland's economic and cultural interests.

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<sup>85</sup> When commenting favourably about the quality of coherence and alignment, several interviewees voluntarily added that improvements are needed, with some people specifically adding that more could be done with regard to improving high level coordination.

<sup>86</sup> Of the 15 people from the state agencies who were interviewed, 13 expressed a view, unprompted, that the embassies play an important role in support of their work. One interviewee freely ventured to estimate the embassy's level of contribution to the in-country work of the interviewee's agency.

<sup>87</sup> When asked to comment upon how the missions measure their work (asked only of DFAT staff) 45% explicitly expressed a view that there is a need to improve performance measurement. This closely reflects views expressed by staff with respect to performance monitoring when surveyed for the 2011 Organisational Review Programme report of the Department of Public Expenditure and Reform.

## Chapter 5: Basis for Ongoing Funding

### Issue in relation to the Terms of Reference

- The degree to which the objectives warrant the allocation of public funding on an ongoing basis

### 5.1 Chapter Introduction

The underpinning rationale for Ireland’s policy of maintaining bilateral diplomatic missions in the EU member states is pre-eminently focused on promoting and protecting Ireland’s interests within the EU member states and being in a position to report deeply and widely on the political contexts within which the host countries are formulating policy positions. This chapter assesses the continued relevance and contribution of Ireland’s EU bilateral missions in meeting Ireland’s strategic objectives, and whether the allocation of public funding for the operation of the missions continues to be warranted.

### 5.2 Promoting and Maintaining Ireland’s Relations with and within the EU

EU membership continues to be at the heart of Irish Government policy and this membership continues to provide a key framework within which the Government pursues its policy objectives. Lacking a geographic constituency in which to operate with other member states, the ability to influence opinion and build ad hoc alliances in support of key Government objectives is central to the pursuit of Ireland’s national interests<sup>88</sup>. Maintenance of close and constructive relations with the EU member states is clearly of the major importance for Ireland and the EU missions are uniquely placed to contribute to this aspect of the Government’s EU policy.

Over the course of the last 20 years there have been changes in the external environment which impact on the EU embassies. The reduction in travel costs has facilitated a higher frequency of inter-Governmental contacts between different jurisdictions. The developments in ICT also mean that senior Government figures and officials can contact each other more directly than hitherto. The advances in internet and e-mail technology as well as the greater availability of multiple sources of information (e.g. online news publications, reports etc) has meant that officials in home countries can access a deeper and broader set of intelligence sources to help understand developments in other countries. In addition, as a result of changes brought about by the Lisbon Treaty there is greater power centred in EU institutions, thereby increasing their importance. Notwithstanding these developments, it remains the case that, for Ireland’s interests to be effectively advanced there is an ongoing requirement for missions to analyse and interpret, to network, and to act as a conduit to present and report on Ireland’s position to the host country.

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<sup>88</sup> In the course of this review a senior official from one of the smaller EU member states sympathetically commented about difficulties Ireland faces by being on the periphery of Europe.

### 5.3 Decision-Making in the EU

Participation in the EU's decision-making processes is unquestionably of great importance for all member states. In keeping with the provisions of the Lisbon Treaty (the "*Treaty on European Union*" and associated "*Treaty on the Functioning of the European Union*") decision-making follows a co-decision procedure<sup>89</sup> by which the European Commission (EC)<sup>90</sup> ordinarily proposes legislation which then requires the approval of both the European Parliament and the Council of the EU<sup>91</sup>.

The current system of voting in both the Council of Ministers and the European Council follows the system established by the Treaty of Nice which came into force in 2003. This system assigns votes to each member state. In the assignment of votes, the weighting given to each country tends to favour the smaller countries. For example, Germany is given 29 votes and Ireland is given 7 votes. However, Germany has over 16% of the total EU population whereas Ireland has approximately 0.9% of the total. For a proposal to be passed under the current system it is necessary to have a minimum of 74% of the votes cast – a "qualified majority". Because the weighting of votes per country favours the smaller EU member states it has been possible to have a "blocking minority" with 26% of the votes whilst representing less than 14% of the EU's population. In the case of the EU Council, it is the practice to seek consensus before resorting to voting.

It should also be noted that the role of the Permanent Representation is also very important as the formal channel for engagement with the EU and it plays a crucial role in protecting Ireland's interests (see section 1.4). It acts as the day-to-day communication link between the line Departments and the EU institutions. As the largest of Ireland's missions, it is located at the centre of decision making processes in the EU. It also has the capacity to ascertain the extent to which other member countries share Ireland's interests and to build trust with other countries as it participates in the working groups and committees involved in preparing decisions for the council of ministers. As issues for decision making advance and become more defined, the activities of the Permanent Representation facilitates the process of seeking allies on key issues of interest to Ireland.

Given the complex nature of the EU policy process, it is essential to engage with a policy proposal from the moment that it is first mooted if Ireland's interests are to be properly secured. Early notice of emerging issues in individual member states provided by embassies helps Ireland to anticipate issues that may affect its interests, develop an appropriate policy response and engage with the right partners to build support for its proposals. This can best be done in the context of a holistic relationship with each member state, in which various aspects of the bilateral relationship are pursued. Governments are more likely to engage with Ireland on issues of interest to it when an approach for support is situated in this broader context. Conversely, if Ireland has underdeveloped relations with a particular country, it may find it harder to seek that country's support when it is needed.

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<sup>89</sup> The "ordinary legislative procedure".

<sup>90</sup> The EC is the executive body of the European Union with a responsibility for proposing legislation, implementing decisions and looking after the day-to-day running of the EU.

<sup>91</sup> The Council of the EU sits in different 'configurations', primarily as a council of the competent Ministers of the member states. Now a recognised institution of the EU as per the terms of the Treaty of Lisbon, the European Council is different to a Council of Ministers and is composed of the Heads of State or of Government of the member states along with the European Council's own non-voting President and the President of the EC. Essentially, the European Council sets the strategic priorities of the EU, deals with crises, and plays a key role in making appointments to institutions of the EU.

The current voting system will, as per the terms of the Treaty of Lisbon, change as of the 1<sup>st</sup> of November 2014. A new “qualified majority voting” (QMV) system will come into effect which will no longer be based upon votes assigned to the individual member states. In the new system a proposal will be deemed to have the necessary “qualified majority” if the aggregate total of those voting in favour represents at least 55% of the member states and represents at least 65% of the total population of the EU<sup>92</sup> (‘double qualified majority voting’). A “blocking minority” must represent an aggregate total of at least 35% of the total EU population and involve at least four member states<sup>93</sup>. The new QMV will in effect reduce the level of agreement necessary for passing a proposal while at the same time giving the larger member states a weighting (and influence) that is directly proportionate to their population. The changes in the voting system will heighten the importance, particularly for the smaller member states, of closely tracking individual member state positions on sensitive legislative issues and to gather information as to the nature and scale of majority/minority voting coalitions on particular proposals, lobbying for one’s interests as the case may require. These changes also make it essential for a small member state such as Ireland, with interests that require cooperation with a wide range of EU countries on different issues, to maintain broad-based relations with all EU countries in which to situate its cooperation on EU issues. By developing and maintaining these relationships, the EU missions help create a positive environment in which to pursue cooperation on key EU issues in conjunction with the work of the Permanent Representation in Brussels as decisions are formally taken by the relevant EU institutions.

## 5.4 Capacity to Facilitate Coherence

Perhaps more than ever, it continues to be the case that policy coherence and effective coordination is essential given the multiplicity of levels at which EU business is conducted. Inevitably, this presents challenges for ensuring a coherent, ‘whole-of-Government’ approach to how Ireland handles its EU affairs. The engagement of officials and sector specialists from across all Government Departments and institutions is increasing. As with any undertaking, the greater the involvement of people and institutions the greater are the challenges for ensuring coherence. It is in this context that the EU bilateral missions have a particular relevance in that their networking, relationship building and information gathering capacities provide a platform to facilitate engagements (including issue-specific bilateral interactions), to provide space for difficult issues to be raised, and, in general, to give continuity to the relationship between Ireland and the host EU member states.

## 5.5 Rationale for Economic Diplomacy

### 5.5.1 *Rationale for the Subvention of Economic Diplomacy*

The role, rationale and effectiveness of diplomatic missions are generally not the subject of much formal or quantitative evaluation internationally. However, an exception is the area of economic or commercial diplomacy, and, in particular, the role of embassies and other trade and commercial promotion bodies – trade and commerce having being a primary rationale, among other things, for the emergence of diplomacy and of embassies historically.

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<sup>92</sup> If the Council is considering a proposal that did not come from the European Commission (as is ordinarily the case), the “qualified majority” must represent at least 72% of member states and at least 65% of the total EU population.

<sup>93</sup> The requirement of at least four countries for a blocking minority avoids a situation where just three of the four largest EU member states could alone block a proposal.

While there is a considerable amount of recent international economic research (mainly by trade economists) on the role of economic diplomacy, these studies often do not distinguish very clearly between embassies and other trade promotion bodies. This is for two reasons: firstly, from an economic perspective the two are seen to be in a similarly broad area of activity: secondly, trade promotion agencies and functions are often part of Foreign Ministries and/or physically located in embassy offices. In the case of Ireland for example, while there is a clear institutional separation between DFAT and Enterprise Ireland (EI), in several countries EI offices are located within embassies.

Current economic literature approaches the rationale for state funding of economic diplomacy in terms of the widely used economic concept of “market failure”, i.e. the fact that there are situations where exclusive reliance on normal commercial market and economic forces does not necessarily produce the optimum socio-economic outcome. There is therefore a need and case for state intervention in some form, including the establishment of publicly-funded institutional representation of one country in another.

Economic diplomacy via embassies and export promotion agencies has continued with policy-makers and trade economists widely accepting the validity of such activity. One recent economic study has summarised the underlying economic rationale for public expenditure on export promotion as follows:

*“The economic justification for government involvement in export promotion is based on the theory of asymmetric information and other market failures. There are important externalities associated with the gathering of foreign market information related to consumer preferences, business opportunities, quality and technical requirements, etc. Private firms alone will not provide foreign market information, as companies hesitate to incur research and marketing costs that can also benefit competitors. The same applies to pioneer exporters, who make a considerable investment in attempts to open foreign markets, cultivating contacts, establish distribution chains and other costly activities that can be used by their rivals.” (Lederman et al, 2007:2)*

From the perspective of a commercial enterprise, economic diplomacy is seen as reducing risk and uncertainty, especially if entering new markets or operating in risky environments. This pertains more to SMEs rather than to large multi-national companies who can operate without such support.

### **5.5.2 Effect of Economic Diplomacy**

In addition to providing a rationale for economic diplomacy undertaken by embassies and trade promotion offices, there has been considerable empirical economic research internationally on the link between levels of economic diplomacy and the development of trade-related relationships between countries, particularly the extent of the volumes of trade.

These studies have generally used a quantitative approach, known as a “gravity model”, to analyse the issue. This approach, inspired by Newtonian physics, essentially postulates that the level of economic interaction between two countries is likely, other things being equal, to be driven by a combination of their economic size (their “mass”) and by the distance between them. Links are likely

to be positively related with size, and negatively related with distance (the latter reflecting both costs and other factors). This model formalises the fairly intuitive idea that Ireland, for example, trades a lot with the UK because the UK is large and nearby, and trades relatively little, say, with Laos because it is small and distant. This “gravity model” approach has proved quite robust in various economic studies since the early 1960s.

The “gravity model” has more recently been used to examine statistically the effect of factors other than size and distance on the extent of trade links, factors such as common language, former colonial ties, and membership of an economic area such as the EU<sup>94</sup> and the presence or not of economic diplomacy. Quantitative models have been able to test whether the presence or absence of such factors affects the strength of trade and other economic relationships between countries. Essentially, within the context of gravity models, these studies explore the extent to which international diplomacy networks and structures (embassies, consulates, export and investment promotion offices, and trade missions) affect the level of a country’s trade and economic relationships with other countries.

While there have been a number of pieces of research going back to the 1990s (Fitzpatrick, 1984) which use a gravity model to explore Ireland’s trade patterns, unfortunately these do not address the distinct effects of economic diplomacy in the specifically Irish context.<sup>95</sup> Consequently, wider international, rather than specifically Irish evidence is cited here below.

Rose (2007) was the first to examine specifically the economic effects of embassies and consulates on trade. This has been followed by a series of other studies which were extended to other economic diplomacy activities, such as state visits. Most studies reported positive and significant results – typically 5-20% more trade where economic diplomacy is present. There are cause and effect issues. The role of economic diplomacy in relation to Foreign Direct Investment (FDI) has received somewhat less attention. What has been done again suggests a positive effect.

A recent “meta” evaluation<sup>96</sup> re-analysed the quantitative findings from 23 earlier studies to test the findings across the earlier body of quantitative analysis as a whole. This confirms a number of the earlier significant findings:

- it suggests that the already established positive relationship between economic diplomacy and trade and investment is greater than some of the earlier studies had estimated;
- the results show that embassies stand out as a major contributor to trade and investment flows. The contribution of other levels of representation, including consulates and import and export promotion agencies, to the creation of trade and investment is still positive but less, and
- the results suggest that embassies and consulates are particularly good at developing new markets, whereas export promotion agencies may be better in deepening trade links in existing markets. The authors speculate that this may relate to the relative depths of knowledge and different skills of staff in embassies and specialist export promotion agencies.

