

Polish Development Assistance

Independent research conducted by non-governmental organizations

Zagranica Group

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The report is the result of the research conducted by the working group on monitoring the Polish foreign assistance. The working group operates within the Zagranica Group, Polish NGDO platform.

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1. Why the report is worth reading

Far from the spotlight and on the margin of the mainstream of Polish politics there is a process going on whose results – both for Poland and for other countries – will be more significant than many current events attracting public attention. Poland has joined the group of the countries pursuing their own development policy, i.e. a policy aiming to support less economically developed countries, and for that reason is building its potential for helping these countries.

The elements of this process are:

- spectacular increase in financial resources – approx. 1 billion PLN in 2006 – allocated from the national budget for supporting developing countries;
- related capacity building;
- great activity of non-governmental organizations working in this field.

It is worth looking into this process, particularly when it is being forged because the determination of a particular practice will have long-term implications.

Up to now the process of elaboration of Polish development policy has been observed mainly by small academic circles in the country and foreign institutions – both governmental and non-governmental – but in practice the major source of data and their analyses has been official reports published by the Polish Ministry of Foreign Affairs (MFA). There were no independent non-governmental interpretations of the information about Polish foreign assistance that would present both strengths and weaknesses of Polish aid and represent the closest possible position to those who are the most important in the whole process – aid recipients.

The present publication will contribute to filling this gap as it is the first report compiled by Polish non-governmental organizations and encompassing the totality of Polish development aid.

The need to have an independent analysis of Polish assistance is justified by a series of arguments. We will enumerate the most evident ones.

Firstly, financial resources allocated for foreign aid come from the national budget and should be subject to control by citizens in terms of purposefulness and spending efficiency. State-owned controlling bodies specialize in monitoring public spending, but for evident reasons they have no background and experience to assess impact of Polish aid and particular projects on the societies of other continents.

Secondly, Polish foreign assistance stems not only from a sense of responsibility for the fate of the world but also from international commitments. Independent monitoring of Polish aid can bridge a gap between expectations of the citizens and concrete agreements made by Poland on the international arena. Therefore the control exercised by the civil society strengthens democratic legitimization of the actions taken by the public administration bodies and in parallel fosters the fulfillment of international commitments.

Thirdly, quality of aid delivered shapes the image of our country in the world. An independent analysis from the perspective close to that of aid recipients will help pinpoint successes and shortcomings of Polish development co-operation in a way the societies receiving aid see it. It can thus minimize the risk of failed actions and enhance the assets of Polish aid.

Fourthly, monitoring of Polish Official Development Assistance (ODA) enhances its quality. NGOs often have indispensable experience which makes it possible to go beyond quantitative analysis and try to evaluate to what extent Polish aid offers something creative and fully useful to aid recipient countries. An independent analysis should increase quality of aid both at the level of implementation of particular projects and at the level of determining aid objectives and priorities.

The authors of the publication are aware that the report is merely an introduction to fulfilling the above-mentioned tasks of the civil society in the area of monitoring Polish assistance as the subject is dynamic and as new to NGOs as to other bodies involved in Polish aid. The methods of collecting and analyzing data are not yet fully developed and the process of elaborating this report provided an occasion to gain the first experiences. Because of the report's pioneering character it does not cover all key issues needed for a complete analysis and can present some shortcomings. The authors plan to minimize these through publication of possible supplements on the website of Zagranica Group – www.zagranica.org.pl. Therefore readers are encouraged to use this site as an important source of information, opinions and verifications of the data related to Polish development assistance.

2. Basic information about development co-operation and foreign assistance

This chapter serves both as a reminder of the basic information about development assistance and a summary of official data on Polish aid published mainly by the MFA. The summary is aimed to present the reference point of the findings made by NGOs during the research, it is also one of its results.

The source of the information provided below is mainly data featured in crucial documents on Polish foreign assistance. These are the following:

- Strategy for Polish Development Co-operation adopted by the Council of Ministers of the Republic of Poland on 21 October 2003;
- Annual reports on Polish assistance for 2004 and 2005;
- Subsequent annual Polish assistance plans for 2005, 2006 and 2007;
- Current draft of the Act on Polish Development Assistance¹ and the Justification of the Act;
- Draft of the new Strategy for Polish foreign assistance for the years 2007-2013.

A considerable part of the information featured in this chapter has been taken from the above-mentioned documents. We have decided to amply use quotations so as to present as faithfully as possible the argumentation used in official publications.

Why should Poland provide assistance to other countries?

The answer to this question can be found in the strategy for Polish foreign assistance, both in the current one and in the draft version of the new strategy. We present here the two most telling quotations:

„Poland received foreign assistance for many years. This assistance significantly contributed to socio-economic changes in our country, changes for the better. To a large extent it is thanks to this aid that we can enjoy freedom, democracy and membership in the Euro-Atlantic institutions. We have not yet achieved, as a society, the level of development that would guarantee prosperity to each Polish citizen. However, it has to be borne in mind that over more than the last ten years the standard of living in our country has decidedly increased. (...) Although a considerable part of Polish citizens consider it improbable, Poland, despite the gap separating it from the wealthiest countries, occupies a relatively high position in the world's development rankings². We are richer than the significant majority of countries in the world.

The countries more developed than Poland long ago answered the question if they should commit themselves to global development issues. They gave an affirmative answer. Today, aid for less advanced countries is being provided by all developed countries, with no exception, not only – as it could be assumed – by former colonial powers which have vested interests in developing countries. Important donors of foreign aid are such countries as Ireland and Greece, which were not long ago

1 Earlier, NGOs were consulted on the previous draft of the Act on Polish Development Assistance which eventually did not pass through Parliament.

2 According to the Human Development Index (HDI), produced annually by the United Nations Development Programme (UNDP), Poland was rated 37th in 2006.

very poor and recipients of aid funds themselves. Why is it so? Because poverty, hunger, social exclusion and democratic deficit in developing countries spark off moral objection and also increase the threat to peace and security in the Western world. It therefore threatens everything we have achieved in the last years”.³

„For several years Poland has been gradually getting involved in international development co-operation. By obtaining membership of the Organization for Economic Co-operation and Development (OECD) in 1996 Poland joined the group of highly developed countries which have made particular commitments to the poorer part of the world. Poland’s accession to the European Union on 1 May 2004 meant joining the biggest club of development aid donors. (...)

The OECD countries (...) provide development aid having the conviction that sustainable development of all the humanity lies within the interest of all and that prosperity in developing countries and countries undergoing transformation equally increases possibilities of development for advanced countries. Participating in global development co-operation is commonly considered an obligation of all the countries in the world, an obligation resulting from the ethical, moral, social, economic and political premises. The achievement of the Millennium Development Goals (MDGs) requires a new partnership based on respect for sovereignty, tradition and also joint responsibility and respect for widely accepted rules and principles”.⁴

Aid provided to the poorer should be an evident action taken by human beings respecting other human beings, their rights and basic needs, particularly in the situation where economic interdependencies between the rich and the poor are so obvious.

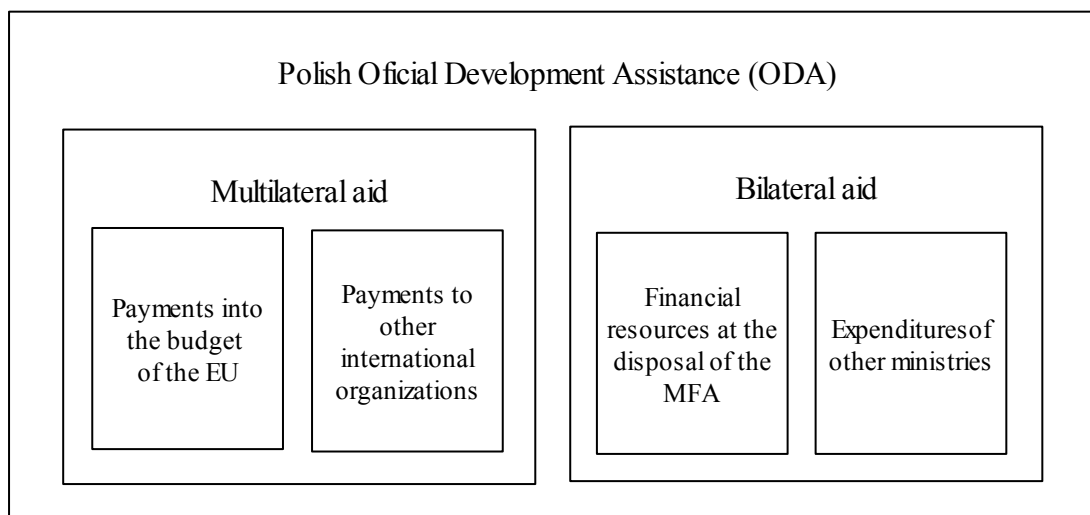
What are development assistance, development policy and development co-operation?

