

Finance Division

1.1 Vote 27 – International Cooperation – Budget 2014

1.1.1 General

For 2014, the Government has provided a gross allocation to Official Development Assistance (ODA) of about €600 million. €479 million will be administered under Vote 27 – International Cooperation. A further estimated €120 million will be allocated through other Government Departments and Ireland's share allocation of the EU Development Cooperation Budget.

While this represents a slight reduction, of about 4%, on the 2013 allocation for Vote 27, the total ODA figure of approximately €599 million represents a significant allocation of public funds for Ireland's aid programme. On current estimates, it should equate to about 0.43% of GNP next year

Official Development Assistance comprises Bilateral Assistance, which is aid provided directly by Ireland to developing countries, and Multilateral Assistance which is funding channelled through multilateral and international organisations engaged in development cooperation. In addition to the multilateral ODA managed through Vote 27, a significant proportion of Ireland's Multilateral ODA relates to assessed and voluntary contributions to international organisations managed through other Government Departments mainly the Department's of Finance and Agriculture, Food and the Marine and Ireland's contribution to EU Development Cooperation budget.

The funding administered by the Department of Foreign Affairs and Trade under Vote 27 is delivered through a wide range of partners including non-governmental organisations, missionaries, UN agencies, international organisations and humanitarian agencies. Funding is also delivered via local, regional and national government systems aimed at, inter alia, building health, education and local government systems.

1.1.2 One World One Future

The new policy on International Development – One World One Future – sets out the goals and priority areas of action for Ireland's aid programme for the next four years. Building on the 2006 White Paper on Irish Aid, the new policy, while continuing to prioritise poverty reduction and hunger eradication, reflects the changing public sector context in Ireland, and emphasises the importance of a whole of Government approach to international development.

It clearly sets out the Government's intention to situate aid within the evolving international development context and build more rounded and mature partnerships with developing countries, while maintaining the focus on the poorest, the hungry and malnourished as well as those affected by conflict, insecurity and humanitarian emergencies.

One World One Future has a sharp focus on three goals - Reducing Hunger, Sustainable Growth and Good Governance and six priority areas for action: global hunger, fragile states, climate change, economic growth, essential services, human rights and accountability. The new policy provides a clear framework for the prioritisation of activities and the allocation of resources in order to maximise impact, strengthen accountability and demonstrate value for money over the period 2013-2017

1.1.3 Vote 27 Allocation 2014

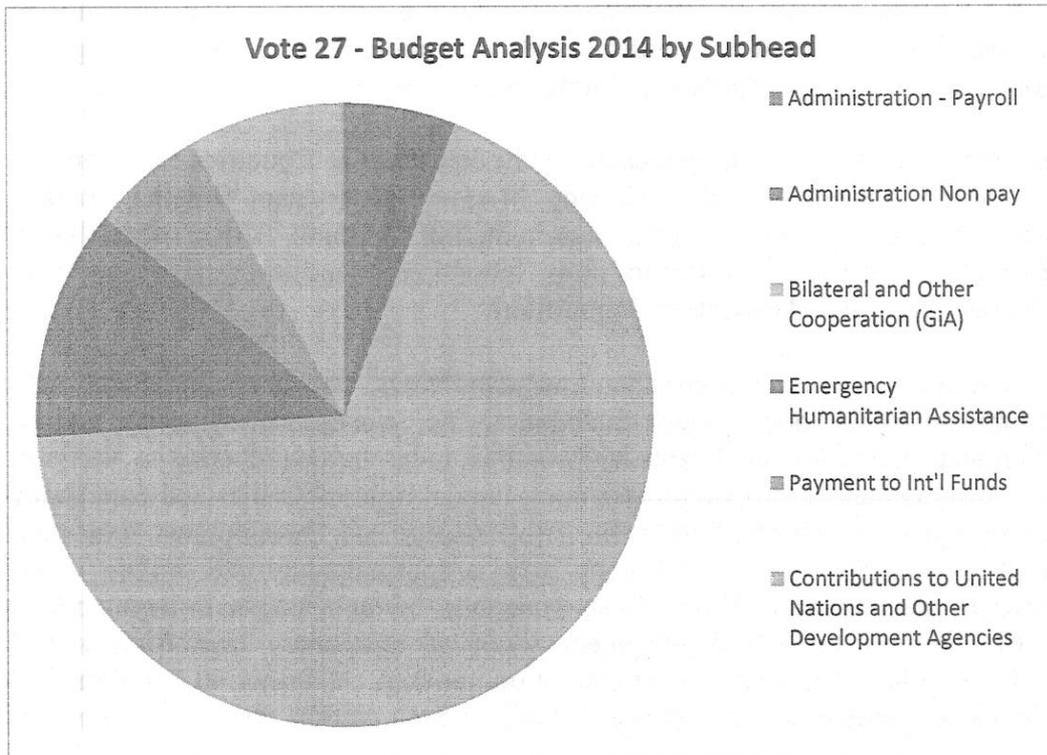
The amounts allocated to Vote 27 for 2014 with the prior year comparatives broken down across the standard subhead analysis is as follows :-