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<sup>94</sup> The Irish Exporters Association’s ‘Export Ireland Survey’ (2012) identified “establishing relationships and language/culture” as a significant barrier to doing business in China, India, Russia, Brazil, Japan and Poland.

<sup>95</sup> Lawless (2009).

<sup>96</sup> Van Bergeijk and Moons (2011).

The authors caution about over-interpretation of these findings. Firstly, the number of countries examined on the exporter side rather than the importer side is still relatively limited, and are mostly developed countries, such as Ireland. Secondly, the variables used to represent “economic diplomacy” are still relatively crude and do not for example take account of the intensity of the activity rather than just the existence of the institutions. Thirdly, there are question marks about the direction of causation, e.g. countries may establish embassies in locations within which they do a lot of trade. It should also be noted that there is a risk with transferring or applying the findings from such reviews to specific countries such as Ireland in the absence of evidence. For example, it is not being suggested here that embassies contribute more to trade and investment than import and export agencies. Nonetheless, the studies that have tried to address these matters still report relatively positive findings on the economic diplomacy/business links relationships. The studies, overall, provide clear evidence that embassies have potential, through their contribution to export promotion, to indirectly contribute to Exchequer income and hence their gross costs may be in some degree offset by tax revenue deriving from contributions they make to the growth of trade.

## 5.6 Basis for ongoing Funding:

The structured interviews used as part of this review included a question about the likelihood of continuing benefit to Ireland from the work and achievements of the EU missions. Whilst a high percentage considered that the benefits (outcomes) of the work of the EU bilateral missions would endure in the medium to long-term (87%), very many (52%) freely added that the benefits would endure only if there was continuance of the work of the embassies<sup>97</sup>. Apart from implicitly indicating a clear view that the work of the EU bilateral missions has had benefit to Ireland, the responses to this question also implicitly indicate that a significantly high number of interviewees see a continuing rationale for maintaining the missions.

As observed in Chapter 2, the underlying rationale for maintaining diplomatic missions in the EU member states is their relevance to Ireland’s needs. Outlined earlier, key among these needs are:

- The promotion and maintenance of Ireland’s relations with and within the EU;
- Helping ensure understanding of Ireland’s policy positions;
- At country level, helping garner support for Ireland in the EU’s decision-making processes the soon to be introduced new EU QMV and not belonging to a grouping of countries with broadly shared interests such as the Nordic, Benelux or Visegrad<sup>98</sup> groups of countries<sup>99</sup>;
- Providing a platform to maximise coherence in how Ireland conducts its EU business;
- Contributing to advancing Ireland’s trade and economic interests.

Added to these needs are the facts that:

- All independent states maintain a network of reciprocal embassies in the countries of their major international partners and Ireland’s major partners are the other EU member states;

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<sup>97</sup> Based on responses from 38 DFAT interviewees, and 79 non-DFAT interviewees.

<sup>98</sup> Visegrad countries: Czech Republic, Hungary, Poland and Slovakia.

<sup>99</sup> During visits to the sampled countries it was twice sympathetically commented to the reviewers that Ireland was at a disadvantage because it is so much on the periphery of the EU. In addition, several interviewees freely expressed the view that EU decisions are ultimately made in capitals, not in Brussels.

- There is a continuing need to provide consular services to Irish citizens in a region where people are particularly mobile although the provision of these consular services need not always be through a local mission;
- The contribution which embassies in EU countries make to other areas of Ireland's foreign policy, the promotion of its national interests, and the pursuit of Government objectives.

Overall, in view of serving Ireland's needs and notwithstanding some of the factors which impact on the EU missions, it is evident that the relevance of Ireland's EU mission strategy remains valid and could well increase. This supports a rationale for continued funding of the EU bilateral mission network. The ongoing changes in the external environment and the changing institutional and policy context mean that the role of missions must also evolve to match the priorities of Government.

## Chapter 6: Scope for Alternative Approaches and Future Performance Indicators

### Issue in relation to the Terms of Reference

- Whether there is scope for alternative approaches to achieving these objectives in a more efficient and/or effective basis, and whether there are potential future indicators that might be used to better monitor performance

### 6.1 Chapter Introduction

Between 2008 and 2011 the Department of Foreign Affairs and its EU mission network initiated some notable changes in the way it works, changes that were to a large degree precipitated by the banking and fiscal crisis that rapidly unfolded from 2008 onwards. A policy decision transferred responsibility for trade promotion to the Department. The new Trade and Promotion Division was formed within DFAT and the missions increasingly focused their work upon helping restore Ireland's reputation and promoting Ireland's economic and trade interests. This latter work has involved much closer working between DFAT's missions, Ireland's specialist state agencies such as Enterprise Ireland and Bord Bia, and other Government Departments. These changes took place against the background of diminishing resources.

This chapter looks at alternative approaches to how Ireland's high level strategic objectives in the EU might be advanced through the EU bilateral mission network and how performance in contributing to these objectives can be better monitored. The chapter looks at some approaches to how other countries maintain bilateral diplomatic relationships and then looks at their potential applicability to how Ireland might maintain its bilateral relations in the future, taking cognisance of available resources, and without prejudice to Ireland's policy objectives and needs.

### 6.2 Maintaining and Building EU Bilateral Relations

In recent years a number EU member states have examined alternative ways by which they might optimally maintain relations with their EU partners and deliver services to their citizens given a reduction in both staff numbers and the overall budgets available to the respective foreign ministries. Regardless of actual choices being made by different countries, policy priorities are ultimately the key factors driving decision-making. For example, policy priorities of smaller and medium sized EU member states have been partly driven by a perceived need to counter or balance the influence of larger member states. In addition, trade, economic diplomacy and public diplomacy feature prominently among member states as issues of high strategic importance, particularly in recent years. This is exemplified in the case of Ireland. Ultimately, the maintenance by an EU member state of bilateral missions in the EU has purpose only in the context of directly and indirectly representing, promoting and protecting the country's interests and policy objectives. With this purpose in mind, all EU member states put high value on the role played by bilateral missions in helping maximise their presence and influence within the EU, and, as a consequence, helping meet their policy objectives and needs.

## 6.3 Concentrating Certain Services

Worldwide, countries maintain bilateral diplomatic relations within the framework of the *Vienna Convention on Diplomatic Relations* (1961). Whereas this convention does set out binding principles, protocols and protections, it does not prescribe every aspect of how a diplomatic mission should or might function, or the range of services a mission is expected to provide in every case. Diplomatic missions differ. For example, whereas Ireland's bilateral missions in the EU provide a full range of consular services to Irish citizens and other services to foreign nationals, such services are not provided by Ireland's multilateral diplomatic missions.

Given reduced resources some EU foreign services have chosen to concentrate certain services in regional hubs or centrally at HQ, withdrawing from embassies certain functions such as the issuance of passports or the processing of certain types of payments, payments associated with the day-to-day operations of an embassy.

The Netherlands, for example, has recently "regionalised" certain functions previously handled by individual missions. To date, this has involved the establishment of Regional Support Offices worldwide which handle certain administrative functions for groupings of embassies, including the making of payments, the managing of finances<sup>100</sup>, management of the payroll and Human Resource management. The primary rationale given for this approach is the enhancement of quality, not the saving of money as such<sup>101</sup>.

Somewhat similarly, countries such as Denmark and the UK have limited the range of consular-related functions that certain missions are expected to provide so that those missions can focus on priority policy issues. Services no longer provided by these missions are provided by other missions or centrally at HQ. In the case of Denmark, some 'back office' functions, such as the making of payments and procurement, have been centralised for groupings of missions. As of April 2014 UK embassies and High Commissions, in addition to having no responsibility for the processing of visas, will cease to have a role in the issuance of passports<sup>102</sup>. The UK already manages consular services through "Contact Centres" to which a citizen seeking assistance is first channelled and where there is an initial assessment of how best help might be provided. As with The Netherlands, the underlying rationale for these alternative approaches to service delivery is not cost-saving as such, but the focusing of effort at embassy level on strategic issues and minimising risks of inefficiencies and ineffectiveness that might result from reductions in the numbers of staff and a cutback in resources. Concentrating services is also seen as allowing for specialisation and the deepening of skills in particular areas of work or service provision which, in theory, enhances the quality of services.

### 6.3.1 The Concentration of Services – Issues for Consideration

Currently Ireland's EU bilateral missions provide a wide range of services; to the 'whole of Government' (information gathering, facilitating contacts, supporting Ireland's state agencies,

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<sup>100</sup> The budget holder is ultimately the Regional Support Office, not the individual ambassadors.

<sup>101</sup> The Regional Support Offices require dedicated staffs which have to be drawn from existing resources. The offices also have to be appropriately equipped.

<sup>102</sup> Distinct from the Foreign and Commonwealth Office, the issuing of passports is the responsibility of the Identity and Passport Service whereas responsibility for visas is handled by the UK Border Agency.

lobbying); to Irish citizens (issuing of passports, providing consular services in general); and to other nationals (processing of visa applications, providing information, facilitating economic and culture related exchanges). Given the reductions in staffing and other resources and given the fact that the demand for services such as passport renewal can be quite small in some of the EU missions<sup>103</sup>, consideration could be given to reducing the range of services provided by individual missions<sup>104</sup>. Services no longer provided at the missions concerned could then be provided either centrally or regionally (a larger mission providing services for a group of geographically proximate countries). In addition, consideration could be given to centralising or regionalising certain administrative functions as is the practice by The Netherlands.

Consideration of changes such as the above requires clarity about the underlying purpose of making any changes. In the cases of the United Kingdom and The Netherlands the articulated rationale for the centralisation and regionalisation of services is the improvement of services and maximising efficiencies. There is no clear evidence that using these alternative approaches to providing selected services will *ipso facto* result in cost savings, reduce the numbers of staff required to provide the services, or improve efficiency and/or effectiveness. Personnel and appropriately equipped facilities are still needed to deliver services and unless it is clear that a centralised service is robust enough to handle increased demand, there is no value in so doing.

Furthermore, if such changes were to take place this would be a significant departure from what has traditionally been the case and what the Irish public has come to expect of Irish embassies, especially in relation to the provision of consular services<sup>105</sup>. Any consideration of withdrawing selected services from particular missions needs to take account of these established expectations and how this would need to be managed and communicated in the event of a decision being made to reduce a service, or to provide a service in a different way.

## 6.4 One-Diplomat Embassies

In the years covered by this review a number of EU member states, including Ireland, have operated one-diplomat embassies in some EU partner countries (typically in the smaller EU partner countries). In 2013, Denmark, for example, had one-diplomat missions in Cyprus and Luxembourg, whilst Belgium had one-diplomat missions in Estonia and Malta. Finland has had over 20 one-diplomat missions worldwide, though only one in an EU member state. Sweden's "mini-missions" have one or two diplomats. These Swedish missions have reduced functions and have officials at HQ dedicated to giving them back-up support.

A need to provide dedicated back-up support is a recognition of inherent risks associated with a single diplomat embassy. Aside from issues in relation to a duty-of-care and health and safety, there

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<sup>103</sup> The Irish embassies in the Czech Republic, Hungary and Slovakia, for examples, all report issuing less than 100 passports in 2011.

<sup>104</sup> In the case of Sweden, it is commonly the case that its missions with only one or two diplomats, informally termed "mini-missions", will only issue emergency passports, not ordinary passports. In addition, some of these missions do not process visa applications, leaving the issue of visas to the embassy of another country which is party to the Schengen agreement on visas.

<sup>105</sup> It is widely considered that Irish embassies excel in relation to assisting Irish citizens. As part of this review, the interviewees external to DFAT (59) who offered a rating with regard to the effectiveness of the missions in meeting the needs of Irish citizens, more than 64% gave a rating of "Very Effective".

can be risks in relation to making decisions in an isolated working environment, not having a colleague who is much attuned to the local context and who can serve as a sounding board at times when quick action is required. There are also potential accountability issues in relation to things such as the approval of payments and the signing of cheques. Threats to meeting business objectives and to maintaining minimum operational capacity will be inevitable greater with a single diplomat mission than with a mission with two or more diplomats.

The model of a one-diplomat mission is very much driven by the importance a country attaches to maintaining a resident diplomatic presence in the maximum number states deemed to be of particular importance whilst having to cope with reducing resources. Choosing to operate one-diplomat embassies is not a preferred option, not least in that it inevitably increases the administrative burden on the diplomat thereby reducing the time available for the embassy's core purpose of promoting the country's interests and policy objectives. One senior foreign ministry official shared the view that the one-diplomat mission is a last resort, though better than a non-resident ambassador serving a single country or a grouping of countries, a model that is not particularly welcomed by host countries<sup>106</sup>.

