

New donors on the CEE block

A comparative approach
of Visegrad countries,
Romania and Bulgaria

Preface

*This report is prepared in the framework of the project "**Strengthening the Visegrad states, Romania and Bulgaria to assist development in the Black Sea Region**" funded by the German Marshall Fund, through the Black Sea Trust for Regional Cooperation program.*

The report depicts in a comparative manner the state of play of Official Development Assistance in the countries taken into consideration. It is based on the individual contributions of experts and academics from Poland, Czech Republic, Slovakia, Hungary and Bulgaria, who conducted research following a common methodological guide developed by CRPE, which targeted the main aspects of the ODA policy: institutional arrangement and legal framework, funding models, NGO involvement, territorial priorities and substantive areas of focus, the impact of ODA-supported projects, etc. Helpful assistance was received from all the other members of the CRPE team.

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Introduction

New EU Member States (EU 12) are undergoing a transition from recipient to donor countries. Among them, for Visegrad 4 countries (Hungary, Slovakia, Czech Republic and Poland), European integration, democratization, transition experience-sharing to Eastern Partnership and Black Sea countries has become in recent years a clear-cut niche in shaping their Official Development Assistance (ODA) policies. Romania and Bulgaria are in the process of reshaping their ODA institutional framework, looking for more robust development assistance policy and their recognition as relevant actors in the region.

It is worth noting that the interest of these six states in the region is varying in respect to the recipient countries or the nature of the assistance provided: on the one hand, Ukraine and Moldova are by far the most important Eastern Partnership countries for the six donors analyzed in this report. Both of them are contenders for the first prize in the EU integration “race” (with the next *pit-stop* being the Vilnius Summit in November), key players on the regional geopolitical stage and energy markets. Ukraine is in the direct neighborhood of three of the Visegrad countries, Moldova is Romania’s number one foreign policy priority. On the other, the South Caucasus region (Georgia in particular) is still either under limited focus (Slovakia, Romania), either rather economically targeted (Czech Republic and Hungary).

There is a clear, identified and acknowledged need for donor cooperation in EaP countries, in order to avoid overlaps, increase project complementarity and reduce transaction costs, thus increasing ODA efficiency and impact of the supported interventions. However, even though the legitimacy of this approach is clear and V4 as a whole has aspirations to create an active and compatible role in the East, each country’s specific historical and social background, particular economic and geopolitical interests determine a delay in the desired synergy.

Thus, for the EU “latest entries” from Central and Eastern Europe, efficient collaboration (trilateral or multilateral projects) is still in its early days. As previous reports¹ have also noted, ***the countries taken into consideration have the tendency to join forces with more experience donors in supporting different assistance projects.***

The preferred approach for most of these new donors is to join efforts with a more experienced donor that would also provide the rules and procedures for the funds management. Well-established international organizations (such as UNDP) or experienced donor agencies (USAID, SIDA, GIZ, MATRA, UK Aid, etc.) are usually the ones to ensure the overall project management in trilateral cooperation cases.²

There have been recent attempts to better align CEE countries’ ODA policies so that the interventions are more coherent and effective in their impacts - Czech Republic was one of the co-founders of the

¹ Dragos Dinu, Cristian Ghinea, Ciprian Ciucu, Jan Marusinec, Milan Jezovenica, Milan Nic, “Sharing knowledge and transition experience for development: Mapping of selected new European donors”, December, 2012, UNDP

² Idem

European Partnership for Democracy, while Poland and Slovakia were recent supporters of the European Endowment for Democracy (EED). As officially stated, EED "will advance and encourage deep and sustainable democracy in transition countries and in societies struggling for democratisation, with initial, although not exclusive focus, on the European Neighbourhood"³ and recently launched its rolling applications section on its website.

1. Overall assessment of Visegrad countries, Romania and Bulgaria donor profiles

The donor profile of the analyzed countries varies from more *established* and already *regionally recognized donors* using internal resources and own procedures and mechanisms to support and overview project management and implementation (eg. Poland), to countries *rapidly building their donor credentials*, with already sound ODA management mechanisms and procedures (Slovakia, Czech Republic), to *emerging donors* in the process of establishing / rearranging their ODA policy and subsequent mechanisms for ODA implementation (Hungary, Romania, Bulgaria).

Transition experience sharing remains a major focus for the ODA policy of these countries, and areas like good governance, European Integration, democratization or human rights are high on the agenda. With respect to the territorial coverage of their assistance, as mentioned above, the countries of the Eastern Partnership (Armenia, Azerbaidjan, Belarus, Georgia, Republic of Moldova and Ukraine), as well as Afghanistan and Serbia are amongs the most preferred. A rather recent development, generated by the Arab Spring, is the increase of interest of these countries in providing assistance to Egypt and Tunisia.

Poland is slowly building up a position of a strong emerging donor. It has well defined priorities both in terms of territorial interest and substantive topics. A revision of the implementation framework has been conducted only recently and a new coordination mechanism was put in place. Line ministries are traditionally strong actors in ODA, but they have to report to MFA and all activities are coordinated through the Development Cooperation Policy Council.

Czech Republic and **Slovakia** have a similar pattern of bilateral ODA delivery. Besides policy units at MFA there are separate implementation agencies, which tender out projects based on ODA priorities (territorial and thematic) mostly to NGOs and academia. Czech bilateral ODA has a relatively strong business component and Slovak authorities are developing strategies to also include it in the bilateral ODA. Besides these traditional channels, both Czech and Slovak MFAs have transitional experience sharing programs targeting a more refined subset of priority countries and topics. Both emerging donor countries have Trust Funds administered by UNDP, Slovakia on top of that runs a separate Public finance for development program (also implemented by UNDP), aimed at assisting recipient countries with their public finance reforms.

Hungary has a decentralized ODA system, where line ministries play a significant role. The coordination role of the MFA needs improvement and the aid delivery mechanism is to a great extent relying on

³ EED website

public entities and foundations. The government's contract with a separate implementing agency was not prolonged and the NGO sector is not dominant in delivery of transitional experience to recipients in other countries.

Romania is currently going through an overhaul process of its ODA system: The Development Cooperation Law establishing a special agency merging the ODA planning and operational structure (RoAid) is under preparation. Until now, Romania has been implementing a large part of its bilateral ODA through UNDP, which had a role similar to an implementing agency for the MFA. Under the previous institutional framework, line ministries have been playing a dominant role in the ODA delivery due to the funding mechanism that allowed them to manage large amounts.