Official Development Assistance (ODA) is constituted by donations and loans given to developing countries by official government institutions of donor countries or by international organizations and aimed to support economic development and welfare in aid recipient countries. Loans are qualified as ODA only on condition that they include a „grant element” worth at least 25 per cent of the overall value of aid.

The Polish ODA consists of multilateral assistance (assistance provided through international organizations) and bilateral assistance (provided directly through Polish institutions, organizations and other bodies).

3 Quotation from the draft of the new Strategy

4 Source: the 2003 Strategy



The bulk of financial resources allocated for multilateral assistance are payments made into the budget of the European Union (EU), the remainder being payments to other international organizations and funds such as the United Nations agencies, the World Bank, the International Monetary Fund or the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB). From 2008 Polish ODA will also include funds paid to the European Development Fund (EDF).

Bilateral assistance is co-ordinated by the MFA and includes expenditures of many Polish ministries and government offices (the most of spending) as well as financial resources at the disposal of the MFA. These funds are allocated above all in the form of co-financing of projects conducted by NGOs and the public administration bodies.

One of the forms of development assistance is technical assistance, i.e. aid aimed to support development of human resources, increase in qualifications and technical and productive capacities of developing countries. Technical assistance consists of transfer of knowledge (or in a broader sense – know-how) and experience-sharing in the form of training courses, delegating experts, initiating research and/or covering related costs.⁵

It must be underlined that development assistance is an element of the country's development policy that includes, apart from aid, the totality of actions taken by the country in the areas which have impact on aid recipient countries. All taken into account, other elements of development policy sometimes have a bigger impact than assistance itself. They can stimulate growth, but often they even have an opposite effect – which is brought to attention by NGOs. The other components of development policy are e.g. trade policy (taxes and other constraints, e.g. sanitary or quality standards), macroeconomic policy, agricultural policy (e.g. subventions and export subsidies), fishing, environmental protection (e.g. impact of pollution generated in most cases in rich countries on the environment and economy of poor countries, intellectual property protection (e.g. barriers to transfer of technologies and restrictions on health protection), security policy, arms trade and migration policy (e.g. situation of refugees or brain drain).

Development co-operation is a process combining development policy of donor countries with actions taken by aid recipient countries and their own development strategies.

⁵ Quoted from: the Polish Development Co-operation – Annual report 2005, MFA

What are the declared objectives of Polish foreign assistance?

On October 21, 2003 the Council of Ministers of the Republic of Poland adopted a document called the *Strategy for Polish Development Co-operation*. According to the provisions of the Strategy, the main objectives of Polish assistance are: support for sustainable economic growth, respect for human rights, democracy, rule of law and good governance, promotion of global security and stability, transfer of experiences from the field of Polish political transformation, development of human resources, support for development of the public administration and local structures, environmental protection and prevention of environmental problems and providing emergency humanitarian and food aid.⁶

The essential element of Polish development co-operation is to foster sustainable development, including poverty reduction in the countries benefiting from Polish aid. The premises of our development co-operation are consistent with the Millennium Development Goals (MDG) and development policy of the European Union.⁷

Under the draft of the new strategy, the objective of Polish foreign assistance is the world that is safer, more sustainable and developing more quickly, especially the regions where Polish assistance can have special importance. The term *foreign aid* is understood above all as Official Development Assistance (ODA), i.e. actions which aim to support economic growth and prosperity in developing countries, according to the definition of the OECD.

The term *foreign assistance* however encompasses other aid actions which, although not always fulfill the ODA criteria, play an important role in establishing peace, security and stability in the world, particularly in Poland's direct international environment. It is above all promotion of democracy, human rights, good governance, support for the free media and the civil society building understood in the broad sense. The Polish strategy of actions aiming at development of less developed countries is based on the assumption that reduction of poverty and global developmental disparities has bigger chances of success if democracy, rule of law, building of the civil society and respect for human rights are ensured. Democracy creates space for freedom which is inherent in development and therefore only in the conditions where human rights, rules of good governance and other democratic mechanisms are respected can assistance be provided in such a manner that development is sustainable.⁸

Development assistance versus foreign assistance

An important dilemma when considering Polish assistance is the distinction between development assistance and foreign assistance. The distinction results from the double track of Polish aid. On the one hand, Poland is involved in the international system of development assistance, i.e. aid that aims above all to reduce poverty in the context of sustainable development and the fulfillment of the Millennium Development Goals. On the other hand, Poland takes actions in the area of enhancing democracy and development of the civil society abroad, which does not lie within the scope the classic definition of development assistance. Foreign assistance is a general term covering both directions of Polish aid.

6 Quotation from the Justification of the draft of the Act on Polish Development Assistance

7 Quotation from the 2003 Strategy

8 Quotation from the draft of the new strategy for the years 2007-2013

Arguments for referring to development assistance are:

- The use of the term *development assistance* and *development co-operation* in government documents produced to date⁹;
- Consistently putting development issues in the first place in the documents which combine development assistance and assistance in promoting democracy and the civil society building¹⁰;
- The fact that the principal argument in favour of increasing funds for foreign assistance, presented in subsequent official documents, are Poland's international commitments to allocate more resources for development assistance¹¹.

On the other hand, a strong and maybe overwhelming argument for using the term *foreign assistance* is the fact that since 2007 the MFA has distinctly tended to treat as one development assistance and support for democracy and development of civil society abroad. This approach can be seen in the contents and title of the documents prepared in 2007 (e.g. Poland's programme of foreign assistance provided through the Ministry of Foreign Affairs of the Republic of Poland in 2007 or „Solidarity, Development and Freedom – Strategy for Polish Foreign Assistance for the years 2007-2013) as well as an unequivocal statement on this subject made by the MFA's Under Secretary responsible for development assistance at the General Assembly of Zagranica Group in September 2006.

What commitments underlie Polish foreign assistance?

The answers to this question are presented in the form of relevant quotations taken from the key documents on Polish assistance.

„By signing the Millennium Declaration Poland has committed itself to supporting and getting involved in actions undertaken by the international community, aimed to solve global problems of economic, social and humanitarian nature.”¹²

„For several years Poland has been gradually getting involved in international development co-operation. By obtaining membership of the Organization for Economic Co-operation and Development (OECD) in 1996 Poland joined the group of highly developed countries which have made particular commitments to the poorer part of the world. Poland's accession to the European Union on 1 May 2004 meant joining the biggest club of development aid donors. Moreover, in the last years we have actively been participating in all international meetings focusing on global development issues, including the United Nations Millennium Summit in New York in 2000, the United Nations Conference on Financing for Development in Monterrey in 2002 and the World Summit on Sustainable Development in Johannesburg in 2002.”¹³

9 E.g. the Strategy for Polish Development co-operation adopted by the Council of Ministers on October 21, 2003 or Poland's Development Co-operation – Annual report 2005.

10 Compare: the statement in the draft of the new government strategy for the years 2007-2013 that „the basic area of activity of Polish foreign assistance programme is development assistance whose paramount and supreme objective is to reduce poverty in the context of sustainable development and the achievement of the other Millennium Development Goals in the countries which are recipients of Polish assistance”.

11 E.g. the reference to the decision about the increased budgets for development assistance, made with the participation of Poland at the meeting of the General Affairs and External Relations Council (GAERC) of the EU in May 2005.

12 Source: the 2003 Strategy

13 Source: Framework plan of aid actions of the MFA for 2005

„The European Union, which in March 2002 in Barcelona pledged that all its Member States beginning from 2006 will allocate not less than 0.33 per cent of GDP to ODA, expects that the EU enlargement will strengthen the Community’s commitment to the global dialogue between the North and the South and international development co-operation. The EU also expects the new Member States, including Poland, to commit themselves to developing and harmonizing their development co-operation programmes with those of other EU Member States.”¹⁴

„Upon its accession to the EU Poland made a commitment to establishing a coherent system of providing development assistance and took on an obligation to apply procedures of granting development aid used within the EU and featured in the *acquis communautaire*. The EU *acquis* encompasses, among other points, a provision introduced to the Treaty establishing the European Community (Arts. 177-181) to ensure coherence, co-ordination and complementarity within the framework of development aid actions taken by the EU.”¹⁵

Since 1 May 2004 Poland has been member of the EU – the biggest development assistance donor. Following our membership our country has made international commitments concerning both the volume and quality of foreign development assistance. In May 2005, at the meeting of the EU’s General Affairs and External Relations Council (GAERC) Poland declared an increase in development assistance to 0.17 per cent of its GDP by 2010 and to 0.33 per cent of its GDP by 2015. This implies the need to multiply financial resources allocated to development co-operation and to adjust Poland’s foreign assistance programme to new challenges. Moreover, since Poland’s accession to the EU Poland’s development initiatives should take into account the goals set within the EU and be integrated with related actions taken by other member states and the European Commission. It concerns the commitments such as respect for the right of developing countries to determine their needs and priorities and the necessity to adjust development assistance to them.”¹⁶

Why is the value of Polish assistance growing at a quick rate?