#### *6.4.1 Scope for One-Diplomat Embassies*

One-diplomat embassies were first introduced by Ireland in 2009 and by the end of 2011 four of Ireland's EU bilateral missions had only one diplomat<sup>107</sup>. Subsequently two more Irish missions have become one-diplomat embassies<sup>108</sup>.

In 2012 the cost to Ireland of a one-diplomat mission was on average significantly less than the average cost of a two-diplomat mission (a little over €435,000 as compared to almost €700,000). At first glance it would appear that the one-diplomat mission is a good option, given a desire to maintain an active presence on the ground, whilst having to do so with much reduced resources. However, there are some very clear drawbacks which have the potential to impact negatively upon the efficiency and effectiveness of a mission. Such drawbacks include:

- High administration demands on the Head of Mission;
- Challenges for the single diplomat in keeping fully abreast of what is happening at multiple levels in the host country (political, economic and social);
- A need for the Head of Mission to be constantly on call if, as is the case for Ireland, the embassy is to provide a full range of consular services to Irish citizens, and
- Where the single diplomat is absent during leave or illness, there is a need to ensure that the sending state has at all times a designated person who is, at the very minimum, "in charge of the current administrative affairs of the mission"<sup>109</sup>.

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<sup>106</sup> An interviewee in one foreign ministry gratuitously expressed the view that for an EU partner to seriously get the attention of his country then it is necessary for the partner to have a resident diplomatic presence. Unprompted, this view was subsequently repeated by others, including two private sector interviewees one of whom added the view that the closure of a mission, for example, conveys a message that the country closing the mission is the country that is inconsequential, not vice versa.

<sup>107</sup> These were Estonia, Latvia, Luxembourg and Malta. In addition, two Consulates General have only one diplomat, but all Irish embassies outside of the EU have more than one diplomat.

<sup>108</sup> Cyprus and Slovakia.

Making provision for having a designated person in charge at all times puts a burden and a cost on some other business unit (usually at HQ level), and it can be administratively challenging.

Whereas seen by a host country as being better than having no resident diplomatic presence, a one-diplomat mission does convey a message that the host country is lower down in the priorities of the sending country. Such a message is likely to be greater where the diplomatic officer is of a less senior grade. Resources permitting, it is in a country's self-interest that its ambassador be at a relatively senior grade in order to ensure a high standing with the receiving authorities and thereby strengthen the sending country's ability to pursue its interests effectively in the host country.

As observed by several key people interviewed as part of this review, some EU bilateral missions are of greater strategic importance to Ireland than others. However, whereas this is unquestionably the case, decisions about the levels staffing for individual missions would be helped by some multi-criteria framework for assessing the relative importance (or significance) to Ireland of all of its diplomatic relationships, not just with Ireland's EU partners. Appropriately weighted criteria for such a framework might include:

- Political importance
- EU membership
- Volumes of inter-governmental interactions (including bilateral interactions between respective ministries)
- Economic importance
- Volumes of trade
- The potential for trade (matched to the market's needs and what Ireland has to offer)
- Ease of communication
- Eurozone membership
- Size of the Irish Diaspora in the particular country
- Number of the country's nationals living in Ireland

Such an assessment of the significance of a country to Ireland would help strengthen decisions about how resources are allocated to missions worldwide and would help highlight what missions must be doing as a matter of priority, especially in the EU member states.

Overall, the one-diplomat mission is a solution to a problem of reduced resources and it is reasonably cost effective even if it is far from being ideal. However, its operational effectiveness can easily be diminished by both the administrative demands put upon the single diplomat and by potentially very long working hours. Decisions about retaining one-diplomat missions or having more one-diplomat missions is essentially an issue about balancing resource allocations with how best to meet strategic needs and/or avoid damage to Ireland's interests. A one-diplomat mission isn't realistic in countries where, for example, there are high demands for consular services, high levels of tasking from headquarters, secondary accreditations and multilateral responsibilities in addition to the mission's primary bilateral focus. Furthermore, a one-diplomat mission needs an officer who is experienced, good at multi-tasking, adaptable and who has good administrative skills. If one-diplomat missions are to become normative in the longer term, consideration needs to be given to

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<sup>109</sup> The terms of the *Vienna Convention on Diplomatic Relations* (1961, Article. 19) includes an expectation that the sending state has an official present at all times (within reason) at the embassy in the host state.

how best officers can be prepared to serve as an Ambassador in such a mission and whether specific support structures need to be put in place at HQ, including the possibility of special mentoring and backup arrangements, arrangements that would themselves be an additional cost.

## 6.5 Non-Resident Embassies

All EU member states maintain diplomatic relations with all of the other member states. However, though most member states have missions in most EU partner countries, only 12 member states have a resident ambassador in all member states<sup>110</sup>.

Where an EU member state does not have a resident ambassador it is commonly the case that diplomatic relations are maintained through a secondary accreditation. For example, Luxembourg's ambassador to Ireland is its ambassador to the UK, resident in London. An alternative approach is for a country to have its ambassador to another country based in the country's own capital and travelling at regular intervals to the country (or countries) to which the ambassador is accredited. For examples, Sweden's ambassadors (full time posts) to both Ireland and Belgium are based in Stockholm, while Malta's ambassador to Estonia is based in Valetta. In the case of Sweden, their Stockholm-based non-resident ambassadors are supported by a 14-member unit in the Swedish Ministry of Foreign Affairs which provides support to roving ambassadors<sup>111</sup>.

Having non-resident embassies is not without its costs. Aside from considerations about the quality of the bilateral relationship that can be maintained at a distance, there is a continuing need to provide services to the country's citizens<sup>112</sup>. Whereas not having an embassy saves costs in relation to, for example, the running and maintenance of premises, there are some costs which would otherwise not be incurred (frequent travel, hotel expenses, time, costs of a consular office, etc). These costs can be substantial<sup>113</sup>.

All things considered, a non-resident embassy can serve well where there has been no history of a resident diplomatic presence in the country concerned and where the maintenance of diplomatic relations would otherwise be managed from an embassy in a larger neighbouring country<sup>114</sup>. In addition, as the costs between having a non-resident embassy and maintaining a one-diplomat might not be significantly different, in the case of a strategic partner country the benefit of having a one-diplomat embassy will in all likelihood justify the additional costs, especially if there has been a history of having a resident mission in the country.

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<sup>110</sup> A number of member states do not have resident missions in Malta and/or Luxembourg, two countries which themselves have relatively small foreign services. Atypical for a mid-sized EU member state, Sweden does not have a resident ambassador in six of its EU partner countries.

<sup>111</sup> This unit also provides support to honorary consuls and so-called Mini-Missions (missions with less than three diplomatic staff), and the unit issues legalisations of Swedish documents to be presented abroad.

<sup>112</sup> In Brussels Sweden has two staff at "Sweden House" who provide passport and consular services to its citizens within ordinary working hours (9am-5pm, Monday to Friday). In Dublin, Sweden's Honorary Consulate General is open to the public for three hours each ordinary working day. Consular services outside of ordinary working hours are provided from Sweden.

<sup>113</sup> One senior Foreign Ministry official commented that in the case of their country the overall annual cost of a non-resident ambassador is not significantly different from the cost of a small one-diplomat embassy.

<sup>114</sup> Such an arrangement that might not be welcomed for historical or political reasons by the smaller country.

### 6.5.1 Scope for Non-Resident Ambassadors

As observed above, a non-resident ambassador or a roving ambassador can serve well for countries where there has not been a history of a resident diplomatic presence and where the diplomatic relationship, compared to relations with other countries, is not of high strategic importance to one or both countries. All EU member states are of high strategic importance to Ireland. Closing an EU mission and replacing the resident ambassador with a non-resident ambassador or a roving ambassador would have significant implications for Ireland. Aside from the fact that it is current Irish policy to maintain a resident bilateral mission in each EU member state, the closure of an Irish EU bilateral mission would undoubtedly cause some degree of offence to the EU partner country concerned<sup>115</sup> and would probably result in:

- A sudden loss of influence and/or sympathy with the Government of the country concerned;
- Diminished capacity for Ireland to monitor, analyse and understand the position of the host country;
- Ireland finding it more difficult to get the support of that country for a position or a cause of importance to Ireland unless the issue concerned was already shared by that country;
- The loss of a means to provide services to Irish citizens;
- A diminished potential to develop trade and economic relations as a result of the withdrawal of an important agent of economic diplomacy<sup>116</sup>;

Furthermore, the cost differential between a non-resident ambassador and a one-diplomat embassy might not be significant in absolute terms. Perhaps most significantly, the ability to represent and influence the host country would certainly be damaged in ways that might take a long time to reverse<sup>117</sup> and that other costs would need to be incurred to maintain the relationship with the EU partner country using alternative approaches such as a non-resident ambassador.

No different to any other foreign ministry, the ability of DFAT to serve Ireland's strategic interests will be very significantly influenced by available resources. If resource constraints lead to a consideration of possible mission closures, then such consideration needs to be very clear about; the risks to which Ireland would be exposed by a closure (whether an EU mission or otherwise); what the benefits to Ireland will be (the benefit should be substantive); how human resources might be more effectively deployed; and the actual magnitude of savings that would be involved<sup>118</sup>.

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<sup>115</sup> Consideration of the loss of goodwill in the host country is a factor taken into account by Sweden if considering the closure of even an Honorary Consulate.

<sup>116</sup> Of the 15 interviewees from the state agencies, the issue of maintaining missions in all 26 member states was freely raised by 11. Of these 11, 7 expressed strong views about the need and benefit of maintaining missions in all member states even though the majority of the EU member states were not a priority for their particular work. Similarly, of the 25 interviewees from the private sector, 16 freely raised the same issue of whom 10 expressed strong views about the need and benefit of maintaining missions in all member states.

<sup>117</sup> Commenting on the closure by an EU member state of its mission, one senior foreign ministry official interviewed in the course of this review observed, "*Now they have disappeared for us*".

<sup>118</sup> The actual cost saving could be much smaller than it might at first seem given the fact that the salary of the diplomat (who would be reassigned) constitutes a significant percentage of the total cost of maintaining the embassy. The 2012 net outturn cost of maintaining the six one-diplomat bilateral missions in the EU averaged nearly €437,000 per mission. The average cost of a two-diplomat mission in the EU was almost €700,000.

## 6.6 Greater use of Locally Hired Staff

It has been commonly the case that certain administrative functions in an embassy are managed by a staff member (though not necessarily a diplomat) from the sending country's foreign ministry. The management of administrative functions by a staff member from the sending country is more likely to be seen in large embassies that have high demands in relation to providing services to citizens, or in embassies of countries that have traditionally reserved certain administrative functions to staff members from its foreign ministry. In view of cost reductions, larger foreign services such as that of the UK have started to reduce the numbers of HQ staff exercising administrative functions in embassies, using locally employed staff to fulfil these functions.

### 6.6.1 Scope for Greater Use of Locally Hired Staff

In the case of Ireland's embassies with their comparatively small numbers of DFAT staff it has long been the case that most administrative functions have been undertaken by locally hired staff<sup>119</sup>. At present London is the only EU bilateral mission where DFAT-HQ staff exercise a purely administrative role<sup>120</sup>, with, overall, little scope to replace DFAT-HQ staff with locally hired staff.

## 6.7 Sharing Functions and Facilities

For quite some time it has not been unusual for a country's embassy to share facilities with other institutions of that same country. For example, 17 of Enterprise Ireland's 28 overseas offices are co-located with Irish embassies or consulates, five of which are in EU bilateral missions. The sharing of facilities is easier in cases where the state agencies concerned come under the aegis of that country's foreign ministry. In some situations co-location is not a workable option. For example, it is not practical to co-locate a chancery with trade promotion offices in a country where the centre of trade and economic activity is in a different city to that of the political capital.

Notably among the Nordic countries, the sharing of facilities has gone beyond the co-location of a country's institutions when working abroad. In Europe, for example, the embassies of Finland and Norway share facilities in both Slovakia and Slovenia. Such arrangements are more likely to be agreed in the cases of countries that are members of some like-minded group of countries.

### 6.7.1 Scope for Sharing Functions and Facilities

Ireland's state agencies have offices in 11 EU member states,<sup>121</sup> states which are among the 27 priority markets for Ireland. For the most part the state agencies maintain offices independently of the embassies, though in five countries the offices of Enterprise Ireland are co-located with the chancery of the bilateral missions – Brussels, Budapest, Madrid, Prague and Warsaw – and there are

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<sup>119</sup> The 2009 McCarthy report observed that in relation to staffing the smaller operations, such as most of the EU missions, there is little scope for achieving efficiencies and economies of scale.

<sup>120</sup> In Berlin and in Madrid there is one DFAT-HQ staff member whose role is specified as being consular and administrative only. In all missions DFAT staff have a range of responsibilities with a particular officer having responsibility to oversee the administrative functions.

<sup>121</sup> Enterprise Ireland in all 11 countries, Tourism Ireland in 9, Bord Bia in 5 and IDA in 3.

plans to co-locate with the embassy in Stockholm. Of the remaining five Enterprise Ireland offices in the EU member states, there is little scope for co-location within the bilateral mission. In the cases of Paris and London the current chancery buildings cannot accommodate the needs of Enterprise Ireland or any of the other state agencies with offices in Paris. In The Netherlands, Italy and Germany the offices of the state agencies are understandably located in business centres of Amsterdam, Milan, Frankfurt and Dusseldorf rather than the political capitals.