Table 1 **VOTE 27 – INTERNATIONAL CO-OPERATION**

(Figures in €000's)

<i>Subhead</i>	<i>2014</i>	<i>2013</i>	<i>Total Change</i>	<i>% Change</i>
A1 Administration - pay	14,898	15,821	-923	-6%
A2 Administration Non pay	13,250	13,805	-555	-4%
A3 Payment for Bilateral and Other Cooperation - (GIA)	326,015	337,903	-11,888	-4%
A4 Emergency Humanitarian Assistance	57,500	60,000	-2,500	-4%
A5 Payment to International Organisations for the benefit of Developing Countries	28,610	30,000	-1,390	-5%
A6 Voluntary contributions to UN and other Development Agencies	38,890	39,550	-660	-2%
TOTAL	479,163	497,079	-17,916	-4%
ODA as a % of GNP	0.43	0.46		

Vote 27 - Budget Analysis 2014 by Subhead



Overall, the allocation to Vote 27 has reduced by 4% or €17.9 million on the 2013 level. While the reduction has been allocated across subheads, the bulk of the reduction has been applied to the bilateral Grant in Aid and Emergency and Humanitarian Assistance subheads.

Smaller reductions (although prorata in percentage terms) have been absorbed by the administration subheads.

1.1.4 Bilateral Assistance

Table 2: Breakdown of Bilateral Assistance

Figures in €000's

<i>Breakdown of Bilateral Assistance</i>				
	2014	2013	Total Change	% Change on PY
A3 Bilateral Aid Programme - Grant in Aid	326,015	337,903	-11,888	-4%
A4 Emergency Humanitarian Assistance	57,500	60,000	-2,500	-4%
TOTAL	383,515	397,903	-14,388	-4%
As a Percentage of Total Vote	80%	80%		

The focus of the aid programme continues to be on the objective of poverty reduction and sustainable development through addressing fundamental human needs such as food security, provision of basic education, primary health care and a safe water supply.

Assistance to sub-Saharan Africa will continue to be the top priority, as will measures to counter food insecurity and hunger, investment in education, health, the fight against HIV/AIDS, good governance and efforts to promote gender equality.

Approximately €158 million has been allocated to the key Partner Countries i.e. Ethiopia, Mozambique, Lesotho, Tanzania, Zambia, Uganda, Malawi and Vietnam. Smaller amounts are also allocated to other bilateral programmes including in South Africa (€3 million), Zimbabwe (€3 million), Sierra Leone (€4 million), Liberia (€5.8 million) and €4.2m to be administered by the Palestinian Authority (€4.2 million).

Ireland enjoys a strong programme of collaboration with NGOs. The close partnership with Irish and international NGOs, both through dialogue on the development of policy, and by funding NGO projects, will continue. Grants are provided under various schemes to NGOs in support of their development assistance programmes, human rights activities and emergency and humanitarian assistance efforts. Under the Civil Society and Development Education section the total amount planned for NGOs for 2014 is approximately €88 million – €67 million allocated to predominantly Irish NGOs, in support of their long-term development programmes, €16 million for the development work of missionary organisations and approximately €3.0 million for Development Education projects. A further €0.5 million will be managed by the Development Education and Civil Society section for in-country micro projects.