The main and clearly communicated by the MFA reason for the increase in funds allocated to development assistance are international commitments, which is illustrated by the following quotations:

„The volume of Polish foreign assistance will have to grow according to the conditions agreed upon by Poland in its international commitments. Under the *Strategy for Polish development co-operation* Poland has pledged to raise the volume of its development assistance for developing countries and countries undergoing transformation to 0.1 per cent of its GDP by 2006. This commitment has been accepted by our partners from the EU and OECD. However it has to be taken into consideration that it is a provisional commitment because of our country’s lower development level and its difficult budget situation.

We also have to remember that Poland is a signatory to the two documents adopted by the United Nations – the Millennium Declaration and the Monterrey Consensus, in which 0.7 per cent of GDP is fixed as the lowest level of development assistance that makes it possible for the least developed countries to lift themselves out of poverty and achieve the Millennium Development Goals, also accepted by Poland. It has to be kept in mind that funds earmarked for foreign assistance will have

14 Source: the 2003 Strategy

15 Source: Justification of the Act on Polish Development Assistance

16 Source: Public information on directions and priorities of the Polish foreign assistance and development co-operation in 2006

to grow every year until they reach the required level. In the opposite case, Poland could be put under a lot of political pressure from both our EU partners and developing countries expecting increased efforts on the part of the new EU member states.”¹⁷

„In the Act [on Development Assistance], despite the international commitments such as those made by EU leaders (the European Council) in Barcelona in 2002, there wasn't mentioned any annual limit of funds that should be earmarked in the national budget for development co-operation. In consistence with the above-mentioned commitments each EU member state should reach the level of 0.33 per cent of GDP allocated to development assistance by 2015. The commitments made by the Council of Ministers in its declaration on May 18, 2005 oblige Poland to allocate 0.17 per cent of its GDP for development goals by 2010.”¹⁸

17 Source: Justification of the Act on Polish Development Assistance

18 Source: Justification of the Act on Polish Development Assistance

3. The role of non-governmental organizations

Non-governmental organizations play a double role in Polish foreign assistance: they are one of the interlocutors in the dialogue with the government about objectives and directions of Polish assistance and one of the major partners in implementation of specific aid operations.

Participation in debate over directions of assistance

In the strategy adopted by the Council of Ministers in 2003 „participation of non-governmental circles in consultations about essential directions of Polish development assistance” is one of the principal features of the Polish mechanism of providing foreign assistance. The document makes provision for the Development Co-operation Council, an advisory body of the Minister of Foreign Affairs (which in fact is currently not operating).

In practice, NGOs have been a partner in the dialogue with public institutions about Polish foreign assistance and participated in consultations over key issues concerning directions of it for years now. NGOs are willing to use this possibility, e.g. in the commentary on the draft version of the Act on Development Assistance Zagranica Group has expressed an opinion that the MFA should envisage, alongside partnership with NGOs at the implementation stage, a possibility of consulting contents of programme documents with NGOs and co-operation with them in formulating premises of Polish assistance.¹⁹

Implementation of development projects

Similarly, at the stage of implementing assistance initiatives co-operation with NGOs has been considered one of the main features of the Polish mechanism of granting foreign assistance. It is evident, given the fact that NGOs are the biggest implementation actors of Polish aid provided in the form of projects. In 2005, the total volume of financial resources allocated for subventions for projects undertaken by NGOs reached over 10 million PLN, which was more than a half of foreign assistance funds available for use at the MFA. The number of organizations which have implemented projects co-funded by the MFA is also growing. In 2005, there were 30 such organizations, in 2006 – as many as 48.

Moreover, Polish NGOs have been working on projects abroad since the beginning of the 1990s, therefore they started their activity a few years earlier than the Polish government.²⁰

Mandate to examine foreign assistance

For these reasons NGOs have both sufficient experience and relevant knowledge of the premises and structure of the Polish assistance system in order to undertake research into and an analysis of the totality of Polish foreign assistance. Taking part by NGOs, an important actor of the Polish assistance system, in debate over development policy is an element of the democratic process and

19 The remark made by Zagranica Group in the commentary on the draft of the Act on Polish Development Assistance and submitted to the MFA is as follows: „Here it is worth adding a provision about co-operation with non-governmental organizations, which can have forms of: consulting contents of programme documents, co-operation in formulating premises of Polish assistance and partnership in their implementation”.

20 According to the information presented in the report for 2005, the first assistance programmes of the Polish government were implemented in 1998.

transparency of workings of public institutions. It can contribute to better quality of Polish assistance and a bigger public support for it.

4. The main findings of the research

Supplement to the picture of Polish assistance

The findings presented below are the result of the research. Part of them offers a more in-depth analysis of some loose observations made earlier in the report, which have been confirmed, examined more closely and complemented with new data, our own calculations or specific examples.

It must be stressed that the conclusions presented below do not give a complete picture of Polish assistance but provide a supplement – made from the point of view of non-governmental organizations – to official reports by the MFA. In opposition to MFA reports featuring mainly information about successful accomplishments, the present report also draws attention to some shortcomings of Polish Official Development Aid (ODA). The reader should not therefore draw any conclusions about how NGOs assess the whole Polish foreign assistance. Such an evaluation does not lie within the scope of this report. Complementing official data by NGOs creates a sound balance of information, which will provide wider access to transparent information for the public opinion. It will contribute to better understanding of Polish assistance in the society.

The approach to research presented in this report also means that NGOs can equally notice weak points of Polish assistance and consider it justified to draw attention to them in the hope that the findings made by NGOs will be taken into account by government institutions.

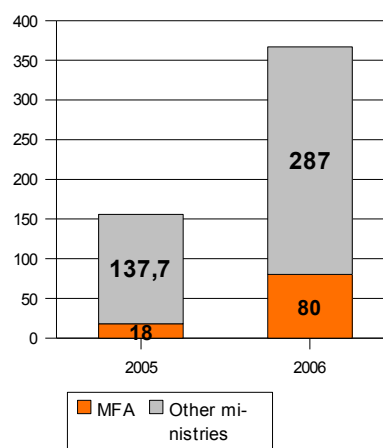
To recapitulate briefly, we emphasize that the reader wishing to learn about the whole picture of Polish foreign assistance should also read the government documents mentioned in this report as well as promotional materials that can be accessed on the MFA-run website www.polskapomoc.gov.pl.

The procedure of allocating funds versus the implementation of the strategy

One of the key issues that allow understanding of the structure of Polish assistance, its strengths and weaknesses, is the mechanism of qualifying as ODA expenditures of ministries and government offices within the framework of bilateral assistance. This question occupies a central place because funds are being allocated not only by the MFA but also other institutions whose expenses constitute the bulk of Polish bilateral assistance.

The Polish bilateral assistance includes funds in possession of the MFA and those allocated by other ministries and government offices. As it can be read in official documents on Polish assistance, there is a division of tasks among different ministries.

Resources available at the MFA (in million PLN as part of the whole Polish bilateral aid



The 2003 Strategy states that the role of the MFA is: to ensure general co-ordination of the whole Polish development co-operation and the implementation of particular tasks in the area of project, technical, humanitarian and food assistance as well as volunteer service. Other government institutions make decisions, in co-operation with the MFA, about expenditures in the area of their competences. In the 2003 Strategy, the roles of the MFA as well as the Ministry of Economy, Labour and Social Policy and the Ministry of the Environment are identified.

The division of tasks is established in a bit different manner than in other documents, e.g. in the annual report for 2005 we can read: „The Polish system of development assistance is created by the three main government institutions: Ministry of Foreign Affairs, Ministry of Finance and Ministry of Science and Higher Education. Initiatives of particular government offices are presented in consistence with this division. Additionally, in the document it can be read that the MFA’s role is to determine priorities and ensure co-ordination of Polish development co-operation.

Regardless of the fact where the emphasis is put in the division of the missions, it is worth noticing that the general assumption is the following: the MFA establishes priorities of the whole assistance, implements part of tasks and co-ordinates actions taken by other ministries and government offices.

Remembering that for these institutions development assistance is an additional and often even marginal activity, we can draw an obvious conclusion that the degree of co-ordination of Polish aid and similarly its effectiveness depend on the MFA’s capacity of influencing several ministries and offices so that they make decisions consistent with the strategy for Polish assistance.