Aside from the fact that co-location usually occurs between nations that belong to a grouping of countries with broadly shared interests such as the Nordic or Benelux groups of countries, co-location with another country's embassy poses a number challenges, particularly in relation to security and the costs associated with meeting the security requirements of the different countries. Ireland does not belong to a grouping of countries and any savings that might be made by co-location with another country's embassy might be lost as a result of additional security costs.

## **6.8 Performance Measurement**

### **6.8.1 Business Planning**

In the foreign ministries of many EU member states there is an increasing focus on improving business planning, including, in some cases, the specification of the issues which missions must address in their business plans. In the case of Sweden, for example, a central Planning Department sets priorities and tasks for missions to include in their annual business plans. In the case of The Netherlands, there are different demands in relation to business planning depending on the perceived importance of a mission in meeting the country's high level strategic objectives. For examples, the missions that are seen to be of particular strategic importance to The Netherlands prepare 4-year strategic plans (helped by a multi-annual budget process) which must be signed off at the highest levels in the ministry. In the case of other missions it is usually sufficient that they prepare an annual business plan. In the case of Finland, high level priorities (5-6) are set for a whole-of-Government approach to planning. Such priorities are considered crucial for, *inter alia*, guiding the tasking of missions, giving directions for the early influencing of positions, and finding coalitions.

A review of Ireland's bilateral missions' annual business plans, 2008-2011, shows that for the years 2008 and 2009 there were generally clear connections between the Department's Statement of Strategy and the actions/tasks named in the individual business plans. In general, individual missions were very free to decide the specific focus of their work. This is understandable in that the specific context significantly dictates the appropriate course of action. Overall, however, frameworks for annual planning, performance measurement and subsequent reporting, including knowledge management, were not well developed at the start of the review period.

### **6.8.2 Monitoring Performance**

Though the Department's Statement of Strategy included 60 Key Performance Indicators, the annual business plans made little use of these indicators notwithstanding the fact that several of the indicators lacked specificity and thus were essentially not fit for purpose. As noted Chapter 4, no new performance indicators were elaborated to help assess the increasing focus given by the

missions to economic and reputational issues as events unfolded between 2008 and 2011. In addition, though circumstances changed rapidly in the period of this review, no plans were made to have some form of mid-term review of the Department's strategy itself and more might have been done by the missions themselves to assess the impact of their work. There is some evidence of using structured approaches to track performance with, for example, the commissioning by the Embassy of Ireland in Romania of a media monitoring exercise of its St. Patrick's Day activities. However, from the information available to the review team this would appear to be more the exception than the norm.

The evidence collected for this Review suggests that, in general, the missions have not been in the habit of consistently and systematically recording all aspects of their work outputs. From the information provided to the VFM review team by individual missions it would seem that some of the data given was estimated, even in the case of some consular data. This points to a need for a more systematic approach to recording data and that the systematic compilation of performance-related data needs to be monitored for compliance<sup>122</sup>.

Given the fact that outcomes with regard to the missions' work are very substantially qualitative and thus do not easily lend themselves to quantitative measurement, improving planning and performance measurement systems is especially important for the Department as a whole, including the identification of common indicators that are very specific and which lend themselves to aggregation and tracking as might be useful and appropriate. Measuring performance is not just about collecting large quantities of output and outcome monitoring data. Such data gives information about what happened, not why it happened, an issue of greater importance for policy-makers than simply knowing what happened. The review team did not find any formal evaluations of the work of the missions or aspects of the work of the missions<sup>123</sup>.

#### **Box 13: Monitoring Performance**

Using an internet based survey tool, the 20 Irish diplomats serving in the EU missions who were interviewed as part of this review were asked to indicate the sources which most helped them monitor the success or otherwise of their diplomacy work. The survey identified 11 possible sources varying from key leaders to informal opinions and each respondent was asked to name the three which would best describe the sources on which they most rely for monitoring performance (the survey tool allowed the naming of only three of the 11 possible sources). The top three named sources of information were:

- *Attitudes to Ireland of key economic and social leaders (15 respondents)*
- *Coverage of Ireland in the mass media such as newspapers and TV (14 respondents)*
- *Opinion makers' analysis of Ireland's positions/policies (8 respondents)*

The fact of these being the leading ways by which the respondents say they monitor the success of their diplomacy work very positively suggests that the work of the embassies is in some measure reaching into the influential areas of public life in the host countries. However, one option for monitoring performance that was not identified by any of the 20 respondents was the use of surveys, a tool that has the capability to provide good quantitative information at potentially minimal cost.

<sup>122</sup> Subsequent to the period under review the *Trade and Promotion Division* has developed a matrix to aggregate data in relation to the St. Patrick's Day events organised by the missions. This matrix records information such as the numbers of events by type (diplomatic, cultural, business and commercial) and the numbers of people attending each event. In addition, a separate matrix records media coverage with estimates of the audiences reached.

<sup>123</sup> This is not particular to DFAT. As noted in Chapter 1, there a general paucity internationally of formal evaluation work in relation to the assessment and/or evaluation of diplomatic work.

Subsequent to the period of this review there have been important changes to the business planning process. These changes require planners to make very specific connections between the High Level Goals and objectives of the Department's new Statement of Strategy (2012-2014) including prioritisation and the identification of risks by business units themselves. Whilst the current Statement of Strategy identifies six goals, the strategy also has 35 strategies and nearly 100 performance indicators. Similar to indicators in the previous Statement of Strategy, many of these indicators lack specificity.

**Box 14: Potential Output Performance Indicators/ Performance Measures**

Local Market Teams in the priority markets effectively coordinated with:

- *Comprehensive annual Local Market Plans in place that clearly reflect the priorities of the Export Trade Council (ETC) and the Government's overall strategy to promote trade and investment*
- *Embassy commitments in the annual Local Market Plans fulfilled as per pre-specified targets*
- *Timely and comprehensive Local Market Plan midterm and annual reports coordinated and submitted to the ETC secretariat*

Service Level Agreements with the state agencies in place and being implemented.

Numbers of trade and investment related events facilitated or organised with records of:

- *Numbers of people attending with information about their particular trade and investment related interests*
- *Costs to the embassy of the events*
- *Ex-post evidence of actual benefit to Irish interests that attended the events, including evidence of any benefit to the work of Ireland's trade and investment promotion agencies*

Numbers of trade related contacts facilitated.

Numbers of officials facilitated from Irish Government Departments and agencies, including high level visits facilitated (presidential and ministerial) - in the case of high level visits, estimates of the overall work effort involved (time and other resources).

Numbers of cultural events funded, facilitated or organised by the Department and the embassy with records of:

- *Estimated numbers of people attending/visiting the events*
- *Costs to the embassy of the events*
- *The level of media coverage and an estimation of the numbers of people reached*

Consular, passport, visa and other services effectively provided with associated records that fully capture the volume of the services provided and, especially in relation to consular services, the time (estimated) committed to providing the services.

Users of embassy services expressing high levels of satisfaction with the services received.

## 6.9 In Summary

The evolving ways of working of foreign services have been prompted by both the changing nature of diplomacy and a necessity to deliver services with reduced resources. The concentrating of certain services, experimentation with alternative ways of representation, an increased use of local staff and more focused business planning all presuppose some level of strategic prioritisation. Whereas there has been an element of cost-saving underlying changes, there has been a strong element of wanting diplomatic officers to focus on high level strategic objectives, a need that becomes all the more

demanding with the increasing complexity of how countries maintain international relations and of how the different organs of state relate with their counterparts. This complexity demands that greater attention be given to ensuring coherence and a 'whole-of-Government' approach.

In the case of Ireland's Foreign Service the staffing of missions has been significantly reduced in response to the demand to reduce costs. This has included the introduction of the one-diplomat embassy in the case of some smaller EU member states. The one-diplomat model brings its own challenges and can involve unanticipated costs, including opportunity costs, especially if the one-diplomat embassy is expected to deliver a full range of services. In this regard, consideration could be given to reducing the range of services in some of the one-diplomat embassies or in the embassies where the volume of certain services are small.

An alternative distribution of resources can involve the closure of missions. However, closing a mission will always have negative consequences, consequences which could take a long time to reverse. The cost saving involved in closing a mission might actually be quite small and needs to be balanced against what could be lost (or will be lost), a loss that could be very significant in the case of an EU member state.

Good business planning and performance monitoring is of great importance. In the case of Ireland's missions there is ample scope for improvements both in how planning is undertaken and in how performance is monitored and assessed. Improvements in planning and performance measurement will help prioritise the application of effort and resources.

## Chapter 7: Recommendations

### 7.1 Conclusions

#### *7.1.1 EU Bilateral Mission Network 2008-2011: Relevance*

Membership of the EU is at the heart of Irish Government policy, providing the key framework within which the Government pursues its foreign policy objectives and thus it is of the highest importance that Ireland maintains close diplomatic relationships with the institutions of the EU and with each EU member state. Uniquely placed to report deeply and widely on the political contexts within which member states are formulating policy positions, the EU bilateral missions help build within the EU partner countries understanding and support for Ireland's positions in relation to key decision-making in the European Council and the Councils of Ministers. In addition to projecting Ireland's values and interests within fellow member states, the EU bilateral missions, in collaboration with Ireland's state agencies, serve to promote Ireland's trade and investment interests, a role that has become increasingly important since the onset of the banking and fiscal crisis in 2008.

Overall, it is a conclusion of this review that Ireland's EU bilateral missions with their networking capacities have been and will continue to be a very relevant resource for a whole-of-Government approach to how Ireland maintains relations with its EU partners and to how Ireland can present a cohesive image of its values and foreign policy in the EU member states, both to Governments and to civil society.

#### *7.1.2 EU Bilateral Mission Network 2008-2011: Efficiency*

Over the period of this review there were significant reductions in the resourcing of the EU bilateral mission network with overall costs dropping by 21.3% (nearly €8m) between 2008 and 2011 and staffing approximately 17% lower in 2011 when compared to 2008. Despite these reductions the missions continued to provide a full range of services to Irish citizens and the wider public, and there was a large increase in reported outputs, especially the outputs in relation to helping restore Ireland's reputation and to promoting Ireland's economic and cultural interests.

The evidence presented in Chapter 3 shows that the EU bilateral missions have managed to maintain their level of service and have managed to do significantly more in a number of areas of their work despite notably fewer resources. Whilst, the available data does not permit a strictly quantitative assessment of cost efficiency, it is a conclusion of this review that between 2008 and 2011, increasing efficiencies were achieved and sustained, a view shared by a large percentage of the interviewees external to DFAT who were interviewed as part of this review.

#### *7.1.3 EU Bilateral Mission Network 2008-2011: Effectiveness*

As with any multifaceted area of activity that has many factors at play, most of the outcomes associated with the work of the missions cannot be attributed solely to the missions themselves nor can the impacts of the work of the missions be proven in an absolute sense. Assessing the

effectiveness of the EU bilateral mission network is made difficult both by the nature of the work itself (messaging, influencing, and relationship-building) and by insufficient detail in relation to the scale and significance of many of the individual activities undertaken by the missions.

Notwithstanding these challenges, and with quite modest resources, the evidence indicates that the EU missions did what they set out to do (as per their business plans) or were called upon to do (responding to evolving policy priorities), and that, overall, it is credibly the case that the EU bilateral missions were effective over time in making significant contributions, directly and indirectly, to promoting and protecting Ireland's strategic interests, including helping rebuild Ireland's damaged reputation as a result of the recent banking and fiscal crisis.

## 7.2 Recommendations

### Issue/Context:

Some aspects of an embassy's work are more easily measured than others. The outputs and outcomes of the missions' work are recorded in varying ways and to varying degrees across the EU bilateral missions. Whereas between 2011 and 2013 much effort has been given to strengthening the annual business planning process, there is no standardised system for keeping a comprehensive record of activities and outputs achieved, including the scale and significance of activities and evidence of possible impact.

### Recommendation 1:

With a view to helping assess and enhance the effectiveness of the work of the missions, the Steering Committee recommends that drawing upon best practices in other Foreign Ministries and drawing upon the potential output performance indicators/performance measures in Box 14 of this Report, DFAT continues to strengthen and improve business planning, risk management and performance measurement processes, including the identification and specification of quantitative and qualitative tools and methods which the EU missions can use to measure and assess performance.

### Issue/Context:

Though the work of the EU bilateral missions is, to a certain degree, inevitably reactive and thus cannot be fully predicted, there is a continuing need for HQ to give support and direction to the missions in focusing on priorities that are of particular strategic interest to Ireland.

### Recommendation 2:

In view of enhancing effectiveness, the Steering Committee recommends that DFAT in its foreign policy and management role, together with the Department of the Taoiseach in its internal policy role, and in collaboration with the Senior Officials Group on the EU (SOGEU) and with other key actors across Government, leads a bi-annual review (in advance of every EU Presidency cycle) of the strategic priorities for the EU bilateral mission network that are of key importance to Ireland and on which each EU mission should focus as a matter of priority in its business plan.