There is a provision of €12.6 million for the dedicated HIV/AIDS budget line. €4 million is provided for Global Health initiatives and €3.1 million for Global Education initiatives. In addition, significant funds are available across other areas of the aid programme to combat HIV/AIDS and other communicable diseases, including €3 million to UNAIDS under the multilateral subhead - Voluntary Contributions to UN Agencies.

In 2014, tackling hunger and under nutrition will continue to be a core objective of the programme with a dedicated budget line of €10 million allocated in this regard. €3.1 million is allocated for global initiatives in support of Irish Aid's climate change objectives. Smaller allocations are provided for number specific interventions that pertain to the cross-cutting themes of Governance and Gender.

Other areas provided for under the Bilateral Aid Programme include Volunteer Programmes and support to Election Observers of (€1.4 million), support to Fellowships (€1.6 million) and Co-financing with the World Bank (€1 million). In addition Irish Aid has entered into a strategic partnership with Irish third level institutions – a total of €1.7 million is allocated to this area in 2014.

Funding of €0.9 million is being provided for the continued implementation of the Africa Strategy - including €0.4 million allocated to the African Agri-Food Development Fund (AADF) which is propose to be jointly operated and resourced with the Department of Agriculture, Food and Marine.

Recovery assistance and providing essential humanitarian assistance and relief remains a key component of the bilateral aid programme. Funding of €7.1 million is allocated to a dedicated budget line for Recovery Assistance with a further €4.5 million allocated to the Rapid Response Initiative. A further €4 million will be allocated to promote peace and stability in a variety of contexts through the Stability Fund budget line.

Funding of €57.5 million will be provided in 2014 under the Emergency Humanitarian Assistance subhead for relief operations to alleviate the immediate effects of natural disasters such as floods, famine or drought; as well as for man-made disasters such as conflict-related emergencies. The funding is channelled through partnerships with UN Agencies, NGOs and international organisations such as the Red Cross.

1.1.5 Multilateral Assistance

Table 3: Breakdown of Multilateral Assistance (Figures in €000's)

<i>Breakdown of Multilateral Assistance</i>				
	<i>2014</i>	<i>2013</i>	<i>Total Change</i>	<i>% Change</i>
A5 Payment to International Funds	28,610	30,000	-1,390	-5%
A6 Voluntary Contributions to the UN Agencies	38,890	39,550	-660	-2%
Total	67,500	69,550	-2,050	-3%
As a Percentage of Total Vote	14%	14%		

Ireland's membership of the European Union, the United Nations and a range of multilateral and international organisations, allows it participate in development cooperation programmes at a global level including areas in need outside our key partner countries. For 2014 total planned expenditure is €67.5 million.

A large proportion of our multilateral assistance is mandatory such as the assessed contributions to the European Development Fund (EDF). For 2014, Ireland's anticipated contribution to the EDF is currently assessed at approximately €23.7 million. This makes up the bulk of the allocation under the subhead dealing with payment to international funds. €1.8 million is allocated to payments in support of trade related capacity building initiatives within development countries, and €2.0 million to the International Fund for Agriculture Development.

The second main component of Multilateral Assistance covers voluntary contributions to a broad range of UN agencies involved in development activities, including democracy-building and electoral reform, education and training, assistance to refugees, protection of human rights, combating HIV/AIDS, developing health systems and environmental protection. In 2014 the largest share of funding goes to three UN bodies, UNDP (€8.5 Million), UNICEF (€7.8 million) and UNHCR (€6.1 million) whose policies and priority concerns fit well with Ireland's and which have made a tangible contribution to the alleviation of poverty and suffering.

2.1 Vote 28 – Department of Foreign Affairs & Trade – Budget 2014

2.1.1 General

DFAT is charged by Government with a leading role in rebuilding Ireland's reputation internationally and in pursuing key objectives in support of economic recovery while continuing with its primary mission of promoting and protecting abroad the values, interests and economic well-being of Ireland and its people.

Vote 28 funds the operation of the Department and its Mission Network, Ireland's contributions to International Organisations (such as UN, OECD, and UN Peace-keeping operations) and a number of smaller programmes (such as Irish Aboard, Peace & Reconciliation Fund, etc.).