What are then capacities of interministerial co-ordination? Firstly, the task of co-ordination is mentioned in the documents, including the 2003 Strategy adopted by the Council of Ministers; a similar function of the MFA is envisaged in the draft of the new strategy. Both documents make provision for the appointment of the National Co-ordinator on Development Co-operation in the rank of a Secretary or Under Secretary of State. Secondly, as it can be concluded from the documents, there is interministerial co-operation at the stage of operational planning²¹. Thirdly, as we have found out at the MFA, there are working contacts between the MFA’s Department of Development Co-operation and relevant officials in other ministries. Fourthly, it is the MFA that makes the final decision about qualifying expenditures of other ministries as Polish ODA in annual reports submitted to the OECD. We are aware that possible challenging of expenditures of other institutions does not always converge with objectives of the MFA, as it would translate into a decrease in the overall volume reported by Poland as ODA.

Attention should however be drawn to the fact that even with an ideal co-operation among institutions assistance-related decisions made by other ministries and government offices do not have to be exclusively motivated, even not mainly motivated by the Polish strategy for development assistance, but can be based on reasons related to the workings of the involved ministries. For instance, it is evident that decisions to grant refugee status are not taken on the basis of the list of priority countries for Polish development assistance, but they are dictated by Poland’s commitments concerning international protection of refugees and relevant Polish legislation. This example clearly shows how the mechanism of qualifying expenditures as ODA does not always have a positive impact on the degree of implementation of the strategy and priorities.

21 In the 2003 Strategy we can read: „Priority directions and areas of Polish development co-operation for the periods of one year will be specified in the main directions in Polish foreign policy for a particular year, i.e. in a document adopted annually by the Council of Ministers. Annual operational plans will be elaborated by the Ministry of Foreign Affairs in co-operation with the Ministry of Finance and other ministries within the framework of financial resources allocated in the budget law”.

This difficulty is further increased by the fact that many bodies of public administration can propose expenditures qualified as Polish ODA. They are the following:

- Chancellery of the President of the Republic of Poland
- Chancellery of the Sejm of the Republic of Poland
- Chancellery of the Senate of the Republic of Poland
- Chancellery of the President of the Council of Ministers
- Ministry of National Education, Bureau for Academic Recognition and International Exchange
- Ministry of Finance
- Ministry of Economy
- Ministry of Culture and National Heritage
- Ministry of National Defense
- Ministry of Labour and Social Policy
- Ministry of Agriculture and Rural Development
- Ministry of the Treasury
- Ministry of Interior and Administration
- Ministry of Justice
- Ministry of Transport
- Ministry of Health
- Association „Polish Community”
- Office of the Committee for European Integration

The above-mentioned offices and ministries can propose expenses they have made by themselves or through institutions dependent on them. It is hard to expect that all these ministries, offices and institutions are familiar with the strategy for Polish development assistance and apply it on a daily basis.

On the whole, it is difficult to be certain that all the spending qualified as Polish ODA has been consciously made with the intention of supporting aid recipient countries in the areas which these countries describe as the most important in terms of assistance.

In fact, it is the needs determined by aid recipient countries, not internal Polish conditions, that should constitute the core of the mechanism of the Polish assistance system:

„In accordance with the principle of ownership adopted by the Council of Ministers in the „Strategy”, Poland will be guided in its development actions by national Poverty Reduction Strategy Papers (PRSPs) or documents of analogous character, in which recipients of Polish aid prioritize areas of life where they need support from the international community, including the Republic of Poland. The priorities will then be adjusted to the possible Polish offer of development assistance. On this basis and on the basis of relevant Country Strategy Papers (CSPs) of the European Community strategies of Polish assistance will be elaborated in reference to Poland’s priority countries”²².

22 Source: Framework plan of development actions for 2005, Ministry of Foreign Affairs, 2005

Expenditure on particular countries versus the implementation of the strategy

An important element in the assessment of Polish ODA is the question to what extent Polish assistance is being provided according to the established and publicly announced priorities. One of the main indicators of focusing on priorities is the extent to what the priorities are reflected in funds allocated to bilateral assistance²³. Granting most of financial resources to priority countries would mean a high degree of focus on priorities.

After having analyzed the data made available by the MFA, the three major observations were made.

Firstly, there is a very loose link between the list of priority countries and the list of the countries which have received the biggest volume of aid from bilateral funds within the framework of Polish ODA. It reveals a weak strategic approach in Polish bilateral assistance.

Both in 2004 and 2005, among the three largest recipients of Polish aid there was no country featured in the official priority list for the two years in question²⁴. The situation improved dramatically in 2006 where all the three biggest aid recipient countries were on the list of priority countries. It is however unsettling that the fourth largest recipient of Polish assistance in 2006 (Uzbekistan), not included on the list of priority countries, received more funds than all the remaining priority countries altogether.

Secondly, in 2006 we observed a positive tendency to grant the biggest assistance funds to the countries from the list of priority countries.

Thirdly, it is doubtful whether in the following years this tendency will be maintained. The doubts are brought by the fact that this positive change is caused by two factors: the countries that had traditionally received the most substantial aid were put on the list of priority countries; granting to a priority country one-off assistance whose volume would probably never be provided again.

The list of priority countries 2004-2007

6 priority countries in 2004:
Afghanistan, Angola, Georgia, Iraq, Moldova and Vietnam (until 2006)

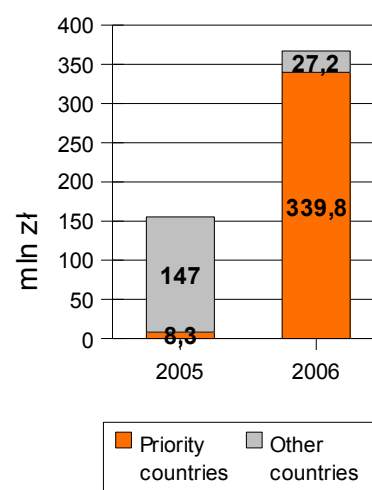
7 priority countries in 2005
(Palestinian Autonomy was added):
Palestinian Autonomy, Afghanistan, Angola, Georgia, Iraq, Moldova and Vietnam (until 2006)

9 priority countries in 2006
(Belarus and Ukraine were added):
Palestinian Autonomy, Afghanistan, Angola, Belarus, Georgia, Iraq, Moldova, Ukraine and Vietnam (until 2006)

9 priority countries in 2007
(Vietnam was removed and Tanzania was added):
Palestinian Autonomy, Afghanistan, Angola, Belarus, Georgia, Iraq, Moldova, Tanzania and Ukraine

Source: Research by the authors

Share of expenditures on priority countries in the totality of Polish ODA



Source: Calculation by the authors

23 Multilateral assistance is by its nature subject to decisions made by all the parties involved, not only by Poland. It should not therefore be taken into account in the assessment of realization of national priorities.

24 It was mainly the result of including in the assistance statistics preferential loans granted by Poland within the framework of tied aid. It must be reminded here that according to the draft of the new strategy Poland will gradually increase the share of untied aid in the total assistance budget. The biggest recipients of Polish bilateral assistance in 2005 were: Serbia and Montenegro, Ukraine and Uzbekistan.

An increase in the share of expenditures on priority countries in 2006 is brought about by two factors:

- Belarus and Ukraine, the countries which have traditionally received substantial assistance, were put on the list of priority countries in 2006. This confirmed in fact the actual situation.
- The debt cancellation for Angola, worth a staggering 91.9 million USD (285.2 million PLN) was included in the statistics.

The tendency to focus Polish assistance more on the official priorities could be considered long-lasting if the two conditions mentioned below were met:

- there is an evenly distributed rise in aid for all the priority countries and there are no further decisions to grant to other countries assistance that would be much higher than funds allocated to the priority countries;
- the decision to provide substantial funds for a particular priority country is preceded by a relevant announcement and argumentation in official documents, e.g. annual plans.

The fulfillment of these two conditions in the coming years is however not certain because of the procedure of qualifying expenditures as Polish ODA, described earlier on.

Expenditures on priority countries from Polish bilateral assistance:

(data in PLN)

	2005	2006
Afghanistan	1,051,708	1,696,408
Angola	572,000	286,512,435
Georgia	807,882	1,604,496
Iraq	1,078,236	1,446,455
Moldova	1,816,636	3,888,040
Palestinian Autonomy	404,055	1,487,880
Vietnam	2,624,000	182,700
Belarus (priority country since 2006)	12,880,748	20,988,622
Ukraine (priority country since 2006)	19,913,734	22,007,971
Total bilateral assistance	155,394,911	367,042,400

Source: Research by the authors

Selected categories of expenditures versus the implementation of the strategy

Because of the mechanism of qualifying expenditures of various ministries and offices as ODA the whole categories of expenses do not match the priorities of Polish assistance.

Loans

According to the data submitted by the Ministry of Finance, in 2005 three loan agreements were concluded within the framework of tied assistance – for Uzbekistan (approx. 5.8 million USD), the People's Republic of China (approx. 5 million USD) and Yugoslavia (approx. 18.6 million USD). None of these countries is featured on the list of priority countries for Polish foreign assistance.