RoAid will manage both the strategic coordination and planning structure, and the operational structure within the MFA, responsible with project programming, monitoring and evaluation. RoAid will also comprise the CeFoR unit, which will focus on strengthening Romania's profile in the field of peace and security on the international level. The creation of the Romanian Cooperation for Development Agency (RoAID) is most likely to bring about important changes to the overall management of the ODA policy.

Bulgaria's ODA budget is relatively small and the implementation mechanism is not yet well developed. Line ministries play an important role in the ODA system, but coordination is not functional at the moment. As a consequence, MFA role is reduced in terms of managing implementation and international organizations serve as "ODA distribution channel".⁴

2. Legislative framework for ODA policy

Most of the analyzed countries do have certain legislation with respect to development assistance. However, there are differences, the setting of the legislative framework ranging from coherent medium term strategy, law and norms to a more ad-hoc approach, based on annual plan derived from MFA priorities.

The three documents shaping official development assistance in **Czech Republic** are the *Development Cooperation Strategy 2010 - 2017*, the *Act on Development Cooperation and Humanitarian Aid and the Principles for the Provision of Development Cooperation*. The Strategy defines development cooperation as an integral part of the Czech Republic's foreign policy that contributes to the achievement of its objectives. References are made to ODA in other important pieces of legislation, as it is the case of the *Sustainable Development Strategic Framework of the Czech Republic* (Government Resolution No 37/2010), where there is a section Priority 5.3, devoted to "Improving preparedness to cope with the impact of global and other security threats and risks, and strengthening international ties". It is worth mentioning that Czech Republic has had several pieces of legislation and strategic documents in this

⁴ idem

area since early 2000s. The legislative framework has been constantly updated and reviewed⁵, being fully reshaped after 2007⁶ to the modern appearance of today.

The basis for the current **Slovak** ODA system was laid out in 2003. In the first years of ODA system development Slovak Government gained capacity building assistance from Canadian CIDA, Austrian ADA and UNDP. Slovakia has a mid-term ODA strategy stretching over four years (the current one ends in 2013) and a yearly ODA program. The legal and methodological framework for ODA is relatively well developed in Slovakia and it is worth mentioning that all the laws, regulations and strategic documents shaping this framework are followed in practice. Summarizing, the following legal norms and methodological guidelines are relevant for ODA management:

- Law on ODA (No. 617/2007)
- MFA regulations governing the ODA grant scheme (No. 134/2011 covering the application process and No. 135/2011 covering decision making bodies and procedures)
- MFA directive on micro-grant implementation by embassies (No. 92/2009)
- Medium-term ODA strategy for 2009-2013 (adopted by the Government, preceded by medium-term ODA strategy for 2003-2008)
- National ODA program for 2013 (approved by the Government annually)

Other documents important for ODA framework:

National strategy for global education for 2012-2016*

Mechanism for provision of humanitarian aid*

Strategy for involvement of businesses in ODA**

MFA program for sending volunteers to humanitarian mission abroad**

Measures for improving implementation of ODA**

*Adopted by Government

** Adopted by MFA

After EU accession, **Polish** NGOs were requesting an Act on Polish aid, a law that would be directly concerned with international assistance, rather than work on the basis of already existing collections of legal rules, scattered throughout many other legal ordinances. The Polish Government approved in February 2011 the *Guidelines for the Draft Act on Development Co-operation* that was subsequently approved by the Parliament later in the year⁷.

The strategic document offering medium term perspective to ODA policy is the *Multiannual development cooperation programme 2012-2015*. This is the only document in this area going beyond

⁵ The Strategy of the Czech Foreign Development Aid 2002-2007, the Principles of Development Cooperation after the Czech Republic's Accession to the EU (Government Resolution No 302/2004, Rules on the Selection and Funding of Development Cooperation Projects (Government Resolution No 1311/2005

⁶ Transformation of the Development Cooperation System of the Czech Republic (Government Resolution No 1070/2007

⁷ The Act on Development Cooperation was approved by the Parliament on September 16 2011.

one year planning. The MFA has the obligation to prepare this document since the enacting of “Development Cooperation Act” in 2011⁸. However, the document with the strongest impact on the actual implementation of Polish ODA is the *Annual Plan* prepared on an yearly basis, as it includes financial allocations and defines thematic and regional fields for Polish foreign involvement. In practice this is translated into the annual Call for Project Proposals announced by the MFA. Subsequently, only the projects which correspond with the Call (hence with the Annual Plan) will get funding.

For most academic commentators and for NGOs working in this field, *Hungary* does not have an overall strategy for development policy, although one has been promised for a number of years. In fact, in 2001, before Hungary joined the European Union, a Concept Paper on Hungary's International Development Co-operation was elaborated, followed two years later by a Strategy Paper, both of which were written by the Department for International Development Co-operation and Economic and Scientific Relations. Following accession, there was a commitment to renew this strategy in terms of certain development norms set out in the “European Consensus”, but this was never achieved. The original strategy is more ad hoc than a strong conceptual policy foundation, it mentions some countries that are priorities for foreign policy and trade and it does set out what will be reported as development activities, such as project-based work, technical assistance, humanitarian and emergency relief and tied aid.

Under pressure from a number of external and a few internal sources, the Parliamentary Foreign Affairs Committee announced that it was charging the Ministry of Foreign Affairs with the elaboration of a new strategy for development by June 2013. No such law has been introduced until now, although a number of domestic NGOs have been lobbying for this for some time. There are a number of problems that such a law would remedy, the most important being securing ministry funds for multi-year projects. To sum up, it seems that ODA in Hungary is principally a statistical indicator. This means that the MFA is charged with annually compiling aggregate reports of ODA spending by the various line ministries that have international activities.

In *Bulgaria*, development assistance is provided on the basis of a package of documents. A concept for the country's participation in international development cooperation⁹ was developed in 2007 and a Decree of the Council of Ministers¹⁰ was adopted in August 2011. These documents establish the main goals of Bulgarian ODA: overcoming poverty and related issues which prevent the improvement of the quality of life in developing countries. They set out the main principles and forms of development assistance and the criteria for selection of countries for support; they also list the priority states and sectors on which the aid will be focused.

The actual delivery of the development aid is organized on the basis of:

⁸ Chapter 3 para 5.1 states that development cooperation is carried out on the basis of multiyear plan (Programme) covering at least a 4-year period

⁹ National Concept of the Republic of Bulgaria on the policy for participation in international development cooperation, Council of Ministers' Decision No. 504/19.07.2007.