#### Issue/Context:

The reduction in the numbers of DFAT staff serving in the EU missions increases the administrative burden for missions, especially the one-diplomat missions. The core purpose of the EU bilateral missions is to promote and protect Ireland's interests and values in the EU and to build strong relations with the host countries. Whilst providing services to Irish citizens has traditionally been a high priority for Irish missions, the relatively small demand for such services in some EU member states raises the possibility of being able to provide such services in a different and more efficient way, freeing the diplomat(s) to undertake activities that are of a more strategic nature for Ireland and its interests in the EU.

#### Recommendation 3:

In view of enhancing efficiencies and given reduced resources, especially human resources, the Steering Committee recommends that DFAT reviews, on a case by case basis, whether or not there is a continuing need for each EU bilateral mission, especially one-diplomat missions, to provide the current full range of consular and visa processing services thereby freeing up time and effort to better focus on advancing Ireland's strategic interests in the EU. Any such considerations will need to take account of how services can be adequately delivered in an alternative and cost effective way, and take account of whether the available technologies and systems can support alternative approaches.

#### Recommendation 4:

In view of enhancing efficiencies and effectiveness, the Steering Committee recommends that missions be grouped for the purposes of periodic experience sharing, providing missions with opportunities to learn from innovative practices of other missions, and possible resource-sharing or specialisation. The grouping might take account of geographic, linguistic and size considerations.

#### Recommendation 5:

Recognising the challenges associated with the operation of one-person missions, the Steering Committee recommends that the situation in these missions be monitored from the perspective of health and safety, isolated working environment, risk to business objectives and operational capacity.

#### Issue/Context:

Though always a feature of the work of Ireland's bilateral missions, the Department of Foreign Affairs and Trade now has a formal responsibility for trade promotion with a resultant need for Irish diplomats to be appropriately skilled in economic and trade related matters. The profiling of the qualifications of DFAT staff<sup>124</sup> shows economic and trade related matters to be areas of weakness in terms of formal studies or training. In addition, the increasing emphasis now being given to public diplomacy as part of the effort to help restore Ireland's reputation adds to the importance of language skills and an ability to communicate to a wide audience within the host country.

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<sup>124</sup> "Workforce Planning Report 2012-2020", Department of Foreign Affairs and Trade (2012)

#### Recommendation 6:

In view of enhancing effectiveness, the Steering Committee recommends that as part of the formulation of a new DFAT Human Resource Strategy, continuing emphasis is given to the development of economic, trade-related, and language skills, identifying potential providers of training and specifying any training considered necessary for service in particular areas of the Department's work.

#### Issue/Context:

At present the EU missions might be tasked by any Government Department. However, the tasking of missions predominantly originates in Departments of the Taoiseach, Foreign Affairs and Trade and Finance. Primary responsibility for coordinating Ireland's EU business lies with the EU Division in the Department of the Taoiseach. This coordination includes convening a Senior Officials group representing all Government Departments.

While EU Division in the Department of the Taoiseach coordinates Ireland's EU business, Europe Division in DFAT has responsibility for bilateral relations with the EU member states, leading on Ireland's contribution to EU enlargement and external relations' policies. In doing this Europe Division in DFAT maintains close contact with EU Division in the Department of the Taoiseach.

Europe Division has responsibility for all of Ireland's diplomatic missions in Europe, while Corporate Services Division has responsibility for human resource management and helping strengthen the capacities of missions to deliver their goals.

With the continuing large volumes and differing levels of engagement between Ireland and the EU (both the institutions of the EU and the EU member states), ensuring efficient and effective coordination is of great importance.

#### Recommendation 7:

The Steering Committee recommends that in close consultation with the Department of the Taoiseach, the Department of Finance, the Department of Public Expenditure and Reform and state agencies, DFAT leads a review of arrangements for coordinating the work of Ireland's diplomatic missions in the EU, including an examination of how DFAT can optimally support the EU, bilateral and trade-related activities of other Government institutions. Findings from this review can serve to give more structure to how DFAT and other Government institutions can best collaborate. Such structure could be described in memorandums of understanding that outline ways of working, including issues such as the prioritisation of tasks, reporting, communication, mutual accountability and how performance might be jointly reviewed at regular intervals.

#### Recommendation 8:

The Steering Committee recommends that in close consultation with the Department of the Taoiseach, the Department of Finance and the Department of Public Expenditure and Reform, DFAT undertakes a focused annual review of how efficiently and effectively the agreed coordination arrangements for the work of Ireland's diplomatic missions in the EU are functioning. It is recommended that these reviews should focus on how efficiencies and effectiveness of coordination arrangements can be maximised, taking account of the fact

that the EU missions are at the service of a whole-of-Government approach to promoting Ireland's interests and policy objectives in the EU and its member states, while at the same time being immediately accountable to the Secretary General of the Department of Foreign Affairs and Trade.

Issue/Context:

The increasing complexity of the EU and its institutions and the growing number of EU member states makes it more challenging for Ireland to maintain and/or apply influence. The soon to change *Qualified Majority Voting* (QMV) system which will in effect reduce the level of agreement necessary for passing a proposal while at the same time giving the larger member states a weighting (and influence) proportionate to their population. This fact heightens the importance of closely tracking individual member states' position on a variety of issues. Not belonging to any natural grouping of countries within the EU and irrespective of the fact that some EU member states are more important to Ireland than others, it is eminently in Ireland's interests to maintain close and constructive relations with all member states. The potential benefit to Ireland of these relations far outweighs the relatively modest costs involved.

Recommendation 9:

Given the centrality of the EU for Ireland's interests and policy objectives, the Steering Committee recommends that Ireland continues its current policy of having a resident diplomatic mission in each EU member state.

## Appendix 1: Terms of Reference

### Terms of Reference Value-for-Money and Policy Review, Missions in the Department of Foreign Affairs and Trade's European Union Network

#### 1. Introduction

Re-establishing and maintaining Ireland's international reputation and engaging in the full range of bilateral relationships are key objectives of the Irish Government. The Department of Foreign Affairs and Trade (DFAT) plays a lead role in this regard. Ireland's network of bilateral diplomatic embassies in the European Union is in the frontline of this effort.

This network is a major user of DFAT resources in terms of both personnel and finance. Consequently, it is important that these resources are deployed so as to maximise their efficiency and effectiveness.

#### 2. Purpose

The overall purpose of the Value-for-Money and Policy Review (VFMPR) is to provide an evidence-based assessment of the rationale, relevance, economy, efficiency and effectiveness of the bilateral diplomatic missions in the European Union over the period, 2008-2011. In addition to helping provide accountability to the Irish public in general, this assessment will serve to inform decisions in relation to future expenditures and improved value-for-money, giving consideration to whether or not a robust rationale exists for the allocation of public monies.

#### 3. Scope

The VFMPR will consider Ireland's 26 European Union bilateral diplomatic missions. Viewed from the perspective of the Irish Government's foreign policy priorities, the VFMPR will examine expenditures in the years 2008-2011, the period of the Department's most recent completed strategy cycle. The value of the expenditure under consideration is approximately €118million.

*The VFMPR will examine:*

- 1. The rationale and objectives of the mission network*
- 2. The relevance of the objectives in the light of evolving policy priorities*
- 3. The level and trend of costs and staffing resources; the outputs associated with the work of the mission; and comment on the efficiency by which these outputs were achieved*
- 4. The extent to which objectives have been achieved and overall effectiveness*
- 5. The degree to which the objectives warrant the allocation of public funding on an ongoing basis*
- 6. Whether there is scope for alternative approaches to achieving these objectives in a more efficient and/or effective basis, and whether there are potential future indicators that might be used to better monitor performance*

#### 4. Methodology

It is envisaged that the VFMPR will involve:

- *An in-depth desktop review of secondary data, including business plans, annual reports, third party documentation*
- *Analyses of expenditure (financial modelling to be decided)*
- *Analyses of the strategic deployment of resources in terms of locations, and scale and trend of staffing (including some comparative analysis with other EU member states)*
- *Interviews with key informants both inside and outside DFAT*
- *Possible use of an e-questionnaire*
- *A more detailed examination of a representative sample of Missions, including consultations with the lead desks for the countries concerned*

#### 5. Outputs

A final report, with recommendations based on the findings, for submission to Government and the Houses of the Oireachtas.

#### 6. Timescale

The VFM will be undertaken between September 2012 and April 2013.

## Appendix 2: List of People Interviewed and/or Consulted

*Note: Position held by interviewee at time of interview*

<b>Department of Foreign Affairs and Trade</b>	
Mr. David Cooney	Secretary General
Mr. Bobby McDonagh	Deputy Secretary General, Irish Ambassador to Great Britain
Mr. Brendan Rogers	Deputy Secretary General, Director General, Development Cooperation Division
Ms. Anne Barrington	Assistant Secretary, Director General, Europe Division
Mr. Barrie Robinson	Assistant Secretary, Director General, Corporate Services Division
Mr. Colm Ó Floinn	Assistant Secretary, Director General, Trade and Promotion Division
Mr. David Donoghue	Assistant Secretary, Director General, Political Division
Mr. Niall Burgess	Assistant Secretary, Director General, Anglo Irish Division
Mr. Michael Gaffey	Assistant Secretary, Deputy Director General, Development Cooperation Division
Mr. Dan Mulhall	Assistant Secretary, Irish Ambassador to Germany
Mr. Justin Harman	Assistant Secretary, Irish Ambassador to Spain
Mr. Rory Montgomery	Assistant Secretary, Head of Mission, Permanent Representation of Ireland to the European Union
Mr. Tom Hanney	Assistant Secretary, Deputy Permanent Representative of Ireland to the European Union
Mr. James Kingston	Legal Advisor, Legal Division
Ms. Alison Kelly	Counsellor, Ambassador, Embassy of Ireland in the Czech Republic
Mr. Dermot Brangan	Counsellor, Irish Ambassador to Finland
Mr. John Rowan	Counsellor, Irish Ambassador to Bulgaria
Mr. Keith McBean	Counsellor, Ambassador to the Political and Security Committee, Permanent Representation of Ireland to the European Union
Mr. Donal Denham	Counsellor, Director, Western Europe & External Relations, Europe Division
Mr. Joseph Hackett	Counsellor, Director, Irish Abroad and Global Irish Network Unit
Mr. John McCullagh	Counsellor, Irish Embassy in Great Britain
Ms. Kay Coll	Counsellor, Trade and Promotion Division
Mr. Peadar Carpenter	Counsellor, Consular Division
Ms. Sonja Hyland	Counsellor, Director, Economic Messaging and Cultural Relations Unit, Trade and Promotion Division
Ms. Noleen Curran	Assistant Principal, Irish Embassy in Great Britain
Mr. Tony McCullagh	Assistant Principal, Consular Division
Mr. Brian Flynn	First Secretary, Embassy of Ireland in Germany
Mr. Dermot McGauran	First Secretary, Political Division
Mr. Diarmuid O'Leary	First Secretary, Irish Ambassador to Luxembourg
Mr. Eddie Brannigan	First Secretary, Development Cooperation Division
Ms. Elizabeth McCullough	First Secretary, Embassy of Ireland in Great Britain
Ms. Jane Connolly	First Secretary, Embassy of Ireland in Great Britain
Ms. Maeve Von Heynitz	First Secretary, Embassy of Ireland in Germany
Mr. Michael Hurley	First Secretary, Political Division

