Development Policy in the Accession Countries

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As negotiations between the European Commission and ten of the accession countries on the adoption of the acquis communautaire are now closed, the impact of enlargement on EU development policy is drawing the attention of an increasing number of people. Following the Conference on Financing of Development in Monterrey, the pressure on accession countries to develop national development policies is growing. As a consequence, some of them have worked hard to set up institutions and increase their ODA. Within a year, such changes have occurred in the field and in the public debate, that it seemed necessary to up-date and partly re-write this report. I would like to thank all those who have helped me in this task either by providing insider’s information in the accession countries, by giving their comments and suggestions or by giving me the opportunity to present and discuss the first version of this report.

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## Glossary

CIDA: Canadian International Development Agency  
CZK: Czech currency  
DAC: Development Assistance Committee within the OECD  
DG: Directorate General of the European Commission  
EC: European Commission  
EDF: European Development Fund  
EEK: Estonian currency  
EU: European Union  
IMF: International Monetary Fund  
LDC: Least Developed Country  
MFA: Ministry of Foreign Affairs  
NGDO: Non-Governmental Development Organisation  
NGO: Non-Governmental Organisation  
NPAA: National Programme for the Adoption of the Acquis  
OA: Official Aid  
ODA: Official Development Assistance  
OECD: Organisation for Economic Cooperation and Development  
TEU: Treaty of the European Union  
UN: United Nations  
UNDP: United Nations' Development Programme  
USAID: United States' development agency  
USD: US Dollar
Development policy is the third essential element of the European Union's external activities (alongside with trade and politics). Following the Treaty of Amsterdam, the objectives of the EU development policy should be taken into account in all the other policies which are likely to affect developing countries (Art. 178 TEU). Like all the common policies of the EU, it is an integral part of the acquis communautaire, therefore the future member states will have to participate in it upon their accession, contributing to the financing of development assistance and taking part in the decision-making process and the implementation as well.¹

Despite these facts, the EU seems to have realised only recently what it will imply for the accession countries.² Following the EU's commitment in Monterrey to devote an average of 0.39% of its total GDP to ODA from 2006 on, the problem is even more acute: how will the new member states be able to increase their ODA enough to reach the 0.33% target (theoretically the minimum for each individual member state), and if they do, will they have the capacity to spend the money effectively? But still there is no official document of the EU defining what the accession countries should achieve in the field of development and humanitarian assistance.³ Accordingly, the situation varies considerably from one country to another with regard to this topic.

The Task Force for Accession Negotiations focused on the capacity of the accession countries to apply the rules of the Cotonou Agreement (especially the preferential trade system) and to contribute to the next European Development Fund (EDF). Yet the European Union is, together with the member states, the first provider of development assistance in form of financial aid, technical cooperation and know-how transfer in the world. The cooperation with African, Caribbean and Pacific countries in the framework of the Cotonou Agreement represents only one part of the common development policy.

In order to participate effectively and to contribute to EU development policy, it seems absolutely necessary for the accession countries to have adequate administrative infrastructure and sufficient knowledge of the problems faced by developing countries. Their own development policy will allow them to formulate interests and preferences in the field of development cooperation and it should also contribute to the awareness-raising process among the population.

¹ Annex 1.
² A few seminars were organised in 2002 on the subject. See programs and speeches on: http://europa.eu.int/comm/development/elarg_en.htm
³ „Comment on the Regular Reports“, TRIALOG News No.1.
Some of the accession countries have already implemented official cooperation with developing countries during the Soviet period (Czechoslovakia for instance, was providing technical assistance from 1966 to its dissolution). But this policy was stopped as the Soviet bloc was dismantled and the countries concentrated on their own political and economic problems. Therefore all the accession countries are facing the challenge of establishing a development policy, or at least of restructuring and modernising their development policy to a high degree.

Most of the accession countries are becoming aware of their new responsibility as emerging donor countries. Even if they were not asked to make clear commitments towards this issue, the majority of them has begun to establish a national development policy following more or less the model of the Member states’ development policy.