¹⁰ Decree No. 234/1.08.2011 concerning the policy of the Republic of Bulgaria for participation in international development cooperation, promulgated, State Gazette, No. 61/9.08.2011.

-**mid-term programs** – covering a period of minimum 3 years and including the general ODA coordinates: objectives, thematic fields, geographical distribution, amounts to be spent on each sector and geographic area;

-**strategic assistance programs by partner country** and

-**annual time schedules.**

The two latter instruments are under development. Work is currently undergoing on the design of the country's strategic documents for the next programming period and on the implementation of procedures, aligned with the requirements set out in the regulatory documents.

Romanian official development assistance framework was established in 2006, prior to the country's EU accession.

The *Law on the financing of development assistance in the national development cooperation policy*¹¹ establishes the legal framework for the ODA financing from the state budget through the MFA's budget. The Government Decision defines the ODA actions granted by the Romanian Government, as following:

- a) **technical assistance** (services, supplies and works supporting the development process of the partner countries);
- b) **financial support** (financial grants and debt relief for developing countries);
- c) **humanitarian assistance** (emergency aid granted in case of disasters and prolonged armed conflicts);
- d) **development assistance in the field of education and public awareness activities** (activities to promote better understanding of problems facing developing states, considering the need for a strong support from the public opinion in favor of the national development cooperation policy).

In 2007, the *Government Decision regulating specific actions related to the financing of assistance in the national development cooperation policy*¹² established the financial and institutional framework shaping the Romanian ODA policy, and was later repealed by the *Government Decision regulating specific actions related to the financing of assistance in the national development cooperation policy*¹³, which also sets the main ODA modalities, through bilateral, trilateral and multilateral granting.

As was the case of the other Central and Eastern European emerging donors, Romania has been implementing a large part of its bilateral ODA through UNDP, which served as an implementing agency for the MFA. Also, line ministries have been playing a dominant role in the ODA delivery due to the funding mechanism that allowed them to manage large amounts.

Still, given the necessity to upgrade Romania's standing as a donor in the region, the ODA legal and institutional framework is currently being revised. Within the Multiannual Development and Cooperation Program 2014-2018, a new Official Development Cooperation law is being prepared. One

¹¹ The Law no. 404/2006

¹² The Government Decision no 747 of 11/07/2007

¹³ The Government Decision no 1052/2011

of its main provisions is the *establishment of a special agency merging the ODA planning and operational structure (RoAid)*. RoAid is designed to manage both the strategic coordination and planning structure, and the operational structure within the MFA, responsible with project programming, monitoring and evaluation.

3. Institutional framework. Cordination and delivery of ODA policy

The responsibility for ODA is mainly placed in the MFA for all the analyzed countries. The coordination capacity however differs and the internal organization of the ODA departmetn varies significantly. In the majority of countries taken into consideration, the MFA or a separate governmental council ensures larger consultation and the coordination of the ODA system.

3.1 Actors involved in ODA policy management

The capacity of the ODA departments within the MFA reamains very limited, which affects the coherent planning and delivery of the policy. The folowing figure presents the way the ODA units (and implementation agency where one exists) are staffed, the status of specific ODA legislation, as well as use of the implementation agencies.

Country	No of staff in ODA management ¹⁴	Status of legislation	Existence of separate implementation Agency
Poland	52	✓	<i>Solidarityfund.pl</i> as implementing tool
Czech Republic	19	✓	✓
Slovakia	20	✓	✓
Hungary	11 ¹⁵	Needs update	-
Romania	4	Draft law in under preparation	Foreseen in the new draft law (Ro Aid)
Bulgaria	3	Needs update	-

¹⁴ As per june 2012, as mentioned in the „Sharing knowledge and transition experience for development: Mapping of selected new European donors”, December, 2012, UNDP

¹⁵ Currently the IDC has 12 positions and these are supported by aprox. 14 staff in line ministries

Regarding the human resources allocated for ODA administration within the MFA, both Slovakia and Poland, together with Romania and Bulgaria report a high turnover rate and low popularity of the department. In contrast, Hungary and the Czech Republic notes a rather good reputation and high popularity for the department (mostly amongst young diplomats), although Hungary does acknowledge a low human and financial capacity of the department and the fact that it loses out to the more prestigious diplomatic corps (staff that might have gained significant professional experience in ODA management might end up moving into coveted positions in Hungarian embassies abroad). It is worth mentioning that none of the analyzed countries offer comprehensive official training on ODA management for their staff.

The model by which the project implementation function is separated from the policy function (which remains the MFA's responsibility) is quite well spread. The *Czech Republic* and *Slovakia* have separate implementation agencies, accountable to the MFA. In Czech Republic and Slovakia the **MFA is running its own assistance program**, despite having a solid implementation mechanism in place. The reason for this is that it follows rather political than purely development goals.

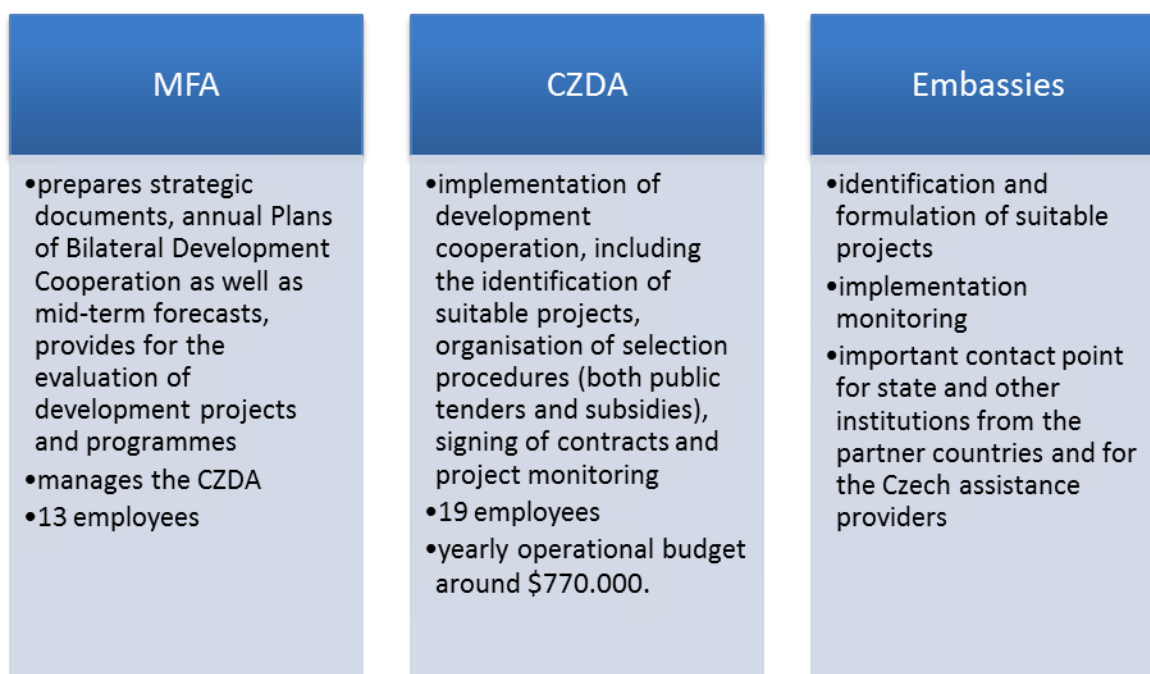
In *Hungary* and *Romania* the ODA system is quite fragmented, **as line ministries manage bilateral ODA budgets**. In contrast, *Poland* and the Czech Republic have established coordination mechanisms as shown in the sub-sections below.