Mr. Pat Scullion	First Secretary, Irish Ambassador to Cyprus
Mr. Peter McIvor	First Secretary, Irish Ambassador to Estonia
Ms. Sarah McGrath	First Secretary, Embassy of Ireland in Germany
Ms. Aoife Ni Fhearghail	Third Secretary, Embassy of Ireland in Nigeria
Ms. Caoimhe NiChonchuir	Third Secretary, Embassy of Ireland in Spain
Mr. Colum Hatchell	Third Secretary, Embassy of Ireland in Uganda
Mr. David Healy	Third Secretary, Irish Abroad Unit
Ms. Deirdre Lyster	Third Secretary, Embassy of Ireland in the United Kingdom
Ms. Marylee Wall	Third Secretary, Embassy of Ireland in Finland
Mr. Michael Keaveney	Third Secretary, Embassy of Ireland in Great Britain
Ms. Sarah Callanan	Third Secretary, Embassy of Ireland in Germany
Mr. Tom Redmond	Third Secretary, Embassy of Ireland in Bulgaria
Ms. Assumpta Griffin	Higher Executive Officer, Irish Passport Office, London
Mr. David O'Rourke	Higher Executive Officer, Visa Office Manager, on Secondment from the Department of Justice and Equality, Irish Passport Office, London
Ms. Jean McManus	Higher Executive Officer, Embassy of Ireland in the United Kingdom
Mr. Thomas Bellew	Higher Executive Officer, Deputy Head of Mission, Embassy of Ireland in the Czech Republic
Ms. Mary Doyle	Clerical Officer, Embassy of Ireland in Cyprus
<b>Irish Embassy Locally Hired Staff</b>	
Ms. Ina Grozdanova	Embassy of Ireland in Bulgaria
Mr. Christian Ilev	Embassy of Ireland in Bulgaria
Ms. Rita Papadakis	Embassy of Ireland in Cyprus
Ms. Anna Violari	Embassy of Ireland in Cyprus
Ms. Oldriska Kreidlova	Embassy of Ireland in the Czech Republic
Ms. Marketa Janikova	Embassy of Ireland in the Czech Republic
Ms. Lorraine Traynor	Embassy of Ireland in the Czech Republic
Ms. Magdalena Michlickova	Embassy of Ireland in the Czech Republic
Ms. Liina Saan	Embassy of Ireland in Estonia
Ms. Ilona Ross	Embassy of Ireland in Estonia
Ms. Satu Perttula	Embassy of Ireland in Finland
Ms. Hanna Rantala	Embassy of Ireland in Finland
Ms. Steffi Richter	Embassy of Ireland in Germany
Mr. Rolf Hoefig	Embassy of Ireland in Germany
Ms. Anja McCormack	Embassy of Ireland in Germany
Ms. Viviane Adams	Embassy of Ireland in Luxembourg
Ms. Nathalie Lanners	Embassy of Ireland in Luxembourg
Ms. Colette Waters	Embassy of Ireland in Luxembourg
Ms. Ann Marie Murphy	Embassy of Ireland in Spain
Mr. Sam Crowley	Embassy of Ireland in Spain
Mr. Brendan Anglin	Embassy of Ireland in Spain
Mr. Jose Luis Gomez	Embassy of Ireland in Spain
Ms. Mayte Uriel	Embassy of Ireland in Spain
Ms. Deirdre Eadie	Embassy of Ireland in Spain
<b>Government Departments</b>	
Mr. Martin Fraser	Secretary General, Department of the Taoiseach
Ms. Geraldine Byrne Nason	Second Secretary General, EU Division, Department of the Taoiseach
Mr. Lorcan Fulham	Assistant Secretary, EU Division, Department of the

	Taoiseach
Mr. Dermot McCarthy	Former Secretary General, Department of the Taoiseach
Mr. Paul Bates	Assistant Secretary, Department of Transport, Tourism and Sport
Mr. Aidan O'Driscoll	Assistant Secretary, Department of Agriculture, Food & the Marine
Mr. Eugene Forde	Economic Counsellor, Department of Jobs, Enterprise and Innovation, Embassy of Ireland in Great Britain
Mr. Dermot Keehan	Attaché, Department of Jobs, Enterprise and Innovation, Embassy of Ireland in Great Britain
Mr. Gerard Monks	Principal Officer, Department of Jobs, Enterprise and Innovation
Ms. Joyce Duffy	Principal Officer, Department of Justice and Equality
Mr. Bernard Gaffney	Garda Liaison Officer, Department of Justice and Equality, Embassy of Ireland in Spain
Mr. Keith Walsh	Economist, Office of the Revenue Commissioners
Mr. Terry O'Sullivan	Revenue Commissioners, Embassy of Ireland in Great Britain
Mr. Owen Jacob	Principal Officer, Department of Public Expenditure and Reform
Ms. Christine Sisk	Director of Grants Programme, Culture Ireland
<b>Enterprise Ireland</b>	
Mr. Patrick Maher	Executive Director, Central, Northern and Eastern Europe
Mr. Giles O'Neill	Director, UK and Northern Europe
Mr. John McNamara	Director, Southern Europe, Middle East and Africa
Ms. Deirdre Mc Partlin	Manager, Germany, Austria, Switzerland
Mr. Kevin Sherry	Manager, International Sales and Partnering
Mr. Ladislav Muller	Manager, Czech Republic, Slovakia, Hungary, Bulgaria & Romania
<b>IDA Ireland</b>	
Mr. Dermot Clohessy	Executive Director
Mr. Richard Hendron	Manager, Business Development
<b>Tourism Ireland</b>	
Mr. David Boyce	Deputy Head of Great Britain
Mr. Shane Clarke	Director of Corporate Services & Policy
Ms. Barbara Wood	Spain Marketing Manager
<b>Bord Bia</b>	
Mr. Michael Murphy	Director of Markets
Ms. Michelle Butler	General Manager of London Office
Ms. Cecilia Ruiz	Madrid Office Manager
<b>Science Foundation Ireland</b>	
Ms. Ruth Freeman	Director of Programmes, Enterprise and International Affairs
<b>Private Sector</b>	
Mr. Andy Rogers	Chairman of the IIBN European Marketing Group, Principal of Roger Associated Ltd, and Member of the Global Irish Network, London
Ms. Ann Dempsey	Managing Director of Riverland Consultancy and member of the Irish-Munich Network
Mr. Brent Cassidy	Managing Director, Finland Experience travel & Guiding,

	Helsinki
Ms. Caitlín O'Connor	Board Member of the Irish International Business Network and Managing Director of Accelerating Performance
Mr. Colin Lawlor	Commercial Director, ResMed
Mr. Cormac Walsh	CEO & Co-Founder, Avansera, Finland
Mr. Darren Glynn	Member, London Irish Business Society
Mr. Eddie McGreal	Director, Imilia Interactive Mobile Applications, and Member of the Irish Business Network, Berlin
Ms. Emma Naismith	Spanish Irish Business Network, Madrid
Mr. Erkki Yrjölä	Finnish Irish Business Club, Helsinki
Mr. Frank Haughton	Owner, James Joyce Pub, Prague
Mr. Gearoid Dunne	Spanish Irish Business Network, Madrid
Mr. Geoff Thompson	CEO of Chronicle.lu and Vice President, Luxembourg Irish Club
Mr. Heikki Mairinoja	Lindström Invest, Finnish Irish Business Club, Helsinki
Mr. Ian Bennet	Nokia, Helsinki
Mr. James Oates	CEO, Cicero Capital, Estonia
Mr. Jody Gannon	Managing Director, Hahn Film, and Member of the Irish Business Network, Berlin
Mr. Joe Haslam	Spanish Irish Business Network, Madrid
Mr. John Whelan	Chief Executive, Irish Exporters Association
Mr. Joseph Huggard	CEO, Huggard Consulting, and Member of Ireland Luxembourg Chamber of Commerce
Mr. Leo O'Neill	Managing Director, HML Project Management OU, Estonia
Ms. Mary Keane	Czech Irish Business and Cultural Association, Prague
Mr. Pat Ivory	Head of International Relations, Trade and Transport Policy, Irish Business and Employers Confederation (IBEC)
Mr. Paul Dubsy	Former President, Czech Irish Business & Cultural Association, Prague
Mr. Philip Welsh	Member, Irish Bulgarian Business Network and Director of Trinity Corporate Services
Ms. Sarah Bowen-Walsh	Production Designer, Costume Designer & Makeup Artist, Helsinki
Mr. Sean Clarke	Director, ARUP Engineering Consultants, Germany
Ms. Sinead Crowley	Executive Director, Irish International Business Network, London
Ms. Susan Hayes	Board Member, Irish International Business Network
Mr. Terry Clune	Founder and CEO of Taxback Group, Founder of Connect Ireland
Mr. Vincent Clarke	Director, Éirelux Supplies Ltd.
<b>Other</b>	
Ambassador Chris Holtby	British Ambassador to Estonia
Ambassador Karl Mueller	Austrian Ambassador to Cyprus
Ambassador Louise Bang Jespersen	Danish Ambassador to Luxembourg
Ambassador Lone Dencker Wisborg	Danish Ambassador to Spain
Ambassador Marc Thunus	Belgian Ambassador to Estonia
Mr. Andreas Hadjichrysanthou	Deputy Head of EU Division, Cypriot Ministry of Foreign Affairs
Mr. Andrei Vlahov	Second Secretary, European Countries Directorate, Ministry of Foreign Affairs, Republic of Bulgaria
Ms. Ann Hänni	Director, Western Europe and North America, Ministry of Foreign Affairs, Republic of Estonia

Ms. Barbera Nolan	Head of Representation, European Commission Representation in Ireland
Mr. Ben Tonra	Professor of European Foreign, Security and Defence Policy, School of Politics and International Relations, University College Dublin
Mr. Brendan Cliffe	Helsinki Harps Gaelic Football Team
Mr. Brian Rose	Vice President of Irish Stand at International Bazaar, Luxembourg
Ms. Bernadette Charalambous	Cyprus Irish Society
Mr. Declan Hughes	Divisional Manager, Forfás
Mr. Derek Scally	Berlin Correspondent, The Irish Times
Ms. Elizabeth Solomon	Deputy Coordinator / Senior Political Affairs Officer, UNFICYP
Mr. Frank Bieber	First Secretary, Embassy of Luxembourg in the Czech Republic
Ms. Freda Makay	Coordinator and Head of Office, UNFICYP
Ms. Jan Kára	EU General Affairs Department, Prague
Ms. Jean Christou	Editor, Cyprus Mail
Mr. Jean-Paul Senninger	Secretary General, Ministry of Foreign Affairs, Luxembourg
Ms. Jenny McShannon	Federation of Irish Societies, London
Ms. Jill Donoghue	Director of Research, Institute of International and European Affairs
Mr. Justin Quinn	Charles University, Prague
Ms. Katherine Raeymaekers	Deputy Head of Mission, Embassy of Belgium in Bulgaria
Mr. Lars Kjellberg	Deputy Head of Mission, Embassy of Denmark in the Czech Republic
Ms. Margaret Hennessy	Retired Assistant Secretary, Department of Foreign Affairs and Trade
Ms. Marie Cross	Retired Assistant Secretary, Department of Foreign Affairs and Trade
Ms. Merje Stanciene	Political Division, Ministry of Foreign Affairs, Republic of Estonia
Mr. Ondřej Pilný	Charles University, Prague
Ms. Ruth Andrews	Irish Tour Operators Association, Ireland
Ms. Sally Mulready	Emigrant Support Advisory Committee, London
Ms. Sasha Baillie	Deputy Secretary General, Ministry of Foreign Affairs of Denmark
Mr. Shay O'Malley	Head of Unit, Human Resources, European Chemicals Agency, Helsinki
Ms. Sheila Pratschke	Director, Centre Culturel Irlandais, Paris
Ms. Silvia Cortés	Spanish Ministry of Foreign Affairs
Mr. Tom Cranfield	Former Director General, EU Publications Office
Mr. Tonis Nirk	Director General, Dept. of Europe and Transatlantic Cooperation, Ministry of Foreign Affairs, Republic of Estonia
Mr. Wlodee Cibor	Senior Political Advisor, UNFICYP

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## Appendix 4: EU Bilateral Mission Expenditure (€)

Mission	Representational Costs		Other Costs		<i>of which Chancery and Residence lease costs</i>		HQ Staff Costs		<i>of which housing costs</i>		<i>of which salaries and maintenance costs</i>		Local staff Costs	
	2008	2011	2008	2011	2008	2011	2008	2011	2008	2011	2008	2011	2008	2011
Austria	39,334	20,533	283,012	370,462	172,545	192,070	744,805	957,287	51,231	57,460	693,574	899,827	300,013	300,133
Belgium	33,155	20,331	369,059	267,929	92,905	118,313	430,794	353,778	36,291	24,303	394,503	329,475	450,109	228,765
Bulgaria	32,377	15,407	284,722	255,229	170,448	182,924	315,128	205,856	32,994	15,601	282,134	190,255	100,123	78,045
Cyprus	20,078	10,193	307,767	241,395	239,662	191,696	117,045	126,609	0	16,100	117,045	110,509	101,285	101,920
Czech Republic	39,576	25,993	317,290	297,898	145,053	149,395	386,118	294,106	46,945	24,463	339,173	269,643	182,579	261,219
Denmark	39,608	21,535	179,248	105,003	0	27	470,335	374,838	42,977	14,485	427,358	360,353	245,737	258,901
Estonia	20,061	10,032	324,542	399,819	235,081	248,550	209,740	103,437	20,707	0	189,033	103,437	60,611	51,877
Finland	34,313	19,720	501,415	296,920	96,607	239,753	331,613	278,522	39,075	42,000	292,538	236,522	194,419	152,407
France (incl. OECD)	64,029	53,241	789,188	471,016	102,004	106,534	1,481,945	1,381,965	409,914	362,018	1,072,031	1,019,947	785,913	809,002
Germany	55,425	37,532	616,644	419,581	390,198	258,843	933,455	900,434	142,147	145,310	791,308	755,125	332,572	344,487
Greece	31,012	29,365	311,330	192,877	118,997	111,203	414,877	398,016	37,369	56,625	377,507	341,391	187,114	197,682
Hungary	27,678	18,003	311,268	351,205	252,197	299,587	314,727	254,621	39,954	30,909	274,772	223,712	102,567	88,154
Italy	49,503	27,562	692,111	620,837	464,354	450,633	811,024	523,982	162,532	118,994	648,492	404,988	385,211	395,685
Latvia	21,953	11,998	336,679	124,181	191,865	79,062	224,841	101,159	15,888	0	208,952	101,159	85,721	51,011
Lithuania	25,137	13,413	365,704	284,994	226,501	233,902	194,867	196,228	17,453	14,736	177,414	181,492	127,193	103,894
Luxembourg	27,159	11,944	369,664	145,383	294,039	83,544	269,330	127,612	19,200	0	250,130	127,612	293,888	248,600
Malta	18,789	9,991	235,581	244,977	150,843	170,232	103,777	108,708	0	0	103,777	108,708	75,316	74,958
Netherlands	49,771	30,426	2,565,158	309,202	0	0	602,696	550,734	116,075	110,014	486,621	440,720	338,636	337,179
Poland	51,938	27,693	639,087	460,770	343,656	300,538	421,452	447,857	73,066	69,929	348,386	377,928	236,753	189,029
Portugal	27,649	16,215	308,431	235,613	18,312	86,584	349,883	299,020	48,249	33,000	301,634	266,020	232,110	187,104
Romania	13,482	18,831	347,575	304,055	244,744	247,162	394,055	295,536	75,250	39,248	318,805	256,288	105,469	119,715
Slovakia	14,853	13,308	266,752	220,519	192,910	154,037	192,293	232,673	20,535	29,329	171,757	203,344	81,505	96,349
Slovenia	29,166	17,602	228,656	308,569	122,807	125,429	317,890	197,931	35,335	18,936	282,555	178,995	204,355	169,163
Spain	49,124	29,897	611,701	389,650	284,214	250,544	809,328	578,687	224,482	112,840	584,846	465,847	409,746	451,838
Sweden	26,740	20,637	139,887	304,740	80,572	243,686	301,974	235,175	17,790	16,500	284,184	218,675	229,413	274,596
UK	126,874	84,397	2,404,775	2,228,467	688,308	763,581	4,891,553	3,584,996	1,549,649	1,203,306	3,341,904	2,381,690	430,407	260,900
<b>Total</b>	<b>968,784</b>	<b>615,799</b>	<b>14,107,246</b>	<b>9,851,291</b>	<b>5,318,822</b>	<b>5,287,829</b>	<b>16,035,545</b>	<b>13,109,767</b>	<b>3,275,108</b>	<b>2,556,106</b>	<b>12,760,433</b>	<b>10,553,662</b>	<b>6,278,765</b>	<b>5,832,613</b>