It is also worth noticing that the above-mentioned sums represent a considerable share in Polish bilateral assistance. Each of these loans is higher than spending on all the priority countries altogether.

Debt cancellation

Decisions about debt cancellation for aid recipient countries have huge impact on volumes of aid reported by Poland as assistance provided for a particular country. In 2006, the debt of Angola, one of Poland's priority countries, was cancelled. However, an increase in aid funds for Angola from 572,000 PLN in 2005 to 286,512,435 PLN in 2006 does not mean that the country actually received in 2006 five hundred times (!) more funds than in 2005.

This question blurs the image of actual financial aid for Angola, but also affects the data on assistance for Sub-Saharan Africa and consequently it influences the data concerning the whole Polish ODA.

We have to remember that according to the provisions from Monterrey Consensus in 2002, where governments committed themselves to increasing aid, debt cancellations should not be qualified as funds constituting a rise in development aid resources.

Refugees

In 2005, costs linked to hosting refugees constituted a substantial part of Polish assistance. These costs added up to twice as much as the amount of all foreign aid funds placed at the disposal of the MFA. Since 2006 refugee costs in Poland have been much lower. This is caused by the fact that a large part of refugees are citizens of the Russian Federation (Chechen people) and costs of their stay in Poland cannot be included in Polish ODA.

Among the rules of qualifying costs as ODA determined by the OECD it is mentioned that refugee costs can be counted as ODA only in the first 12 months of their stay (and costs of possible repatriation). Many organizations claim it is logical as the stay of refugees in another country does not contribute to development of their country of origin.

According to the MFA information, the costs of stay of refugees in Poland are calculated as follows: an average cost of stay of refugee in Poland is established and then multiplied by the number of refugees coming from the countries which are recipients of ODA. For practical reasons the information about how many refugees stay in Poland for a period shorter than 12 months is not taken into account. It can therefore be concluded that part of refugee costs qualified as Polish ODA may be higher than established in the OECD guidelines. Another question is about the rationale of qualifying refugee costs as ODA. To put that in perspective we have to remember that Poland signed the Geneva Refugee Convention in 1991 (i.e. seven years before taking the first actions in the field of foreign assistance) and for this reason would have helped refugees even if it had not been pursuing any development policy.

Scholarships

Costs of student scholarships are calculated analogously to refugee costs, i.e. an average annual cost of a scholarship is calculated and multiplied by the number of refugees from the countries being on the DAC list of aid recipient countries. Only costs of scholarships that last minimally for a year are taken into consideration; shorter scholarships, courses, internships, etc. are not counted in.

Data is collected *ex post* for a year that has finished, which makes quite probable the assumption that correlation between the list of priority countries for Polish assistance and the list of countries of origin of students, whose costs are qualified as ODA, is not always a result of the implementation of the Polish strategy for development assistance.

The four issues presented above illustrate difficulties in consistent realization of the strategy of focusing on official priorities. The difficulties result from the mechanism of qualifying expenses as Polish ODA and the MFA's limited influence on decisions about this expenditures.

Gender equality

Poland as EU member state is committed to respecting directives and the Treaties of the European Community, which implies that our country is obliged to eliminate gender inequalities and promote equal treatment of women and men in all actions it undertakes (Art. 2 and 3 of the Treaty establishing the European Community). This means including the issue of gender equality also in Poland's foreign and development policies. In fact, in the MFA reports on the implementation of Polish development assistance in the years 2004-2006 there is no information about final aid recipients accompanied by the sex categories. Neither are there any information on the implementation of the strategy promoting gender equality and an evaluation of the influence the granted assistance exercises on women and men. We can conclude from the MFA data for 2005²⁵ that among the three examined countries (Georgia, Tajikistan and Ukraine) only one project involving women empowerment was implemented. The question whether so-called „development” is only a male department can therefore be asked. Are women's needs invisible?

25 Data on projects financed through ODA and conducted in these countries, made available by the Ministry of Foreign Affairs on request of the Network of East-West Women – Poland from 13 November 2006.

The achievement of the Millennium Development Goals

The achievement of the Millennium Development Goals (MDGs) is one of the principal objectives of Polish development assistance, which is consistent with the European and global trend. In subsequent official documents on Polish assistance there is a clear reference to the MDGs and a strong declaration that Polish aid aims to contribute to their achievement.

The firm policy aimed to reach the MDGs can be seen in the following:

- Establishment of specific results which can be achieved by Polish assistance or towards which it can contribute;
- Monitoring and evaluation of progress in reaching these results as well as publishing information about it;
- Allocating adequate funds from the national budget to achieve the planned results.

Firstly, consistent references to the MDGs in all key documents on Polish assistance should be appreciated.

The Millennium Development Goals were adopted in the Millennium Declaration by the leaders of 189 countries at the United Nations summit in 2000. The eight Millennium Goals constitute a commitment made by the international community to eradicating poverty and hunger, achieving universal primary education, promoting gender equality and empowering women, reducing child mortality, improving maternal health, combating HIV/AIDS, malaria and other diseases, ensuring environmental sustainability and developing a global partnership for development. The deadline for reaching the MDGs was also clearly fixed at 2015.

Source: MFA

Secondly, declarations of support for the MDGs and their crucial role in Polish development assistance are not accompanied by documents which would show to what extent Poland succeeds in fulfilling them. Such information cannot be found in annual reports published to date by the MFA²⁶, neither are there any other publications on this subject. There are examples of projects which clearly contribute to the fulfillment of the MDGs, but what lacks is the complete analysis and the publication of the results of the evaluation examining the extent to which all the Polish assistance contributes to reaching the MDGs.

Thirdly, impact of the volume of budget resources allocated for the MDGs within the framework of Polish bilateral assistance needs to be considered.

As we can read in the MFA documents: „In the last years the majority of the OECD member states have been aiming to focus their development aid in Sub-Saharan Africa where – according to all available data – development needs are the biggest. Subsequent decisions made in the international forum, including the most industrialized countries in the world (G7/G8) and the European Union, are following this direction as well. At the meeting of the General Affairs and External Relations Council (GAERC) of the EU in May 2005 it was decided – with the participation of Poland – that not less than 50 per cent of additional funds for development assistance collected as a result of new collective commitments of the EU in terms of the volume of aid (0.56 per cent of GDP by 2010 and 0.7 of GDP by 2015) will be provided for African countries”²⁷.

26 The last annual report published by the MFA up to the moment when this publication was released was the 2005 report.

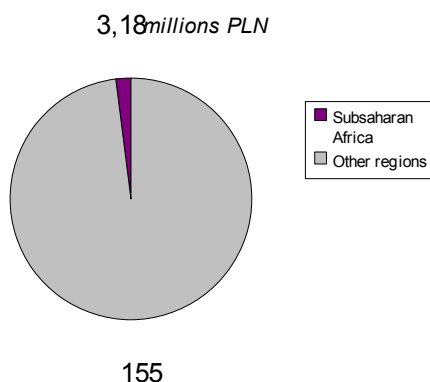
27 Source: the draft of the new strategy for the years 2007-2013 and the Polish foreign assistance programme for 2007.

However, budget resources allocated to Sub-Saharan Africa are quite modest. Among seven priority countries in 2005 and nine priority countries in 2006 only one – Angola – lies in this region²⁸. Spectacular debt cancellation for this country is worth noting, despite the fact that this sum was not actually granted to Angola. The other sums provided to Sub-Saharan Africa remain clearly below needs of this region and capacities of Polish assistance.

For instance, aid for Sub-Saharan Africa reached 3.18 million PLN in 2005, which represents merely 2 per cent of the whole Polish bilateral assistance (over 155 million PLN).

A similar situation took place in 2006. When the amount represented by debt cancellation for Angola was excluded, the total volume of bilateral assistance for Sub-Saharan Africa stood at 5 million PLN, i.e. only 1.4 per cent of the whole Polish bilateral assistance worth of 376 million PLN. When the debt cancellation for Angola is taken into account, assistance for Sub-Saharan Africa amounts to 80 per cent of Polish bilateral assistance in 2006. It must however be remembered that a similar-scale debt cancellation in the coming years is not very likely and is not confirmed in the forecast of the increase in financial resources allocated to Polish development assistance for the period 2006-2010²⁹.

Aid to Subsaharan Africa
as a part of Polish bilateral aid in 2005



28 In 2007, Tanzania, the second Sub-Saharan country joined the group of priority countries for Polish assistance.

29 Source: Draft of the new strategy for the years 2007-2013.

The impact of current legal regulations on aid effectiveness

„The present legal regulations make it impossible to implement foreign aid initiatives in an effective way, adequate to current challenges and consistent with international standards resulting from Poland’s membership in the United Nations, the Organization for Economic Co-operation and Development and above all in the European Union”³⁰.