The aim of this report is to provide a picture as detailed and up-to-date as possible of the official development policy in the accession countries, focusing especially on development assistance rather than on trade and customs. As this policy has been established very recently or is still in the process of being created, the on-going discussions and the short and medium term plans will be taken into account as well whenever it is possible.

This study covers the following countries: Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia.

The first part of the report will examine the progress of these accession countries regarding the establishment of a development policy on a separate basis, as far as they have launched the process at all, whereas the second part will make some comparisons.

Concerning the aim of the report, three preliminary remarks should be made:
First of all, this report is not an evaluation of the countries’ development policy. This would go far beyond its scope.

Secondly, the author doesn’t pretend to make a comprehensive study of this policy, because it is relatively new in those countries and there is a lack of information, and in some cases of transparency. The report will focus on some basic elements of a development policy, which will be described in as much detail as possible.

Finally, in some cases development policy will be treated along with humanitarian aid. The reason for avoiding a clear and systematic distinction between the two areas is twofold. One reason is practical: in many cases the same institutions and persons are responsible both for development and for humanitarian assistance, which are funded by the same budget line. Another reason is that humanitarian aid can be seen as a first step towards more continuous cooperation, allowing the new donor countries to experience solidarity in small-scale projects before getting involved in huge programmes, and thus can be seen as a part of the process of establishing an official development policy. However, whenever it
is possible the distinctions between various kinds of assistance as defined by the DAC will be respected.

In order to describe the development policy of the accession countries in a way allowing comparisons, a list of basic elements of a development policy have been set up. These basic elements form the “structure” dedicated to development policy. This structure comprehends:

- The administrative infrastructure: institutions active in development cooperation and humanitarian aid at governmental level, experts and staff.
- The legal and political framework: laws influencing the decision-making or the implementation of development and humanitarian assistance, documents setting the goals and priorities of development cooperation.
- The budget allocation for development and humanitarian assistance: contribution to international institutions and bilateral aid.

A second part in each country’s presentation will aim to show how the various actors are using these new structures: what sort of actions are being carried out in the framework of development policy, and how governmental institutions are cooperating with other actors (particularly NGDOs and international organisations).
C Y P R U S

Cyprus applied for membership in the EU in 1990. Negotiations on the Chapter 26 were provisionally closed in the first half of 1999 and definitely closed in December 2002. In the Regular Reports 2001, the European Commission stated that “preparations should be made to ensure that administrative infrastructure for development cooperation in the EU framework is in place upon accession”. In 2002, Cyprus has begun to design its foreign assistance policy so as to be able to keep up with the ODA target of the EU (at least 0.33% of GDP) in a medium-term perspective.4

THE ADMINISTRATIVE INFRASTRUCTURE
Development and humanitarian assistance are administered by the Ministry of Foreign Affairs, the Ministry of Finance and the Planning Bureau (an office attached directly to the government).
The overall design for Cyprus’ development policy is presently under discussion. Mr Theodorakis (DG Development) and Mr Loverdos (Greek Deputy Minister of Foreign Affairs) were invited in order to present the European development policy and an example of a member state’s ODA to government officials in Cyprus.

THE LEGAL AND POLITICAL FRAMEWORK
The only legal document dealing with development and humanitarian assistance is The Government Scheme for Technical Assistance to Foreign Countries, which is designed and implemented by the Planning Bureau. It contains the programme and framework for bilateral cooperation with countries in transition in Central and Eastern Europe.
Probable sectoral priorities for future ODA are education, training, services and tourism.5

THE BUDGET ALLOCATION
The budget earmarked for the implementation of the Technical Assistance Scheme amounts to 200,000 CYP (that is about 350,000 Euro). In 2002, the funds for foreign assistance reached approximately 1.5 million CYP (2.6 million Euro), comprising bilateral assistance (humanitarian assistance, scholarships etc.) as well as obligatory and voluntary contributions to the UN. 48% of this sum was provided by the Ministry of Finance.6

THE IMPLEMENTATION
The Technical Assistance Scheme is designed primarily to provide assistance to countries in transition in Central and Eastern Europe and the states of the former Soviet Union. It consists mainly in know-how transfer in form of scholarships, short-term practical training

4 Written interview.
6 Written interview. Regular Reports 2002.
for government officials and the sending of experts in both institutions and private companies of recipient countries.  