## Appendix 5: Location of EU Member State Embassies

Location of Embassy	EU Member State																										
	Aut	Bel	Bul	Cyp	Cze	Den	Est	Fin	Fra	Ger	Gre	Hun	Irl	Ita	Lat	Lit	Lux	Mal	Ned	Pol	Por	Ro m	Slk	Slo	Spa	Swe	UK
Austria		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Belgium	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bulgaria	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓			✓	✓	✓	✓	✓		✓	✓	✓
Cyprus	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓	✓					✓	✓	✓	✓	✓		✓	✓	✓
Czech Republic	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓
Denmark	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Estonia	✓	✓			✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓				✓	✓	✓
Finland	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓
France	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Germany	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Greece	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Hungary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓
Ireland	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓		✓
Italy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Latvia	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓		✓				✓	✓	✓				✓	✓	✓
Lithuania	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓					✓	✓	✓	✓			✓	✓	✓
Luxembourg	✓	✓			✓	✓		✓	✓	✓	✓		✓	✓					✓	✓	✓	✓			✓		✓
Malta	✓	✓							✓	✓	✓		✓	✓					✓	✓	✓				✓		✓
Netherlands	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Poland	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Portugal	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Romania	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓		✓	✓	✓	✓	✓
Slovakia	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		✓			✓	✓	✓	✓		✓	✓		✓
Slovenia	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓					✓	✓	✓	✓			✓		✓
Spain	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
Sweden	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓		✓
UK	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
<b>Total no. of Embassies</b>	<b>26</b>	<b>26</b>	<b>22</b>	<b>21</b>	<b>25</b>	<b>25</b>	<b>22</b>	<b>25</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>24</b>	<b>26</b>	<b>26</b>	<b>21</b>	<b>22</b>	<b>12</b>	<b>13</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>23</b>	<b>22</b>	<b>18</b>	<b>26</b>	<b>20</b>	<b>26</b>

## Appendix 6: Structured Interview Questions for DFAT Interviewees

### Structured Interview Questions Interviewees Internal to DFAT

#### Preliminaries:

Be clear that the interviewee understands the nature of the exercise. This is a **Value-for-Money and Policy Review** with a primary focus on the evaluation criteria of Relevance, Efficiency and Effectiveness. The review has been approved by the MAC and is being undertaken in accordance with procedures prescribed by the Department of Public Expenditure and Reform. This review is seeking to establish whether there has been Value-for-Money and whether objectives warranted the expenditure of funds.

If not already known, establish who the person is and their experience(s), both current and past, in relation to Ireland's EU diplomatic missions, especially for the period 2008-2011.

Make it very clear that the review is primarily looking at the years 2008-2011 and therefore is not looking at the period of the current Statement of Strategy, 2012-2014

Make it very clear that all information will be treated confidentially and nothing will be attributed to the interviewee

- |  |
|--|
| <p>1. Issue to be explored:</p> <ul style="list-style-type: none"><li>➤ <b><i>How relevant is the work and objectives of the bilateral diplomatic missions in the EU in the light of fundamental and rapidly evolving policy priorities?</i></b></li></ul> |
|--|

#### *The Questions for internal key informants:*

- A. ***As you see it, how relevant is the work and objectives of the bilateral diplomatic missions in the EU in the light of fundamental and rapidly evolving policy priorities?***

*(Explore an understanding of how the work might be serving specific, named, policy priorities. Look for examples)*

- B. ***As you see it, how does the work of your mission and the other Irish missions in the EU member states contribute to work objectives of other interests? For example, other Departments, state agencies, the private sector?***

- C. ***As you see it, on a scale of 1 to 10 ("1" is low and "10" is high), how relevant is the work of the EU missions in helping realise Ireland's policy priorities?***

*(Briefly ask for a rating.)*

- |  |
|--|
| <p>2. Issue to be explored:</p> <ul style="list-style-type: none"><li>➤ <b><i>Through the EU missions, how efficiently did D/FAT apply human, financial and other resources in furthering Ireland's strategic objectives and in providing services to Irish citizens during the period of the last Statement of Strategy that was characterised by fundamental and radical change?</i></b></li></ul> |
|--|

**Questions for internal key informants:**

- A. In your opinion, what factors most likely contribute to enhancing the efficiency of the European Union embassies?**
- B. What factors could diminish the efficiency of the European Union embassies?**  
(Note: In 2011 the total cost of the network was €29.4m, including HQ charges. In 2008 the cost was €37.4m)
- C. On a scale of 1 to 10 (1 is low, 10 is high), overall, how would you rate the efficiency with which DFAT-HQ maintains and manages the European Union embassy network?**
- D. On a scale of 1 to 10 (1 is low, 10 is high), overall, how efficiently would you rate the functioning of the European Union embassies themselves?**

*(If it hasn't already been raised, point out that Dublin plays a role with regard to the efficient operating of the missions).*

*(The informant might like to provide separate scores vis-à-vis HQ and the missions. If they do, this is fine. In contrast, if the person is uncomfortable about providing a view or feels they are not in a position to provide a view at all, don't push it, but record this fact)*

3. Issue to be explored:

- **How efficiently and effectively did EU missions respond to challenges and opportunities which arose during the period of the last Statement of Strategy (2008-2011)?**

**Questions for internal key informants:**

- A. Based upon your work and experience of D/FAT, in the period 2008-2011, what were the main external challenges and opportunities, existing or emerging, that the European Union embassies had to deal with?**  
(Briefly explore examples of challenges and opportunities.)
- B. Based upon your work and experience of D/FAT, in the period 2008-2011 what were the main internal challenges and opportunities, existing or emerging, that the European Union embassies had to deal with?**  
(Briefly explore examples of challenges and opportunities.)
- C. Overall, on a score of 1 to 10 ("1" low and "10" high) how would you rate the efficiency with which the European Union embassies responded to challenges and opportunities, external and internal, in the period 2008-2011?**
- D. Overall, on a score of 1 to 10 ("1" low and "10" high) how would you rate the effectiveness of how the European Union embassies responded to challenges and opportunities, external and internal, in the period 2008-2011?**

4. Issue to be explored:

- **To what extent did the work of the EU missions contribute to Ireland's policy objectives and the intended outcomes associated with these objectives?**

**Questions for internal key informants:**

- A. **As you understand it, how do the European Union embassies measure progress towards achieving the objectives stated in their annual business plans and the departmental Statement of Strategy.**

(Keep an ear open as to whether the person thinks that things need to improve and what could be done, but do not ask this. If the person freely expresses a view that something needs to be done/improved, only then ask what they think might/should be done)

- B. (Show the cue sheet) **Broadly, do you think that the European Union embassies are being effective at the strategic levels of:**

- i. **Building strong bilateral relationships with our EU partners and advancing Ireland's overall position in the EU;**
- ii. **Advancing Ireland's economic interests;**
- iii. **Advancing Ireland's cultural interests;**
- iv. **Meeting the needs of Irish citizens?**

(Keep an ear open for whether people consider it likely that performance will be better in the 'bigger' missions such as Berlin or Paris, but do not ask such a question).

5. Issue to be explored:

- **To what extent has the work of missions been aligned and coherent with the work of other Government Departments and agencies (added value)?**

**Questions for internal key informants:**

- A. **Insofar as you are aware, to what extent has the work of the European Union embassies been aligned and coherent with the work of other Government Departments and agencies (added value)?**

(Explore examples of alignment and coherence. At the risk of leading, explore collaborations between EU embassies and the state agencies, asking about possible 'Local Market Plans' and the role played by individual embassies)

- B. **Overall, on a scale of 1 to 10 ("1" low; "10" high), how would you rate the degree to which the work of the European Union embassies was aligned and coherent with the work of other Government Departments and agencies in the period 2008-2011?**

(If no opinion is offered, be sure to record this fact)

6. Issue to be explored:

- **To what extent are the achievements to date likely to have an enduring benefit?**

**Questions for internal key informants:**

- A. **To what extent are the works of the European Union embassies likely to have continuing benefits in the short to medium term?**

(To help the interviewee answer this question and the next question, remind them of specific achievements the person has already mentioned in the interview, especially anything particularly strategic).

- B. **Is there anything that could quickly undo achievements or gains made?**

7. Issue to be explored:

- ***The degree to which the objectives warrant the allocation of public funding on an ongoing basis***

**Questions for internal key informants:**

A. **Are there significant risks to which Ireland might be exposed to if it didn't have the European Union embassies?** (Make sure to ask this question. At the risk of leading, explore how significant or material the risks might be, and whether the degree of risk is variable across the 26 missions – or even no issue at all in certain missions)

8. Issue to be explored:

- ***Whether there is scope for alternative approaches to achieving the objectives in a more efficient and/or effective basis and whether there are potential future indicators that might be used to better monitor performance***

**Questions for internal key informants:**

A. **How might the current work and objectives of the European Union bilateral embassies be delivered in a more efficient and effective way?**

(At the risk of a leading question, explore possible ideas in relation to using different approaches, structures or administrative systems)

B. **How might the performance of the European Union embassies be better monitored?**  
(Explore ideas)

Concluding question:

9. **Is there anything you would like to add about the embassies in relation to Relevance, Efficiency and Effectiveness?**

## Appendix 7: Structured Interview Questionnaire for Interviewees External to DFAT

### Interview Questions Interviewees External to DFAT

#### Preliminaries:

Be clear that the interviewee understands the nature of the exercise. This is a ***Value-for-Money and Policy Review of Ireland's embassies in the 26 European Union member states***. The VFM will have a strong focus on the evaluation criteria of Relevance, Efficiency and Effectiveness. The review is being undertaken in accordance with procedures prescribed by the Department of Public Expenditure and Reform. This review is seeking to establish whether there has been Value-for-Money in the maintenance and operations of the embassies, and whether objectives warranted the expenditure of funds.

Assure the person that the views will be treated in strictest confidence and nothing will be attributed to the person unless permission is given

Make it very clear that the review is largely retrospective; looking at the years 2008-2011

Always speak of the "European Union" and do not use the acronym, "EU". Also, always speak of the "embassies", not "missions"

#### An opening question:

**Between 2008 and 2011 have you had direct interactions (work or otherwise) with any of Ireland's European Union embassies?**

(Ask which ones and briefly establish the nature of the connections if not already known by you. There is a danger here that the interviewee may start talking about things you don't want to raise quite yet. Thus, once you know the connection(s), move things along even if it means politely interrupting)

**1. Issue to be explored:**

- ***How relevant is the work and objectives of the bilateral diplomatic missions in the EU in the light of fundamental and rapidly evolving policy priorities?***

#### **Questions for external key informants:**

- A. ***In your view, how important and relevant is the cultural, trade, economic work, etc, of Ireland's European Union embassies to helping meet Ireland's needs and priorities?***  
(Look for examples, particularly of a strategic nature)
- B. ***Are there ways that the work of the European Union embassies has relevance for advancing your interests - work-related interests or otherwise?***  
(If yes, then in what ways specifically?)