Therefore the Act on Polish Development Assistance is waiting to pass in Parliament. The arguments for it are the following:

- Formalized and complicated process of allocating funds for foreign assistance from the country’s budget reserve;
- Inability to undertake multiannual development initiatives;
- Implementation of multilateral projects with the participation of Poland made more difficult;
- Lack of appropriate co-ordination of actions taken within the framework of foreign assistance.

As we can read in the justification of the Act on Polish Development Assistance a lack of structures, effective procedures and mechanisms of granting development assistance puts Poland in an unfavourable light in comparison with other European countries, including the countries which joined the EU together with Poland.

The need for a new act on Polish development assistance has been felt by the Council of Ministers for four years. As early as in the Strategy for Polish foreign assistance adopted by the Council of Ministers in 2003 the necessity to legally regulate the mechanism of granting development assistance by Poland appears.

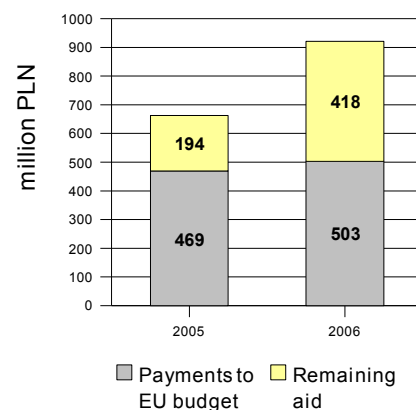
Taking into account the fact how much the lack of such an act affects effectiveness of Polish assistance, the legislators’ reluctance in this area seems quite unintelligible. From experiences of NGOs in the dialogue with the authorities about this subject it can be concluded that the MFA’s attempts to pass the act are not met with decisive acceptance and actions of other ministries and the rest of actors in the legislative process.

The commitments related to aid quality

Polish foreign assistance is closely linked with the international system of development co-operation which includes the European Union (EU), the Organization for Economic Co-operation and Development (OECD) and the United Nations (UN). This fact is confirmed in key documents on Polish assistance.

The connection with this international system is further strengthened by the fact that the bulk of Polish assistance consists of multilateral

Payments to the EU as a share of Polish ODA



30 Source: Justification of the Act on Polish Development Assistance, p. 2, MFA, 2007

assistance, i.e. payments made by Poland to international institutions. In 2005, multilateral assistance constituted 76 per cent of the total Polish ODA. Its largest part are development aid funds taken from Poland's payments into the EU budget. Moreover, from 2008 on Poland will start contributing to the European Development Fund³¹ (EDF), operating within the EU.

From these facts it can be concluded that Polish assistance needs to fulfill international standards and commitments made within the framework of the international system of development co-operation. The MFA acknowledged this necessity when it stated:

„Since Poland's accession to the EU Poland's development actions should take into account objectives determined within the EU and be integrated with related actions taken by other member states and the European Commission. It concerns commitments such as respect for the right of developing countries to determine their needs and priorities and the necessity to adjust development assistance to them”³².

Below we would like to remind of the two commitments featured in the documents on Polish assistance.

Aid effectiveness

„The year 2005 was quite exceptional in this aspect. Not only did we succeed in increasing development assistance to an unprecedented level – over 100 million USD – but also commitments key to effectiveness of provided aid were adopted. Endorsement of the principles stated in the Paris Declaration on Aid Effectiveness from 2 March 2005 by both donors and recipients must be treated as an essential element of the emerging global partnership for development, where the volume of aid is combined with quality of development initiatives and assistance is offered to countries which undertake their own efforts towards sustainable development”³³.

Limiting tied aid

„It must be underlined that as member state of the EU and OECD Poland is committed to increasing the share of untied aid, i.e. not restricted exclusively to Polish nationals. Moreover, the projected solution is underlined by the principles governing the Common Market and the rules of competition featured in the EU's *acquis communautaire* which prohibits discrimination on the grounds of product or service origins”³⁴.

31 Set up in 1957, the financial mechanism of providing development aid to the African, Caribbean and Pacific states (ACP states) – the signatories to the Lomé Convention and then the Cotonou Partnership Agreement. The fund is financed through voluntary donations of EU member states on the basis of financial protocols to the Cotonou Agreement, signed every five years.

32 Source: Public information on directions and priorities of Polish foreign assistance and development co-operation in 2006, Ministry of Foreign Affairs, Warsaw, 2006.

33 Source: Polish Foreign Assistance Programme for 2007.

34 Source: Justification of the Act on Polish Development Assistance.

Coherence of policies as the condition of real changes

One of the indicators of high quality of Polish development policy would be coherence of the country's different policies and actions geared towards aid recipient countries, e.g. trade policy (taxes and other constraints, e.g. quality or sanitary standards), macroeconomic policy, agricultural policy (subventions or export subsidies), fishing, environmental protection (e.g. impact of pollution generated in most cases in rich countries on the environment and economy of poor countries), intellectual property protection (e.g. barriers to transfer of technologies and restrictions on health protection), security policy, arms trade and migration policy (e.g. situation of refugees or brain drain).

The MFA sees the necessity of changes in trade, agricultural, investment and environmental policies³⁵. Similarly, the Council of Ministers of the Republic of Poland was aware of it when it took into account in the 2003 Strategy the following statement: „Realization of the set objectives requires engagement of all actors of international life which includes not only transfer of material and financial resources but also changes in trade, agricultural, investment and environmental policies.”³⁶

Attention must however be drawn to the fact that the question of coherence of policies is absent from annual reports on Polish assistance. This topic has not been raised in any publications devoted to Polish assistance. It can therefore be concluded that up to now there have not been any effective mechanisms encouraging coherence or building potential of the public administration bodies to take into account the influence of their decisions on implementation of the Strategy for aid recipient countries.

Transparency and thoroughness in informing the public opinion

The first stage of informing the public opinion about the necessity of assisting developing countries was dissemination of basic information about needs of these countries, Poland's obligations resulting from international commitments and the message to get across the public that - despite common belief of Poles - our country is among the richest in the world (see: the media campaign *Poland is a paradise*).

It seems that at the current stage gaining understanding and social support requires more in-depth information given to the public opinion. A good example of it can be an increasing backing from the MFA for development education and support for building capacity in this area among Polish NGOs.

However, during implementation of this project many shortcomings have been found in public information about Polish assistance. Above all, data made available for the public opinion (e.g. in annual reports) should make it possible to conduct a thorough quantitative analysis of Polish assistance. Data concerning many aspects of Polish assistance are presented in quite a summary and or exemplary way, which makes impossible any thorough analysis.

35 Source: Justification of the Act on Polish Development Assistance.

36 Source: Strategy for Poland's Development Co-operation adopted by the Council of Ministers on 21 October 2003, p. 3

For instance, in the 2005 report there are no information about:

- worth of bilateral assistance for each priority country;
- worth of particular loan agreements for aid recipient countries;
- worth of payments made to each international organization;
- worth of scholarships for students from particular countries.

Nor are there any information about the reasons for substantial expenses qualified as ODA, and the justification of how these expenses contribute to the implementation of the Strategy, e.g. the information about the loan agreements with the People's Republic of China and Uzbekistan, both worth millions of dollars. The two countries do not belong to the group of priority countries for Polish assistance and granting aid to them would require an explanation.

Complete and detailed information about Polish assistance would help assess its effectiveness and contribute to improving its quality, e.g. the following question could be considered:

- Is Polish assistance adjusted to priorities determined by aid recipient countries?
- Is potential of aid recipient countries fully used and do they have a sense of ownership of assistance provided for them by Poland?
- Do the structure and implementation of Polish development projects favour the situation where aid recipient countries take on co-ordination of development initiatives?
- Does Polish assistance really always achieve tangible results in a given place at a given time?
- Are there any tendencies to change from one-off projects to long-term initiatives and programmes?

Regularity of reporting

Another issue is the regularity of publishing information about Polish assistance, including annual reports recapitulating the totality of Polish foreign assistance. The 2005 annual report was published in June the following year and the 2006 report will be issued in September 2007. When official reports are published with such delays, continuous monitoring of changes in key decisions linked with Polish assistance is made more difficult. For this reason the ability to quickly learn from experiences in order to improve quality of Polish aid is not fully used.

5. Recommendations

Strengthening of co-ordination role of the Ministry of Foreign Affairs

The information collected during the analysis of Polish foreign assistance indicates that a stronger co-ordination role of the Ministry of Foreign Affairs (MFA) could have positive impact on the implementation of the strategy and focusing assistance on priorities.

Therefore we believe that the MFA should play a decisive role in making all key decisions about Polish assistance and in the mechanism of qualifying expenditures as ODA.

A good step in this direction is the provision in the draft of the new strategy for Polish foreign assistance stipulating that plans of particular ministries will be „subject to consultations with the MFA in terms of their consistence with priorities of Polish development policy. Consultations will consist in considering planned development actions of particular public administration bodies, including development needs of partner countries.”