According to the *Multiannual development cooperation programme 2012-2015*, the delivery of ODA in *Poland* is organized in three main forms: i) bilateral channels, ii) multilateral cooperation and iii) externalized through the Foundation for International Solidarity - Solidarityfund.pl. Some of the issues different NGOs have raised in respect to each of these channels are briefly summarized below:

- a. bilateral channels – not used properly, Poland does report a very high percentage of bilateral aid, but in practice this is represented mostly by projects implemented by Polish organizations abroad as the Polish law does not allow foreign organizations to apply for Polish aid funding
- b. multilateral cooperation – this represents the biggest part of Polish aid (79%) and over 90% of it goes to EU as the top preferred distribution channel
- c. outsourcing through Foundation for International Development Cooperation “Know-How” (The Foundation has recently changed its name to “Foundation for International Solidarity” – Solidarityfund.pl) - It became one of the key partners for the MFA in carrying out ODA tasks. Its focus is “democratization” – as a result, the MFA no longer carries out (finances) activities specifically in that field. All NGOs willing to implement projects falling into this thematic category apply to the Foundation. This mechanism allowed MFA to move away from direct funding of controversial projects (eg. Funding of democratization projects in Belarus), as now it is the Foundation who uses governmental (but not exclusively) funds for that purpose. This strategy allows to create a image for Poland as a country which is not interfering with the controversial policies of any other government which receives assistance.

In **Czech Republic**, ODA policy development and implementation is managed by the Ministry of Foreign Affairs (MFA), which engages in preparation of strategic and conceptual documents, evaluations and management of the Czech Development Agency. The implementing body is the Czech Development Agency (CZDA), responsible for identification of potential areas for cooperation, formulation of procurements and calls for proposals, contract management and monitoring of the overall implementation. Czech Embassies in priority countries also play a role in project identification and monitoring of the implementation. The Council on International Development Cooperation acts as an inter-ministerial advisory body to the MFA¹⁶.

The following scheme is summarizing the main characteristics of the actors involved in ODA policy development and implementation in the Czech Republic:

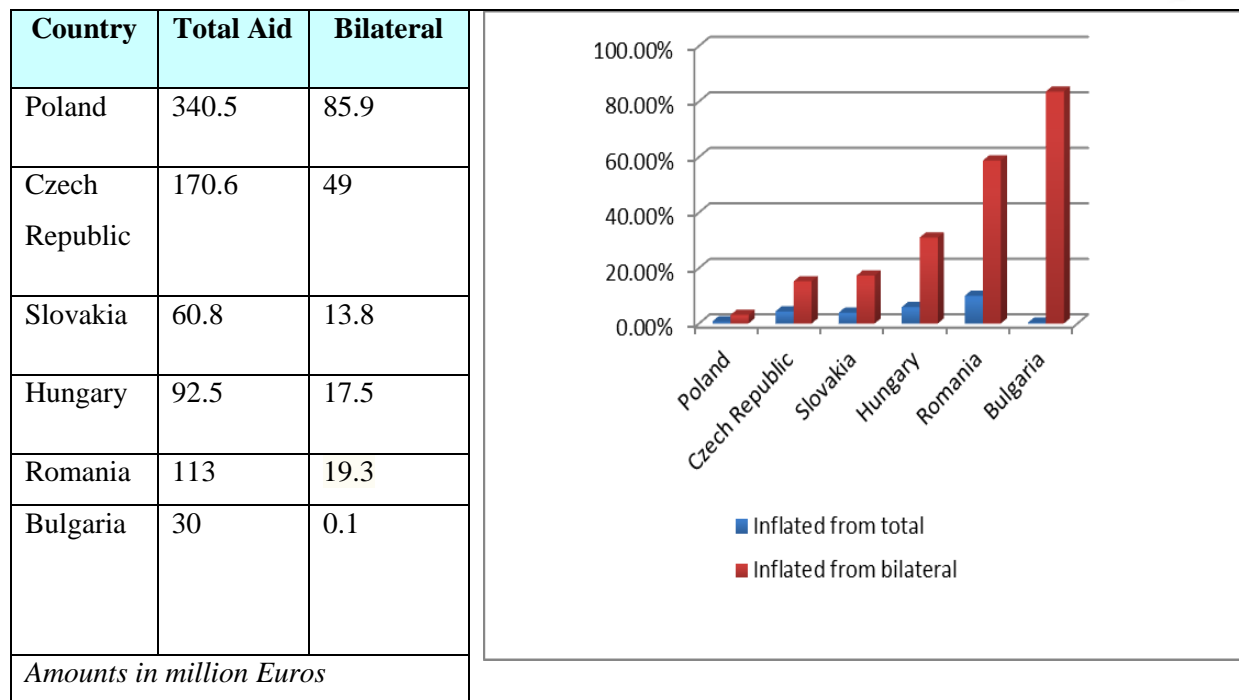


3.2 Dimension of ODA, involvement of line ministries and cooperation with other organizations

According to the recent CONCORD Aid Watch 2013¹⁷ report the total aid reported by the six countries for 2012 varied significantly from 30 milion Euros in the case of Bulgaria, to over 340 milion that Poland has allocated for ODA. The following figures present the total amount of aid for these countries, the bilateral aid as well as the respective percentage of inflated aid.