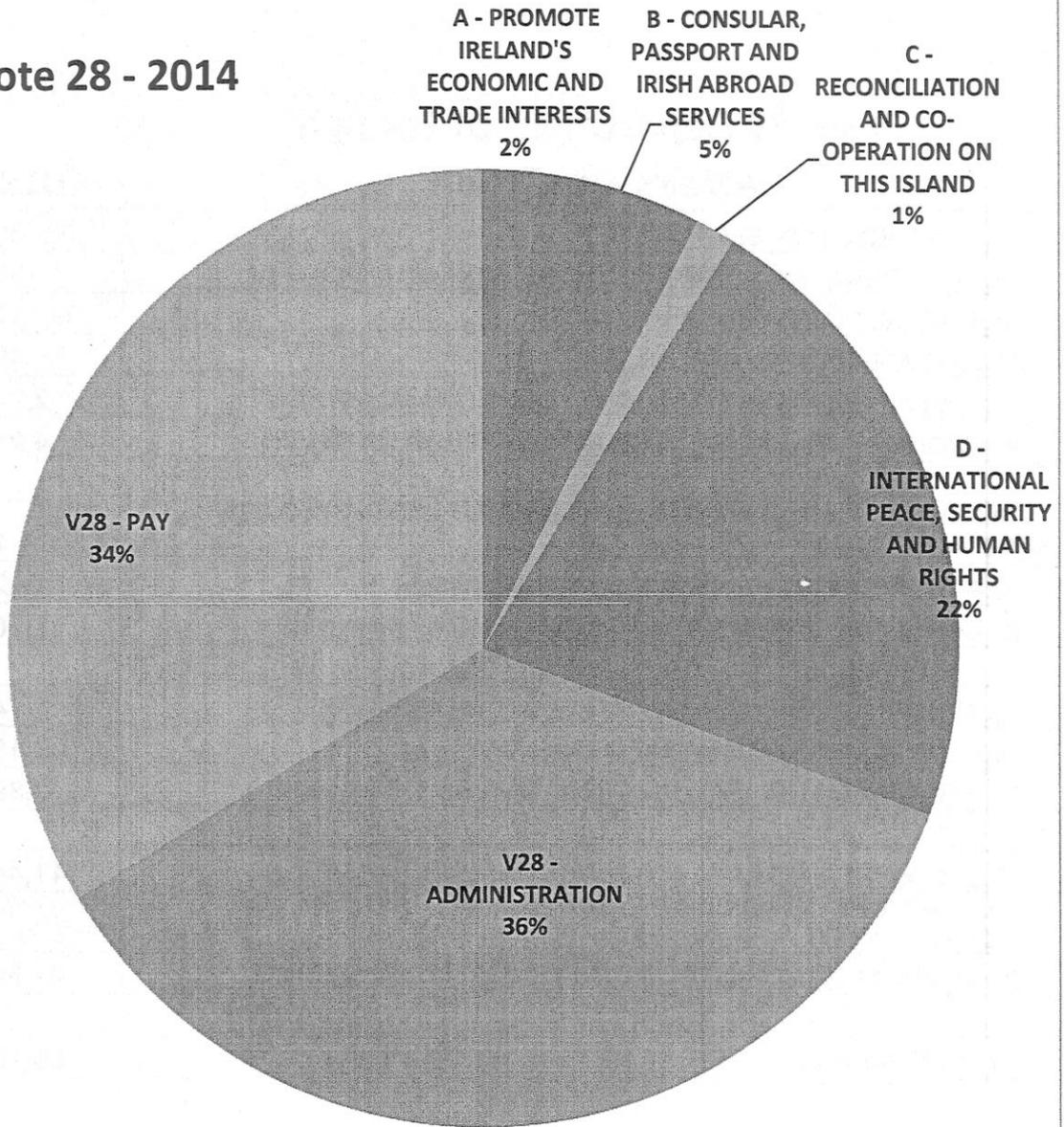
The Department's structure includes Divisions and Units at Headquarters (HQ) and a total of 73 diplomatic and consular offices abroad, referred to as "missions", as well as the British Irish Inter-Governmental Secretariat in Belfast and the North-South Ministerial Council Joint Secretariat in Armagh.