It is worth highlighting that the obligation of co-ordinating development actions is underlied by international commitments: „As the obligation to co-ordinate actions within the framework of development co-operation stems from the Treaty on European Union (The Maastricht Treaty, Art. 130u-130y), on the basis of which all Member States are committed to ensuring coherence, co-ordination and complementarity of development initiatives within the European Union, in the Art. 10 of the project the role of co-ordinator of foreign assistance is assigned to the Minister of Foreign Affairs. This role of the Minister of Foreign Affairs will also be confirmed in the Strategy”³⁷.

Focusing on priorities

As the research pointed out there are considerable shortcomings in the real concentration of Polish assistance on officially established priorities. It concerns both geographical and topical priorities, including the fulfillment of the Millennium Development Goals.

We therefore believe that the MFA and other ministries undertaking actions in the field of Polish foreign assistance should introduce an initiative to set up a mechanism of interministerial consultation. It will ensure that the majority of funds and involvement of these institutions are directed to priority countries and objectives for Polish assistance, including the fulfillment of the Millennium Development Goals.

The already existing relevant provisions in official documents herald changes in the right direction. However, tangible actions and a change in specific shortcomings in the current practice are needed. These changes should apply to all phases of the cycle of Polish assistance management: programming, identification, initial assessment, funding, implementation and evaluation.

37 Source: Justification of the Act on Polish Development Assistance

Not making any new commitments contrary to the strategy

An important element of changes leading to a greater focus on priorities would be a firm introduction of the decision not to take on any new commitments contrary to the objectives of Polish development policy.

Therefore we believe that it is indispensable to urgently verify the commitments made to date, linked with sums qualified as ODA, including:

- Loan agreements;
- Debt reduction agreements;
- Agreements in the field of scholarships and higher education,

and make a decision publicly calling on particular ministries and government offices not to conclude new agreements which would run contrary to the objectives and priorities of Polish assistance.

Transparency in informing about Polish development co-operation

We are convinced that transparent and thorough information for the public opinion – going beyond promotion of chosen initiatives – would contribute to higher quality of Polish assistance and better understanding of it in the Polish society.

Therefore we think that detailed and complete information about the volume of particular expenses qualified as ODA, especially within bilateral assistance, should be featured in the MFA reports. A detailed list of expenditures should be included at least in the form of an annex, e.g. a set of tables featuring numerical data at the end of annual reports – as it is in many countries which are members of the Development Assistance Committee (DAC) of the OECD. We see as a positive step in this direction the statement included in the draft of the new strategy for Polish foreign assistance about Poland joining the DAC by 2010. We however believe that the elaboration and publication of detailed statistics by Poland, consistent with the guidelines for the DAC member states, should start earlier.

Moreover, all decisions about spending substantial sums of money which do not clearly result from the strategy for Polish assistance should be clearly justified in annual reports on Polish aid. The obligation to prepare a written justification should lie with the institution recommending realization of a particular expense.

Finally, it must be kept in mind that the date of publication of reports makes sense not only in terms of promotion. Reports should be the source of conclusions for the future, a tool of evaluation. Complete and regular information about strengths and weaknesses of Polish assistance in further reporting periods would give rise to public debate over possible changes in Polish assistance and would lead to greater acceptance of it in the society.

Limiting tied aid

We believe that the Polish system of providing assistance requires not only quantitative changes but also qualitative ones. One of the first steps to take in order to improve the quality of Polish assistance should be a decision to stop tying aid.

A positive move in this direction is the declaration included in the draft of the new strategy for Polish foreign assistance, which reads: „In consistence with dominating trends in international development co-operation Poland will gradually increase the share of untied aid in the total foreign assistance, which means that granting funds to recipients will to a lesser extent depend on purchasing goods and services from only Polish companies or nationals by recipient countries. It will help Poland get closer to standards observed by the majority of the OECD countries in this area and adapt to the DAC Recommendation on Untying Official Development Assistance to the Least Developed Countries.” We however believe that this declaration should be supported by a concrete plan of actions in this respect and it should be made public.

Why is it important to change from tied aid to untied aid? Making assistance depend on purchasing goods or services produced by the donor country affects aid quality. This practice increases costs of assistance (because only companies and organizations from donor countries can apply for the implementation of assistance) and as a result less goods and services can be bought for the same amount of money. Moreover, tying assistance favours bending priorities of aid recipient countries to suit interests and priorities of donor countries. According to the United Nations Development Programme (UNDP) report, untying aid would increase its value even by 30 per cent without having any significant impact on economies of donor countries.

Final recipient-oriented assistance

Polish Development Assistance consists not only of money transfers to developing countries but also support given to specific democratic, infrastructural or educational initiatives in these countries. In order to make the aid effective it is essential to examine the most important needs and determine basic notions concerning effectiveness of assistance actions.

Undertaken actions are aimed at final recipients who are both women and men and their expectations are often quite different. Poland, honouring its commitments (the European Community Treaties and the Millennium Development Goals) to building and further implementing development policy, should include in it initiatives promoting gender equality in all actions implemented with funds from Official Development Assistance and also examine whether these basic principles of democracy are being observed. Chances of both sexes will thus be more equal and needs of particular societies fulfilled in a more effective manner.

6. Literature

Key documents related to Polish assistance:

- Strategy for Poland's Development Co-operation, adopted by the Council of Ministers on October 21, 2003;
- Draft of the new strategy: Solidarity, Development and Freedom – Strategy for Polish foreign assistance for the years 2007-2013, Ministry of Foreign Affairs, 2007;
- Draft of the new Act on Foreign Assistance and the Justification of the Act, Ministry of Foreign Affairs, 2007;
- Subsequent annual plans on Polish assistance:
 - Framework plan of development actions of the Ministry of Foreign Affairs for 2005, Ministry of Foreign Affairs, 2005;
 - Public information about directions and priorities of Polish foreign assistance and development co-operation in 2006, Ministry of Foreign Affairs, 2006;
- Subsequent annual reports on Polish assistance: 2004 and 2005, Ministry of Foreign Affairs.

Selected foreign documents related to assistance:

- European Consensus on Development, 2005;
- Paris Declaration on Aid Effectiveness, 2005;
- Guidelines of the Organization for Economic Co-operation and Development (OECD);
- Millennium Declaration and the Millennium Development Goals, 2000;
- Monterrey Consensus, 2002;
- Code of Conduct on Images and Messages;
- EU aid: genuine leadership or misleading figures, Concord, 2006;
- Hold the Applause! EU governments risk breaking aid promises, Concord, 2007.

Annex 1. The objectives, scope and methodology of the project

The spectacular rise in budget resources allocated for foreign assistance since 2004 and intensified development assistance activity of the country combined with institutional changes in Polish aid call for special attention of the public opinion. The analysis of data and the statement issued by non-governmental organizations and communicating it to decision-makers and the society can contribute to strengthening public debate over the shape, directions and effectiveness of Polish assistance.

The objectives of the project within the framework of which the present research has been carried out are the following:

- Obtaining additional data that can explain sums spent on foreign assistance from institutions of the public administration working in the area of development aid;
- Stimulating the debate among non-governmental organizations³⁸ over the shape of Polish development assistance;
- Elaborating a report on Polish development assistance³⁹;
- Communicating the data and analysis to the public opinion and politicians.

The subject of the research was foreign assistance activities of Polish government institutions. It had two major implications for the detailed determination of the project scope.

Firstly, the reference was made to the macro scale, i.e. the totality of the country's activities and the implementation of the country's strategy for foreign assistance. For this reason the research did not cover such issues as effectiveness of specific projects financed through funds qualified as Polish Official Development Assistance or the evaluation of Polish assistance in comparison with particular countries or sectors. However, these questions have been the subject of analysis of NGOs and the dialogue with the Ministry of Foreign Affairs for several years. During public consultations NGOs communicate their position on particular issues, e.g. the structure and procedures of calls for proposals for NGOs concerning realizations of tasks in the area of foreign assistance. The contents of these positions and statements are presented on the Zagranica Group's website (www.zagranica.org.pl).

Secondly, the subject of the research conducted by NGOs is assistance granted by all government institutions; this aid should be treated as one entity, taking into consideration the fact that it is being implemented within the framework of the strategy adopted by the Council of Ministers⁴⁰. The main actor and co-ordinator of activities in this field is the Ministry of Foreign Affairs⁴¹, other ministries and government offices however fulfill an important function – both in the implementation of particular initiatives and in the decision-making process about allocating funds, in some cases quite substantial, which in annual reports are qualified as Polish ODA. For this reason the research examines not only the issues linked with funds in possession of the MFA but the totality of assistance reported by Poland as ODA.