¹⁶ Three platforms are observers to the Council: Czech Forum for Development Cooperation, Platform of Business Platform for Development Cooperation and Union of Towns and Municipalities of the Czech Republic

¹⁷ The Unique Role of European Aid – The fight against global poverty



It is worth mentioning that the Inflated aid included i) imputed student costs, ii) refugee costs, iii) debt relief, iv) tied aid, v) interest on loans and vi) climate finance¹⁸.

With respect to **debt relief**, with the exception of the Czech Republic, all countries consider debt relief as a form of ODA to some extent. Bulgaria has cancelled 0.5 MEUR off Vietnam in 2010 and 4.5 MEUR off Zambia in 2011, while in the case of Hungary the only country that has received significant debt relief in recent years has been Ethiopia. Both Slovakia and the Czech Republic have last canceled debt in 2008. In Poland, debt relief is decided by the Ministry of Finance, being linked to the economical interests of the country, although it is afterwards included in the ODA statistics.

As **tied aid** is concerned, with the exception of Poland, all countries use tied aid to a lower or higher degree. Accordingly, almost 100% of Slovak ODA is tied as ODA projects are implemented by Slovak entities, very similar to the case of Czech Republic, where stipends can only be implemented by Czech entities - NGOs, churches, municipalities etc. As for Hungary, tied aid is a sensitive issue, no consensus on meaningful boundaries between supporting developing and promoting Hungarian business having been reached yet.

¹⁸ CONCORD Aid Watch 2013, The Unique Role of European Aid – The fight against global poverty, page 22.

What is ODA for Visegrad countries, Romania and Bulgaria?

Poland	as per OECD directive, including debt relief, cost of migrants, development education
Czech Republic	as per OECD directive, including refugee assistance, student scholarships
Slovakia	projects (including technical assistance); contributions to international organizations and institutions; costs for refugees; government stipends; humanitarian aid; expenditures on awareness rising and global education; reducing the external debt burden (last time for Sierra Leone, 2008)
Hungary	as per OECD directive, debt relief
Romania	Contributions to international organizations, projects, debt relief, students scholarships, humanitarian aid
Bulgaria	in-kind grant; financial grant; reducing the external debt burden; development programs and projects including investment in or donation of movable property provided under these programs and projects; dispatching experts and volunteers; sharing of knowledge and experience; development education and awareness raising; support to national or international development non-governmental organizations

Referring to **line ministries involvement** in ODA, it is worth mentioning that the share of ODA managed by the MFA and line ministries varies from country to country.

In *Slovakia*, where ODA is implemented by 4 ministries – MFA, MOF, Ministry of Education and Ministry of interior, the biggest share of ODA goes through the Ministry of Finance (around 77%), while only 13% of ODA is being managed by the MFA, which is also the leading and coordinating ministry.

In *Poland*, line ministries play a role in the implementation of Polish ODA through the contributions they manage to multilateral organisations and structures, as for instance, the Min. of Health – World Health Organisation, Min. of Labour and Social Policy – International Labor Organisation, Min. of Agriculture and Rural Development – UN Food and Agriculture Organization, Min. of Economy – UN industrial Development Organization, Min. of Environment – UN Framework Convention on Climate Change, Min. of Environment, Min. of Economy - International Atomic Energy Agency or the Min. of Foreign Affairs (other than the Development Coop Department), Min. of Health – Joint United Nations Programme on HIV and AIDS.

In *Czech Republic*, before the transformation of the Czech Development aid, line ministries were responsible for development and implementation of projects in their area of expertise. Transformation of the development cooperation aimed at concentrating provisions of the whole development aid under the MFA and its Development Agency, allowing only for a few interim exemptions from this general rule. All the line ministries are allowed to complete already running projects and several ministries can even develop new initiatives.

In respect to **cooperation with other international organization**, as mentioned in the introductory chapter of this report, most of the analyzed countries relied on the partnership with well-established organizations when carrying out their development assistance commitments.

The Czech Republic, Slovakia, Poland, Bulgaria and Romania have intensively collaborated with UNDP, particularly in the early formative stages, when it provided capacity building for development assistance. By contrast, UNDP played a lesser role in Hungary, which interacted more with donor agencies, such as the Canadian Development Agency and the Austrian Development Agency. Both Slovakia and the Czech Republic have received technical assistance from the World Bank and OECD.

Currently, since the capacity of Visegrad countries in the field has increased, the EU has limited influence on the programming of the development assistance, as priorities tend to be set autonomously. It is worth mentioning that Poland questions the established western EU patterns of development and has managed to push issues such as “democratization” further up in the EU development discourse, which has materialized in the creation of the European Endowment for Democracy. However, it is yet too soon to assess the effectiveness of the EED.

With respect to **NGO cooperation**, Czech Republic and Slovakia have established government sponsored NGO platforms, composed of NGOs implementing ODA projects, which function as consultative bodies beside the MFA. NGOs access ODA by applying to calls for proposals. In Bulgaria and Romania, the NGO platforms have been actively involved in shaping and coordinating development assistance projects¹⁹. However, their funds come mostly from external sources. Poland relies on NGOs for designing and implementing development initiatives abroad, but there are public institutions (Solidarity Fund) that also play an active role in ODA. In Romania, the long-diputed issue of the direct disbursement mechanism to allow NGOs to implement projects directly (not through UNDP) is still not solved.

Civil society participation in development and humanitarian aid activities has different roots in each of the countries studied. While in Poland and the Czech Republic they emerged as a response to the country’s realities and needs – transition through transformation or helping Poles abroad, respectively democratic transition and Balkan war, in Hungary they were largely created as a result of capacity building programs such as CIDA and ODACE. Bulgarian NGOs started off in projects funded by CONCORD, CARE, CARITAS or the EC, their experience becoming afterwards essential in building the national capacity for participation in international development cooperation. Similarly, Slovak NGOs were active in providing development assistance even before the ODA framework was set up, which is one of the reasons they are the main partners for ODA projects implementation. ***Institutionally, all countries encourage NGO involvement in the decision making process, however, with the exception of Slovakia and the Czech Republic, NGOs seem not to be able to exert substantial influence on the ODA policy.***

In Hungary, NGOs are active in monitoring the government, being represented on the Civil Advisory Board that meets formally every year to discuss the implementation of international development policy in the previous year and formulate recommendations for the future. However, NGOs find that the MFA does not treat them as partners and that relevant information from the ministry is slow and their opinions rarely sought. Moreover, requests for information take a long time to be processed, grant applications include conditions unfavourable to them and the problems raised are rarely acted upon.