- C. **As you see it, on a scale of 1-10 (“1” is low, “10” is high) how relevant is the work of Ireland’s European Union embassies to Ireland’s needs and policies?**
- D. **On a scale of 1-10 (“1” is low, “10” is high) how relevant is the work of the European Union embassies to you personally or to the work of your Department /agency/ organisation/ interest group?**

(If the person is reluctant to offer scores, that’s fine, but record this fact)

(Briefly explore what is it that makes the offered scores to be a high, median, or a low score?)

2. Issue to be explored:

- **Through the EU missions, how efficiently did D/FAT apply human, financial and other resources in furthering Ireland’s strategic objectives and in providing services to Irish citizens?**

**Questions for external key informants:**

- E. **Based on working relationships or other types of engagement you have had with Ireland’s embassies in the European Union (direct or indirect contact), do you have views with regard to how efficiently the embassies function?**

(Explore what, specifically, the person sees as having been efficient and/or inefficient. Keep an ear open for factors that the person considers most likely to contribute to enhancing and the factors that could diminish the efficiency of the missions. Record any such factors on the record sheet with respect to the two questions below. However, there is no need to ask the two questions. Recording things in this way is important for the purposes of sorting information and subsequent analysis)

- A. **In your opinion, what factors most likely contribute to enhancing the efficiency of Ireland’s embassies in the European Union?**

- B. **What factors could diminish the efficiency of the embassies?**

3. Issue to be explored:

- **How efficiently and effectively did EU missions respond to challenges and opportunities which arose during the period of the last Statement of Strategy (2008-2011)?**

**Questions for external key informants:**

- A. **Based upon your contacts with and/or knowledge of the work of the Department of Foreign Affairs, in the period 2008-2011 were there, in your view, particular challenges or opportunities that Ireland’s European Union embassies had to deal with as a matter of priority?**
- E. **(Assuming issues identified) Are you aware of particular initiatives or actions undertaken by the embassies to deal with these issues in the period 2008-2011?**

**If yes, ask for specifics, and then ask:**

- F. **Do you think the actions (or responses) were or were not, timely, appropriate and effective?**

*(Explore the “why” of the interviewee’s response to this question. The issue of “efficiency” could be touched upon, but don’t spend much time on this as the interviewee is probably not in good position to give a robust view about efficiency)*

4. Issue to be explored:
- *To what extent did the work of the EU missions contribute to Ireland’s policy objectives and the intended outcomes associated with these objectives?*

**Questions for external key informants (Show the cue sheet):**

- B. Broadly, do you think that the European Union embassies are being effective at the strategic levels of:**
- (i) Building strong bilateral relationships with our EU partners and advancing Ireland’s overall position in the EU;**
  - (ii) Advancing Ireland’s economic interests;**
  - (iii) Advancing Ireland’s cultural interests;**
  - (iv) Meeting needs of Irish citizens;**

(Keep an ear open for whether people consider it likely that performance will be better in the ‘bigger’ embassies such as Berlin or Paris, but do not ask such a question).

5. Question to be explored:
- *To what extent has the work of missions been aligned and coherent with the work of other Government Departments and agencies (added value)?*

**Questions for external key informants:**

- A. In your experience, or insofar as you are aware, to what extent has the work of Ireland’s European Union embassies been aligned and coherent with the work of other Government Departments and agencies and, in certain cases, with private sector interests (added value)?**

*(Explore examples of alignment and coherence. Depending on who is being interviewed and at the risk of leading, explore collaborations between EU embassies and the state agencies, asking about the ‘Local Market Plans’ and the role played by individual embassies)*

6. Issue to be explored:
- *To what extent are the achievements to date likely to have an enduring benefit?*

**Questions for external key informants:**

- A. As you see it, to what extent is the work of Ireland’s European Union embassies likely to have continuing benefits in the short to medium term?**

*(To help the interviewee answer this question and the next question, remind them of specific achievements the person has already mentioned in the interview, especially anything particularly strategic.)*

- B. Is there anything that could quickly undo achievements or gains made by embassies in the last few years?**

7. Issue to be explored:

- *The degree to which the objectives warrant the allocation of public funding on an ongoing basis*

Questions for external key informants:

**B. How important is it that Ireland maintains an embassy network at its current level (staffing and the services provided) in the European Union member states?**

*(Explore why it would be important or not important?)*

**A. Are there significant risks to which Ireland might be exposed to if it didn't have the European Union embassies?**

*(Because this is one of the two questions trying to take a counterfactual perspective, be sure to ask this question if the issue hasn't already been raised. At the risk of leading, explore how significant or material the risks might be, and whether the degree of risk is variable across all 26 embassies – or even no issue at all in certain embassies)*

8. Issue to be explored:

- *Whether there is scope for alternative approaches to achieving the objectives in a more efficient and/or effective basis and whether there are potential future indicators that might be used to better monitor performance*

**A. How might the current work and objectives of Ireland's European Union embassies be delivered in a more efficient and effective way?**

*(At the risk of a leading question, explore possible ideas in relation to using different approaches, structures or administrative systems)*

Concluding questions:

**10. As you see it, what issues or services should be the focus for the European Union embassies in the coming years? (This question was not asked of officials or diplomats from other countries)**

**9. Is there anything you would like to add about the embassies in relation to Relevance, Efficiency, and Effectiveness?**

## Appendix 8: Promoting Ireland's Economic Interests

(Source: Trade and Promotion Division, DFAT)

- **Lobbying/Influencing/Negotiating**
- **Building and Maintaining Networks**
- **Media**
- **Public and Cultural Diplomacy**
- **Reporting on Economic and Sectoral Developments**
- **Introductions/ Facilitating Irish business and Inward Investment**
- **Supporting High Level Visits**
- **Coordination of Economic Work of 'Team Ireland' in Markets**

### **Lobbying/Influencing/Negotiating**

Engaging with decision makers on specific policy issues pertinent to Ireland's economic recovery

Engaging with decision makers on specific legislative/administrative barriers for Irish companies

Engaging with decision makers on behalf of other Govt Depts. /State agencies

Engagement with EU delegation/EU agencies in third countries to advance market access and regulatory issues for Irish companies

Engaging with policy makers on legislative issues affecting FDI into Ireland

Negotiating access for Irish companies into local markets

Negotiating Market Access Agreements e.g. for meat imports

Negotiating Double Taxation Agreements/ Social Security Agreements or similar

Negotiating Working Holiday Agreements/Visa Agreements

Facilitating mediation of commercial disputes

Engaging with sovereign wealth funds/investment funds on Ireland's economic progress

### **Building and Maintaining Networks**

Maintaining key contacts in economic and business sphere

Maintaining key contacts in government/administrative sphere of relevance to economic agenda

Extending network of economic and business or relevant government/administrative contacts

Establishing sector specific networks in areas of relevance for Ireland

Supporting Irish business networks/chambers of commerce

Supporting the Global Irish Network – nominating new members and engaging with local subgroups

### **Media**

Background briefing of media contacts

Placement of OpEds (Ministers or Ambassadors)

Interviews (Ministers or Embassy officials)

Responding to negative or misleading coverage of Ireland in foreign media

Facilitation of interviews with Irish cultural, academic or business figures

Use of social media to highlight work of Mission (metrics should be provided)

Facilitating visits of foreign media to Ireland

### **Public and Cultural Diplomacy**

Speeches to economic and business fora  
Speeches at universities/think tanks/academic seminars  
Speeches to Irish community networks  
Speeches at schools  
Organisation of cultural events/exhibitions  
Promotion of local events of Irish interest  
St Patrick's Day events and branding

### **Reporting on Economic and Sectoral Developments**

#### **Introductions/ Facilitating Irish business and Inward Investment**

Hosting events in conjunction with state agencies  
Hosting events for Irish companies  
Promotion of Ireland as a destination for inward investment and R&D activity  
Introducing state agencies to potential clients/business partners  
Introducing Irish companies to potential business partners  
Briefing Irish companies on local market  
Identifying new opportunities for Irish businesses and advising businesses and state agencies on how those might be pursued  
Facilitating cooperation between education/research institutions in Ireland and abroad  
Promoting Ireland as a location to study abroad/supporting Irish educational institutions abroad  
Facilitating employment/placement of Irish individuals in companies/institutions

#### **Supporting High Level Visits**

Presidential visits  
Visits of Taoiseach/Tánaiste (incl. to multilateral meetings)  
Visits of Ministers/Ministers of State (incl. to multilateral meetings)  
Visits of Oireachtas Delegations  
Visits of local government delegations  
Visits of delegations from Northern Ireland institutions  
Facilitating and supporting inward visits into Ireland (Ministerial level)  
Facilitating and supporting inward visits into Ireland (senior official level)  
Facilitating and supporting inward visits into Ireland (business)

#### **Coordination of Economic Work of 'Team Ireland' in Priority Market Countries**

Organisation of meetings of Local Market Teams  
Reports commissioned/authored from DFAT/Embassies on business opportunities  
Support to Joint Economic Commissions  
Support to Export Trade Council

## Appendix 9: Steering Committee Membership

The Steering Committee established to oversee the VMFPR was chaired by an independent chair, Mr. Tom Ferris, an independent consultant economist. The membership of the Steering Committee is outlined below:

Mr. Tom Ferris:	Independent Chairperson
Ms. Anne Barrington:	Director General, Europe Division, Department of Foreign Affairs and Trade
Mr. Dermot Quigley:	Principal Officer, Department of Public Expenditure and Reform
Ms. Helen Blake:	Principal Officer, EU Division, Department of the Taoiseach
Mr. Alan Gibbons:	Principal Officer, EU Division, Department of the Taoiseach
Dr. Nicholas O'Brien:	Diplomatic Advisor and Head of International Relations, Department of Finance
Mr. William Carlos:	Head of Evaluation and Audit Unit, Department of Foreign Affairs and Trade
Mr. Eoin Dormer:	Assistant Principal Officer, Central Expenditure Evaluation Unit, Department of Public Expenditure and Reform
Mr. Donal Murray:	Reviewer
Ms. Erin Thomas:	Researcher and Data Analyst

The Steering Committee met eight times between June 2012 and November 2013.

The Steering Committee wishes to express its thanks to Donal Murray and Erin Thomas for their valuable advice and assistance at all stages of this Review.

## Appendix 10: Balanced Scorecard

Criteria Details	Review of criteria
<i>Quality of Programme Design</i>	
<p><b>(a) Are the programme objectives clearly specified?</b></p> <p><b>(b) Are the objectives consistent with Government priorities and is the rationale clear?</b></p> <p><b>(c) Are performance indicators in place from the outset, to allow for an assessment of programme success or failure in meeting its objectives?</b></p> <p><b>(d) Are resources financial and staffing clearly specified?</b></p> <p><b>(e) Have alternative approaches been considered and costed, through cost-benefit analysis or other appropriate methodology?</b></p>	<p>The programme objectives are clearly specified and are closely aligned with current and evolving Government policy.</p> <p>Yes.</p> <p>Performance indicators are in place. The Steering Committee, however, concluded that more needed to be done to enhance the performance measurement process. To that end, the Committee included a specific recommendation (Recommendation 1) in this Report.</p> <p>Resources, in terms of staff and admin costs, have been clearly outlined in Chapter 3 of the Report.</p> <p>Alternative approaches have been identified at a macro level in Chapter 6 of the Report but not costed or appraised in detail due to data and resource constraints.</p>
<i>Implementation of Programme Scheme</i>	
<p><b>(f) To what extent have objectives been met?</b></p> <p><b>(g) Is the programme efficient?</b></p> <p><b>(h) Have stakeholders been taken into account?</b></p>	<p>The Steering Committee concluded that the EU missions did what they set out to do as per business plans and important contributions have been made to Ireland's strategic interests. The Committee recognised the difficulty of providing definitive answers to this question due to the multifaceted nature of the work of the EU missions.</p> <p>As resources were being reduced, outputs increased in a number of areas of the missions' activities. This area is difficult to assess due to the nature of the outputs. Increasing efficiencies were achieved and sustained.</p> <p>Yes. This was done using a consultation survey.</p>
<i>Cross-cutting Aspects</i>	
<p><b>(i) Is there overlap/duplication with other programmes?</b></p> <p><b>(j) What scope is there for an integrated cross departmental approach?</b></p> <p><b>(k) Are shared services/e-Government channels being used to the fullest extent?</b></p>	<p>There are other programmes with similar objectives in some areas. These have been noted in the report e.g. enterprise promotion. There is cooperation in areas of mutual interest.</p> <p>Recommendation 6 specifically addresses the need to enhance co-ordination arrangements across Departments.</p> <p>Whereas the review does not examine this issue in depth, the report does recommend (Recommendation 3) that consideration should be given to a wide range of options to deliver some services in alternative and cost effective ways.</p>

Note:

- A The proposed balanced scorecard as set out in the Public Spending Code has been amended to take into account the particular features of the EU bilateral mission network.