38 The main recipient are above all member organizations of Zagranica Group which groups together Polish non-governmental organizations involved in foreign actions or working for the cause of foreign countries. The project also made it possible for other organizations to participate in it.

39 Initially, the report was to deal with Polish development assistance in 2006. However, because of later than predicted publication of the MFA official data for 2006, it was decided to research the data for 2005 and the information on Polish foreign assistance in 2006 which could be obtained before the publication of the present report.

40 The strategy for Poland's Development Co-operation was adopted by the Council of Ministers on 21 October 2003.

41 This role is unequivocally assigned to the MFA by the 2003 Strategy as well as the draft of the strategy for the years 2007-2013 and the draft of the Act on Polish Development Assistance.

Another dilemma in the research on Polish assistance is the necessity to consciously distinguish between the terms *development assistance* and *foreign assistance*. It is not only about the terminology but different ranges of issues.

To simplify things, development assistance concerns above all poverty reduction in the context of sustainable development and the achievement of the Millennium Development Goals, whereas foreign assistance covers both development aid and assistance in the areas of enhancing democracy and development of the civil society abroad. The differences between these scopes are characterized in the chapters of the present report, devoted to basic information about development co-operation and foreign assistance.

The analysis of Polish assistance is based on the following sources:

- Documents of the public administration bodies, mainly the Ministry of Foreign Affairs (MFA) – officially issued⁴² or made available to the wider audience during consultations⁴³;
- Talks held with representatives of the MFA;
- Statements made by representatives of the MFA and materials made available at conferences, seminars and consultative meetings;
- Oral accounts by participants and written reports from conferences, seminars and consultative meetings;
- Answers given by the public administration bodies to questions about Polish assistance;
- Other publicly available sources of information about Polish foreign assistance⁴⁴;
- Foreign reports and analyses referring to Polish aid – in totality or in part⁴⁵.

Additional sources helping place Polish assistance in the international context, particularly the European Union, are documents officially adopted by international institutions and organizations such as the Organization for Economic Co-operation and Development (OECD) and the European Commission.

The project was conducted according to the principle of transparency. An open and participatory nature of work was very important as one of the objectives of the project is supporting debate between non-governmental organizations, especially among the members of Zagranica Group. The project is focused on both elaboration of tangible effects (the report) and the process itself (the debate).

One of the first results of the project was the establishment of the working group, within Zagranica Group, whose mission is to monitor Polish development assistance. Representatives of the following NGOs took part in the first meeting of the working group in January 2007: Centre for International Relations, Education for Democracy Foundation, Gdansk Educational Foundation, Zagranica Group, Jan Nowak-Jeziorański College of Eastern Europe, Network of East-West Women-Poland, Polish Humanitarian Organization, Polish Medical Mission Association and Polish Green Network. The representative of the Polish Institute of International Affairs (PISM) also attended the meeting. By participating in the second meeting of the working group in July 2007 the

42 The main source of official documents is the website on Polish foreign assistance run by the Ministry of Foreign Affairs – www.polskapomoc.gov.pl.

43 Documents such as e.g. the draft of the new Act on Polish Development Assistance, which have not yet been published on the website.

44 E.g. the Official Journal of the Ministry of Foreign Affairs

45 E.g. the report by Bank Watch on the European Investment Bank

representatives of the International Initiatives Bureau and the Foundation for Lubelskie Development also got involved. It is worth noticing that six out of all the organizations attending the meetings come from other towns than Warsaw.

An element of the project enabling to benefit from experiences of Western organizations was the work on the Polish part of the Concord report⁴⁶, the European NGO Confederation for Relief and Development dealing with development assistance of the EU. The report „Hold the Applause! EU governments risk breaking aid promises”⁴⁷ was issued on 11 May 2007 in Bruxelles, Belgium, and in many other countries. Within the framework of this project the Polish version of press release was prepared, presenting key message of the report. The press release was then sent to the chosen media and also published on the websites of Zagranica Group, Polish Green Network and Polish Humanitarian Organization. Co-operation with European organizations involved in monitoring assistance helped elaborate methods of analysis of Polish assistance. It was the continuation of the work started in 2006 when Polish NGOs got engaged in preparing the Polish part of the Concord report entitled „EU aid: genuine leadership or misleading figures”.

The most important dilemma about the structure of the present report was the choice of the main reference point of the research. Eventually, it was established that the principal findings of the research will be built around the comparison between the declared objectives of Polish assistance and their realization.

The projects of Polish organizations including monitoring of development assistance

Several individual organizations that were part of the working group and participated in the elaboration of the present report are also involved in collecting and analyzing data on Polish foreign assistance.

The Polish Humanitarian Organization is conducting a project analyzing Polish development policy. Within the framework of this project the statements on key development co-operation issues from Polish political parties were collected. The project is financed by the Presidency Fund⁴⁸.

The NEWW-Poland is conducting a project aiming to support transparency of the European development policy with special emphasis placed on assistance provided for women. The project is financed by the Presidency Fund.

The Polish Green Network is involved in the project „Poland for the Global South”, in which it is monitoring Polish development policy and its reference to international commitments. The project is financed by the Presidency Fund.

The Centre for International Relations has been conducting a biannual project of monitoring Polish foreign policy since the beginning of 2007. One of the elements of the project will be a report on Polish foreign assistance.

46 Concord is a confederation of 19 international networks and 22 national associations from the EU Member States and represents more than 1,600 NGOs working in the area of development co-operation. More information on www.concordeurope.org.

47 Hold the Applause! EU governments risk breaking aid promises, Concord, 2007

48 The Presidency Fund, <http://www.presidencyfund.org>

Annex 2. European monitoring of development assistance

The project of analysis of Polish development assistance is an element of a broader process of monitoring development aid, conducted by non-governmental organizations in the European Union.

In 2006, the first joint report on this subject, „EU aid: genuine leadership or misleading figures”, was published by Concord, the European NGO Confederation for Relief and Development.

Based on the experiences from this report the second Concord report „Hold the Applause! EU governments risk breaking aid promises”, was issued in May 2007. It features information about all 27 EU Member States and assistance granted by the European Commission. Below we present the main outcomes of this report as it constitutes one of the reference points for Polish assistance monitoring.

The main contents of the report published in 2007

Many European governments report higher than genuine data on aid figures by qualifying as ODA debt cancellations, particularly in cases of Iraq and Nigeria. European governments also count as ODA refugee-related costs and student costs spent in Europe. Such non-aid expenditures amounted to 13.5 billion EUR in 2006, i.e. one third of European ODA.

The report states that this amount of money can help: 1,400 women in poor countries, dying every day because of lack of proper medical care and 4,000 children who die of diarrhoea as well as 80 million children who need access to education. If European governments will not change their actions by 2010 poor countries will receive from Europe 50 billion EUR less than was promised to them.

European governments still mislead the public when providing aid figures as nearly one third of funds counted as ODA in reality is not genuine development assistance. Italy, Greece, Portugal and Spain did not at all meet their minimal target set for 2006. The report indicates that when non-development aid expenditure is excluded, it turns out that France, Germany and Austria did not reach the scale of aid they initially declared.

The report highlighted that European governments pledged to substantially increase assistance for Africa, but aid funds for this continent have not changed since 2004. In 2006 the share of aid granted to Africa by Europe even decreased.

Non-governmental organizations confirmed that more resources are needed for development aid, but only increasing the volume of aid is not sufficient. European countries have a moral obligation to both increase aid budget and ensure that resources are directed to appropriate places and effectively spent on helping the poorest people in the world.

CONCORD's recommendations

- Provide genuine increases in European aid. Seven out of 15 European governments missed their 2006 target when non-aid items are excluded. EU governments must increase genuine aid budgets to meet their minimum targets by 2010 and their 0.7 per cent target by 2015.
- Agree clear and binding year-on-year timetables to reach, at a minimum, the 2010 and 2015 targets with genuine aid resources.
- Stop including refugee costs, student costs and debt relief in official aid reporting. Rich country governments present in the Development Assistance Committee of the OECD, which is responsible for official aid statistics, should change the rules to ensure that debt cancellation, imputed student costs and refugee costs cannot be counted as ODA. The DAC must also reject efforts by some members to broaden the rules further to include additional security-related expenditures.
- Improve transparency in aid reporting.
- End all tied aid.
- Ensure that aid is focused on fighting poverty and inequality.
- Take further steps to make aid more effective.

Poland in the CONCORD's report

In the part of the report devoted to Polish aid, prepared by Polish non-governmental organizations, it can be read, among other information:

- reporting cancellation of part of Iraqi debt, now amounting to about 450 million EUR, as ODA, can have huge impact on quality of Polish aid;
- share of refugee costs in Poland's bilateral assistance budget is almost twice as high as the whole Polish bilateral assistance for Poland's priority countries;
- only 12 per cent of Poland's bilateral aid in 2005 was spent on priority countries.