¹⁹ In 2013, the Romanian NGDO Platform, in co-operation with the Romanian MFA, has managed the MFA-financed pilot phase of the Mobility Fund for Experts Romania - Republic of Moldova.

In Poland, the newly established Act on Development Cooperation gives NGOs opportunity to nominate their representative to be included in the Board of Experts selecting projects for funding within the Open Calls for Proposals Schemes managed by the MFA (which includes Calls for development initiatives, development education schemes, and volunteering programme). The MFA is obliged to consult NGOs on its crucial documents (such as the Multiyear and Annual Plan), however these consultations are not satisfactory, NGOs receiving documents often in the last minute and their suggestions rarely being incorporated into documents.

Similarly, Bulgarian NGOs have insufficient and rather small contribution to the achievement of the development goals. NGOs are represented in the governmental institutions which formulate the development policy, however, the institutions are not as yet and sufficiently well organized to engage further with NGOs.

By contrast, in Slovakia and the Czech Republic, given that national NGOs are almost exclusively eligible for accessing the ODA funds, they are involved in all phases of the provision of the development assistance, from programing, to implementation and evaluation.

NGO activities range from post-conflict reconstruction and development assistance in Czech Republic, to development project management, technical assistance in case of natural disasters and reconstruction, recruitment of volunteers, international development training in Bulgaria and activities under MDGs in Hungary (education, poverty eradication, health and building global partnerships for development).

Public support for ODA varies from country to country, from only 20% of respondents agreeing that is very important in Hungary, to 29% in Slovakia and 86% in the Czech Republic.

3.3 Thematic ODA priorities

For all countries analyzed, ODA priorities are mainly selected in light of the situation and demand in the recipient countries whilst taking into account the abilities and experience of the donor. In addition, more often than not, priorities seem to be linked to foreign policy objectives, rather than to established objectives like the MDGs. There are plenty of similitudes among the 6 analyzed countries – there is a natural preference for ***transition experience sharing, which became the unofficial label of the provided assistance.***

Recurrent themes are education, health or EU integration and Euro-Atlantic cooperation. ***Poland's*** and ***Slovakia's*** priorities stem from the idea of replicating their transition experience, focusing thus on institutional capacity building and socio-economic and political transformation.

Czech Republic's thematic priorities include promoting the development of civil society through capacity building, cooperating with local authorities, promoting media independence, promoting youth and education and raising public awareness of human rights defenders. The yearly budget of the Transition Promotion Program is stable and represents approximately 50 million CZK a year.

Among the main thematic areas of **Hungary** are agriculture, water management, health, education, transition experience (including EU accession), institutional capacity building and strengthening of civil society. Looking at the actual expenditure per thematic area, by far the largest share goes to education, which includes activities such as study tours, students scholarships or technical workshops, while water management and agriculture feature low shares.

As mentioned above, **Slovakia's** thematic priorities include the transfer of Slovak transitional experience leading to intensification of reforms, support for civil society, institutions and capacity building for EU and Euro-Atlantic cooperation and integration, improving health care services, improving quality on all levels of education, support for socio-economic development of rural areas and strengthening good governance in public sector as a contribution towards security sector reform.

Polish ODA's main thematic priorities for the 2012-2015 period are democracy and human rights, and political and economic transformation. Poland's priorities have been based on the idea of replicating the transition experience, which builds the country's image as strong and stable, now able to assist others in their transitions.

Bulgaria's thematic objectives include education and training of specialists, infrastructure construction and maintenance, implementation of economic, financial, administrative, social and healthcare reform, cultural diversity and tolerance, environment protection and promotion of sustainable development and security and post-conflict reconstruction.

Romania's priorities focus on transition to democracy, support for agriculture and sustainable economic development, environment protection and sustainable energy, health and education.

3.4 Recipient countries

The territorial focus of the assistance provided by the six countries is also very similar. There is a preference for Eastern Partnership countries providing the opportunity (not sufficiently exploited at the moment) for closer cooperation among these donor countries. ***One could assess the choice of priority countries as rather not based on the actual needs of the recipients, but on the donors' foreign policy priorities and interests, as is the case of Poland, Slovakia, Hungary and the Czech Republic.*** Other criteria include historical ties, NGO activity in the region or long-standing bilateral agreements.

In **Poland**, the choice is driven by the priorities of Polish foreign affairs, by the desire to become a recognized regional actor and current activities of Polish NGOs abroad, particularly given that most of the bilateral aid is directly implemented from this level.

Czech Republic utilizes selection criteria that aim to strike a balance between development assistance as a poverty-eradicating tool promoting further achievement of the Millennium Development Goals - hence

the participation of less-developed African countries - and development cooperation as an integral part of the Czech foreign policy. Also, the comparative advantages of the Czech Republic, the recipient's history of assistance absorption, the recommendation of the OECD's Development Assistance Committee (OECD/DAC) as well as geographical distribution are factored in this process.

Territorial priorities of *Slovak* ODA were chosen based on priorities and interests of Slovak foreign policy, historical ties, lasting cooperation, but also based on a scoring mechanism consisting of 4 different types of criteria (political-economic, logistical and practical, general criteria, results/efficiency of ODA). Needs assessment in these countries is based on the national development strategies and consultations with respective governments.

In the case of *Hungary*, there is a strong preference for neighboring countries, where there are significant Hungarian minorities, while regional stability is also a key foreign policy concern. A second characteristic is that, as with other Visegrad countries, the priority list includes countries where Hungary has had traditional bilateral relations, as there are established professional ties with these countries that can be useful in establishing priorities, designing and running projects.

Romania's ODA is naturally influenced by the priority that the Romanian Government gives to Eastern Partnership countries (and particularly to Republic of Moldova, considered as strategic priority for Romanian foreign policy) as well as to African countries, following the Arab spring, as presented in the following section.

Bulgaria chooses the countries with which to build development partnerships based on the existence of a certain level of political, diplomatic, trade, economic and cultural relations with the respective country, on comparative advantages of Bulgaria in providing assistance – better experience in certain fields compared to other donors or better knowledge of local needs and specifics and on the fulfillment of the general conditions for cooperation with the donor community, such as the recipient country taking real steps to address the problems of its development.