**CZECH REPUBLIC**

The Czech Republic applied for membership in the EU in January 1996 and was in the first group to open negotiations in March 1998. The Chapter 26 on “External relations”, in which development policy and humanitarian aid are addressed, was closed provisionally in the first half of 2000. Negotiations on the *acquis* were definitively closed in December 2002.

The Czech Republic has a long tradition of development cooperation with the South. But its development practices needed to be adapted, so that they are now undergoing a process of complete evaluation and restructuring.

**THE ADMINISTRATIVE INFRASTRUCTURE**

Concerning the administrative infrastructure, some changes are planned for the coming period. Presently the institutions involved are mainly the Ministry of Foreign Affairs, which is responsible for development and humanitarian assistance and has a supervising and coordinating role, and the line ministries who are active in the implementation and the decision-making process. The line ministries (Ministry of Agriculture, of Health, of Industry etc.) submit project proposals to the MFA, based on proposals identified by various stakeholders in the field (institutions, universities, private companies, NGOs etc.). An interministerial commission is responsible for selecting the projects which fit with the policy and financing objectives.  

For this task it benefits from the advice of the Development Centre (which was created within the Institute for International Relations in September 2001, in the framework of a capacity building project monitored by the UNDP). Together with projects of the MFA they are incorporated into a yearly plan of development aid projects and submitted to the government for the final approval and financing. The line ministries are in charge of the implementation of their projects and they receive the financing directly from the Ministry of Finance. They have to report on their results to the MFA.

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7 Written interview.  
8 Written interview.  
9 UNDP, "Promotion of National Capacities for International Development Cooperation". CEH/99/001. The cooperation between the UNDP and the Czech Republic on capacity building will continue till 2004.
After an evaluation of development cooperation in the years 1996 to 2000, it appears that this organization is not as effective as it should be. Especially the weak position of the MFA and the annual funding system are not favouring coordination and continuity. Based on proposals of the Development Centre, the MFA submitted to the government a new **Concept of the Czech Republic Foreign Aid Program for the 2002-2007 Period**. The **Concept** was approved in January 2002. In its chapter dealing with institutional matters, it suggests a plan in two stages to improve the institutional arrangement for delivering aid.

The first stage is presently applied and it constitutes a transition towards the second stage, which should start after EU accession in 2004. Its main innovation consists in the setting up of the Development Centre. As for the second stage, two alternative institutional systems are currently under discussion and a decision should be made in 2003. In any case there should be a multi-year funding system. A Development Agency should take over the role of the Development Centre and become responsible for the implementation of foreign aid projects.\(^\text{10}\) It should allocate the funds for the individual projects and accredit selected institutions (NGOs, private companies, etc.) to carry out these projects. The MFA should keep the role of defining the broad lines and concepts of development policy and it should participate to the steering committee of the Development Agency, together with representatives of the line ministries. The real difference between the two proposed models seems to concern mainly the role of the MFA regarding financial flows.

In addition to the Development Agency, it is planned to establish a Foreign Aid Council with an advisory role. It will be formed of representatives coming from the ministries and of representatives of civil society (NGOs, media, academic institutions etc.).

The overall goal of these changes is to build institutions able of providing effective aid in accordance with the DAC principles (the Czech Republic is not yet member of this Committee, but it plans to become member in the few next years) and to be able to participate to the EU development policy. Concerning this last point, a document called **Outline of Envisaged Rights and Obligations of the Czech Republic in the Field of Foreign Development Aid After the Accession to the EU** has been presented to the government in December 2001.