The network of missions is uniquely placed to perform, on behalf of the Irish Government and people, a diverse range of representational, promotional and assistance functions. These offices are an integral and essential tool for the delivery of the Ireland's international priorities.

2.1.2 Vote 28 Allocation 2014

Vote 28 Department of Foreign Affairs and Trade	2013	2014
A.3 - INFORMATION SERVICES	502	502
A.4 - CULTURAL RELATIONS WITH OTHER COUNTRIES (G-I-A)	846	846
A.5 - ATLANTIC CORRIDOR PROJECT	175	175
A.6 - TRADE PROMOTION FUNDS	400	400
A.7 - CONTRIBUTIONS TO INTERNATIONAL ORGANISATIONS	2,322	2,325
A - PROMOTE IRELAND'S ECONOMIC AND TRADE INTERESTS	4,244	4,248
B.3 - REPATRIATION AND MAINTENANCE OF DISTRESSED IRISH PERSONS ABROAD	79	79
B.4 - SUPPORT FOR IRISH EMIGRANT SERVICES	11,623	11,623
B - CONSULAR, PASSPORT AND IRISH ABROAD SERVICES	11,702	11,702
C.3 - NORTH-SOUTH AND ANGLO-IRISH CO-OPERATION	2,745	2,745
C.4 - INTERNATIONAL FUND FOR IRELAND	150	150
C - RECONCILIATION AND CO-OPERATION ON THIS ISLAND	2,895	2,895
D.3 - CONTRIBUTIONS TO INTERNATIONAL ORGANISATIONS	41,448	46,041
D.4 - ACTIONS CONSEQUENT ON TITLE V OF THE TREATY ON EUROPEAN UNION	418	418
D - INTERNATIONAL PEACE, SECURITY AND HUMAN RIGHTS	41,866	46,459
V28 - PROGRAMMES	60,708	65,304
V28 - ADMINISTRATION		
(i) - PAY	77,041	71,787
(ii) - TRAVEL AND SUBSISTENCE	5,799	6,630
(iii) - TRAINING AND DEVELOPMENT AND INCIDENTAL EXPENSES	4,292	5,412
(iv) - POSTAL AND TELECOMMUNICATIONS SERVICES	6,810	7,594
(v) - OFFICE EQUIPMENT & EXTERNAL IT SERVICES	18,511	19,663
(vi) - OFFICE PREMISES EXPENSES	24,637	25,132
(vii) - CONSULTANCY & VFM & POLICY REVIEWS	20	100
(viii) - FOREIGN REPRESENTATION & ACCOMMODATION EXPENSES	10,484	11,231
(ix) - EU PRESIDENCY	9,539	0
(x) - CHAIRMANSHIP OF THE OSCE	450	0
V28 - PAY & ADMINISTRATION	157,583	147,549
V28 - TOTAL GROSS EXPENDITURE	218,291	212,853

Vote 28 - 2014



3.1 Financial Review – Six Months to June 2014

Forecasted the expenditure to end June 2014 for the Department is showing that the Department is €77M behind profile at end June 2014:

- Vote 27 – €54M (This is expected to be nearer to €50M when the actual June figures are completed)
- Vote 28 – €23M

The actual expenditure figures for the first 6 months will be available in the second week of July 2014.

The figures to date show the following under profile expenditure trends:

- | | | |
|--------------|--------|----------------------------------|
| • March 2014 | – €36M | (Vote 27 – €26M; Vote 28 – €10M) |
| • April 2014 | – €47M | (Vote 27 – €32M; Vote 28 – €15M) |
| • May 2014 | – €52M | (Vote 27 – €37M; Vote 28 – €15M) |
| • June 2014 | – €77M | (Vote 27 – €54M; Vote 28 – €23M) |

In relation to Vote 27 this arises because some large grants have been slower to be paid than forecast. This arises because of delays in the completion of the governance and due diligence processes. It is expected that the full Vote 27 Allocation will be expended this year and this behind profile spend is only a timing issue.

In relation to Vote 28 this arises mainly due to spending being slower than projected and some issues with how the profiling was scheduled. Vote 28 profiled 50% of their budget to the first six months of 2014.

Aa detailed review and analysis of expenditure for the first 6 months of 2014 will be undertaken before the end of July.