The common patterns of assistance with respect to the territorial coverage for the ODA policy managed by the Visegrad countries, Romania and Bulgaria is represented by the support provided to the Black Sea countries as well as the shift in assistance following the Arab Spring. Both of these are briefly presented in the following sub-sections.

A. Support for selected Black Sea countries (Ukraine, Moldova, Georgia)

All analyzed countries support to a greater or lesser extent the three selected Black Sea states. Ukraine is the most important priority for Poland and Hungary, receiving from the latter 21% of the ODA share,

whereas Moldova and Georgia receive only 0.4% and 0.1% respectively. Slovakia targets the Black Sea countries although it does not use the concept as such, while Bulgaria considers them designated priority partner countries of development assistance because of the long-standing economic and trade cooperation between them.

Among these countries, Ukraine is the most important priority for **Polish** Aid. This is reflected in the number of projects financed directly by the MFA and through the Solidarity Fund. Moldova and Georgia are also high on the priority list. In all of these countries, similar areas for involvement/topical priorities are at play, such as good governance (in particular support for the local governments), support for the small and medium enterprises and agriculture reform. In all cases, the idea of “transition of Polish experiences”, and “democratization” are priorities translated in practice into all sorts of activities, that range from support for homeless animals, HIV/AIDS prevention, administration reform, housing rights, social clubs for minorities, student organizations, school debates, training for journalists and free-media support to capacity building of local authorities and self-governments. While MFA and Solidarity Fund aim at systematizing its thematic and regional priorities, in fact the range of projects proposed by non-state organizations for funding is so wide, that effectively Polish ODA does not reflect any actual list of priorities but rather is a reflection of the scope of activities of Polish non-state actors.

The Black Sea region countries still represent strong partners in the **Czech** foreign policy. This is reflected in the level of political engagement and support, especially on the EU level, but also in Czech development assistance. Moldova is an ODA program country, while Georgia is a project country. Moldova, Georgia and Ukraine are also priority countries for the Transition Promotion Program of the Czech MFA.

The Black Sea region is part of the Eastern Partnership block of countries, the expression “Black Sea region” however is not being used in the context of **Slovak** ODA targeting. The share of Ukraine in Slovak bilateral ODA is 725,000 EUR for 2012 and this country presents a long-term priority since it’s bordering with Slovakia to the east. ODA allocated to Georgia in 2012 amounted to 400,000 EUR and the activities in this country are only starting. Moldova received 277,000 EUR from the 2012 ODA budget and a dynamic growth in interest and activities is visible.

Hungary considers Ukraine to be a strategic partner, this is why the second largest share of bilateral ODA - 21% goes to the country, whereas the amounts transferred to Moldova and Georgia represent 0.4 and 0.1% respectively. At the same time, the International Center for Democracy and Transition (ICDT) has organized a series of capacity building projects for the Moldovan Ministry of Interior, as well as for several projects aimed at supporting resolution in the ongoing conflict with Transnistria.

After EU accession and up until 2011, **Romania** had three priority countries for ODA - Republic of Moldova, Georgia and Serbia - and two countries in a secondary rank as share of allocations - Afghanistan and Iraq. The three priority countries received similar shares in 2007–2009, but after the 2009 change of power in Chisinau which steered the country towards an European trajectory, the share

dedicated to Republic of Moldova in the MFA budget increased from 7.6 per cent in 2009 to 51 per cent in 2010, and settled at 30–35 per cent in 2011–2013.

Moldova's EU integration became Romania's top foreign policy priority. In 2010, President Bănescu promised a special assistance fund of 100 million EUR over 2010–2014. However, only limited amounts were distributed out of the 100m EUR (9 million EUR for the construction of the Ungheni-Chisinau gas pipeline and 8 million EUR for reconstruction works after the 2010 floods). Proportionally to the increase of focus on Moldova, aid granted to Georgia went down from approximately 700 000 EUR in 2007 to about 250 000 in 2011.

In 2011 Romania enlarged its priorities range to the wider Black Sea region (Republic of Moldova, Ukraine, Belarus, Georgia, Armenia and Azerbaijan), as also to North Africa and the Middle East (Egypt, Tunisia, Libya, Iraq, Palestine, and Afghanistan). Ukraine received ODA allocations only recently: 0,78 million EUR for scholarships in 2012 and for 2013 an amount of 70 000 EUR is allocated for the Romania-Ukraine Civil Society Forum (project implemented by CRPE) and for a project regarding the consolidation of civil society participation mechanisms.

The Black Sea countries are designated as priority partner countries of development assistance because of the long-standing economic and trade cooperation with *Bulgaria*. The spectrum of this cooperation (trade, banking, communications, energy, transport, agriculture, healthcare, environment protection, fight against organized crime, etc.) is continuously expanding; projects supporting countries' economic development are being implemented (construction of a highway ring around the Black Sea and development of transport connections between port cities).

B. Shift towards Africa (after the Arab Spring)

The Arab Spring-related events have brought about some changes in the ODA priorities for the analyzed countries, with Bulgaria, Slovakia, Czech Republic and Poland starting to implement a series of projects here. However, with the exception of Bulgaria, none of them have shifted their assistance priorities towards the region.

Slovakia and Poland have mobilized some ODA funding towards countries like Tunisia and Egypt, however while Slovakia emphasizes experience sharing but it is not certain of a long-term presence in the region, Poland doesn't have a clear strategy on what Polish involvement should look like, but has an increasing number of NGOs active in the region that might succeed in shifting the country's priorities.

The Czech Republic has not changed its priorities and does not plan to do so in the upcoming years, however, it did disburse USD 180,000 in calls for proposals supporting democratization project in Egypt, in 2012. Similarly, some activities have been developed by Hungary in Egypt, Yemen and Algeria, however, the total amount represented only 1% of the country's ODA. By contrast, Bulgaria has shifted its focus towards some countries in the region, like Egypt or Libya, however, until the programs by

country are developed and announced officially as part of the Mid-term Development Assistance Strategy, there is no knowledge of how the assistance will be targeted.

The main thematic priorities as well as the priority recipient countries for the 6 analyzed countries are presented in table below:

Country	Priority area	Recipient countries
Poland	Democracy, human rights and political and economic transformation	Afghanistan Ukraine, Belarus, Moldova, Georgia
Czech Republic	Environment, Agriculture, Social Development (including education, social and health services), Economic Development (including energy), Support of Democracy, human rights and societal transformation	Afghanistan, Palestinian Autonomous Territories, Yemen Bosnia and Herzegovina, Moldova, Georgia, Kosovo, Serbia Mongolia, Cambodia, Vietnam
Slovakia	Education, health care, environmental protection, support and development of civic society, EU integration, reform processes, development of market environment and democratic institutions, technical support focused mainly on transfer of specific transition and integration know-how	Afghanistan, South Sudan, Kenya Montenegro, Macedonia, Serbia Ukraine, Moldova, Belarus, Georgia Tunisia
Hungary	Agriculture, migration, education, security, good governance and civil society, social infrastructure	Kenya Serbia, Ukraine Montenegro, Bosnia and Herzegovina, Macedonia, Kosovo Vietnam, Laos, Mongolia
Romania	Transition to democracy; Support for agriculture and sustainable economic development; Environment protection and sustainable energy, health, education	R. of Moldova, Georgia, Armenia, Azerbaijan, Belarus, Ukraine, Egypt, Tunisia, Lybia, Irak, Palestine, Afghanistan (up until 2015)
Bulgaria	Education and training of specialists (particularly in higher education); Infrastructure construction and maintenance (production of electricity, energy and water supply networks,	Afghanistan, Iraq South East Europe Black Sea Countries

	<p>construction);Implementation of economic, financial, administrative, social and healthcare reform;Cultural diversity and tolerance; Environmental protection and promotion of sustainable development; Security and post-conflict reconstruction in line with the principle of concentration</p>	
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3.5 Evaluation of ODA-supported interventions

There is little evidence with respect to the evaluation of project interventions financed through ODA. From the policy cycle perspective, this situation is somehow understandable, since one would need to have the policy formulation and implementation mechanisms well-functioning, before start using ex-post evaluation tools. However, as these countries become more and more experienced in development assistance, acknowledging their new donor status, the evaluation of the projects they finance would soon be an increasingly important area capturing the impact of their interventions, as feed-back useful for setting up their national ODA priorities and objectives.

The practices varies from country to country. In Hungary, due to the relatively small ODA budget, it is considered that there is no point in investing in expensive independent evaluations.

In Poland, on the other hand, there is a tendency towards self-evaluation, particularly since all Polish bilateral aid is outsourced to NGOs and other non-state bodies, allowing the state to “push” the responsibility on the organisations responsible with the implementation. However, given the objectives of Polish ODA policy and the intentions of the country to strengthen its regional leadership profile, the improvement of the mechanism for evaluating Polish aid is needed.

By contrast, in the Czech Republic, since 2011, evaluations are delivered by external evaluators selected through public tenders, being now a regular part of the Czech development assistance²⁰. There are good indications that the evaluation system will continue to be improved in the immediate future and the capacity of the MFA for managing these processes is slowly being consolidated. However, it is worth mentioning that the MFA has started to commission evaluations by itself, but was still unable to perform any impact assessment in recipient countries so far.

Slovakia practices self-evaluation of the state agencies implementing the projects themselves, as well as joint evaluation with other donors, as these tend to be more cost-effective. Regarding audit practices, projects implemented in Slovakia through SAIDC are subjected to standard internal and external control and audit procedures, while in Hungary, although there might be professional support for having

²⁰ The evaluations of bilateral development projects of the Czech Republic in Mongolia, Moldova and Bosnia and Herzegovina were initiated in 2010, under the auspices of UNDP Bratislava

independent impact assessments, seems unlikely in the near future given the sheer number of projects implemented, the range of line ministries funding projects and the size of projects.

None of the analyzed countries has done any impact assessment in recipient countries and they do not seem to have concrete plans to do so in the near future.

4. Conclusions and Recommendations

There are a series of problems affecting ODA policy development and implementation for the Visegrad countries, Romania and Bulgaria. There are common patterns and similarities in the issues these new donors are facing:

- Limited political interest for ODA – development policy is not high on the agenda of any EU memberstate these days, especially the new memberstates that have to catch up with the *Old Europe*;
- Limited coordination capacity resulting from shortage of staff of the ODA department as well as the low prestige of the department within MFA;
- Scattered assistance provided – there is the tendency to fund several small interventions, with minor impact at the recipient end;
- Reluctance to join forces with similar donors – there is a certain competitions amongs these six countries and, despite the similarities in areas and recipient countries, they do not cooperate.

The approach of joining forces with larger, well-established donors was acceptable as these countries did not have the capacity nor the adequate management processes in place to ensure proper delivery of their ODA commitments. However, there is almost a decade since the 2004 enlargement and things have changed. Some of the countries we analyzed seemed more and more mature and able to plan, coordinate and fully deliver their ODA policy.

Sharing experience with older EU member states is very good, but, it could be the time for **more experience sharing and joint operations with their Central-Eastern European peers**. The need and demand for the knowledge, understanding of context and recent transitional experience that is noticed in most of the recipient countries in the region favour the new Central-Eastern European donors. We strongly believe that there should be more coordination between new member states in implementing large scale joint ODA projects, that are relevant for the recipient countries.

As the UNDP report²¹ is suggesting, **a closer cooperation between the new member states** would only **increase their leverage as regional actors** while implementing **larger scale joint project** would ensure more **systemic and long-lasting impacts** for the recipient countries. Some concrete ideas to support such an approach and build a “Central-Eastern European donor”, focused on transitional experience sharing are recommended below:

²¹ Idem

1. Common programming of ODA Policy – the MFA representatives of the new EU member states (these 4 Visegrad countries, Romania and Bulgaria could serve as a starting point) should engage in a more comprehensive consultation process when planning their ODA medium term policy. These consultations should be held separately from those at EU level and would be focused on the priority areas, recipient countries, type of interventions and sequencing of projects;

2. Assign country leader for particular area of expertise – negotiations should be held and agreement reached on the areas that are of common interest and, based on previous experience and regional profile, countries would take the leadership on coordination of particular priority areas (eg. Slovakia on financial management, Romania on child protection, etc).

3. Implement larger-scale joint projects – the countries should join forces and provide common funding of big projects that would ensure lasting impact. A specific target (performance indicator) could be set to guide and register if this is achieved (eg. Each of the 6 countries should contribute to at least 1 project with a total budget exceeding 1.5 million euros and implemented in partnership by at least three of the six countries, over a 2-years period).

4. Exchange experience and transfer best practices amongs the **new member states on ODA policy management** - aspects like medium term planning of the assistance, role of the implementing agency, support of the embassies, monitoring and evaluation of the assistance provided.

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