**THE LEGAL AND POLITICAL FRAMEWORK**

The most important piece of the legal framework influencing development cooperation is the Resolution N° 153/1995 **Principles for providing Czech Development Assistance**. It was adopted in 1995 and sets goals and criteria for development assistance. During the first

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10 All these details are to be found in *The Concept of the Czech Republic Foreign Aid Program for the 2002-2007 Period* and in the contribution of P.Halaxa, P.Jelinek and J.V.Krouzek in: M.Dauderstaedt, *EU Eastern Enlargement and Development Cooperation*. Bonn, 2002. Pp. 20-29.
stage (i.e. till EU accession) it will remain the legal basis for development policy. But after this
date it should be amended, so as to take into account the institutional and political changes.
The Concept of the Czech Republic Foreign Aid Program for the 2002-2007 Period outlines the revised targets and principles of foreign aid as well as the territorial and sectoral priorities. The main target is poverty reduction, in accordance with the Millennium Development Goals, cross-cutting targets being democratisation, integration of developing countries into the global economy and improvement of environment. The principles guiding development assistance should be partnership, efficiency and transparency. Concerning this last point, the Czech Republic also mentions the need of development education and information of the public and civil society (for instance, through the publication of an annual report on development policy).  

Presently the top receivers of Czech development assistance are the Ukraine, Yugoslavia, Palestine and Romania (they received between 1.5 and 3.2 million USD each in 1999-2001). In the Concept, 20 countries have been selected to be priority regions for development cooperation, but discussions are not closed and the list of countries will probably be shortened. Among them there are presently also countries from Sub-Saharan Africa (Namibia, Angola, Mali …) and Latin America (Nicaragua, El Salvador, Bolivia). Some of the priority sectors are environmental protection (all countries), infrastructure (Europe and Asia), agriculture, education and health (Africa and Latin America). In 2001, about 11% of ODA went to LDCs.

THE BUDGET ALLOCATION

In 2001, 1007.2 million CZK were spent on ODA, that is about 26.48 million USD representing 0.047% of GDP, including 568 million CZK for bilateral ODA and 439 million CZK for multilateral ODA (contributions to international organisations). 339 million CZK were spent on Official Assistance to countries in transition. In 2002, according to the provisions made in the Concept, ODA should have remained steady in absolute terms (total of 750 million CZK, 0.036% of GDP), but it seems that the amount earmarked for foreign aid projects was not fully disbursed.

From 2004 on, the Czech Republic will contribute to the EU budget, part of which is being used for development assistance, and to the EDF. As these funds will be counted as

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12 These figures are calculated according to DAC statistical rules, in Report on the Foreign Development Cooperation of the Czech Republic, p.22. They differ from the amount estimated in the NPAA 2001 and in the Concept (350 million CZK for bilateral and 400 million for multilateral ODA).
13 According to Jan V.Krouzek (Institute for International Relations, Development Centre, Prague) the sum really disbursed for foreign aid programs will reach 200 million CZK in 2002 (Previsions: 350 million CZK) and about 350 million CZK in 2003 (Previsions: 500 million CZK).
multilateral aid, the share of multilateral aid should increase in 2004 up to 70%, but the overall trend is to decrease its share and increase bilateral aid (which is strongly preferred by the line ministries).

A medium-term outlook for the financing of foreign development aid should be presented to the government before the end of 2002. With regard to the commitments made by the EU at the Monterrey Conference, it is planned to increase the share of ODA up to 0.1% of GDP till 2007, so as to reach at least the lowest level of aid budget of aid-providing OECD countries. The budget for development assistance is still divided among 11 line/sectoral ministries who are responsible, under the coordination of the MFA, for the identification, preparation, implementation and evaluation of development aid projects. After the institutional reforms of 2004, a multi-year financing plan should be established in order to ensure a more sustainable support to development assistance projects and programs.

**THE IMPLEMENTATION**

There is no agency responsible for the implementation of assistance yet. Each line ministry is responsible for the implementation of the projects it has proposed.

Over the years 1996-1999, about two-thirds of the projects were proposed and implemented by the Ministry of Industry and Trade and the Ministry of Education, Youth and Sport. In 2001, 79 projects were implemented in about 50 countries (both OA and ODA).

Part of the implementation of Czech development assistance is made through the framework of the UNDP Trust Fund Agreement, signed in June 2000 for a time period of 4 years. This fund is financed by the Czech government (total amount of 1.05 million USD). The objective is to strengthen Czech capacities to deliver development assistance by using the technical know-how of the UNDP.

Two projects are carried out through the Trust Fund. One of them is a project for “Strengthening of Czech Cooperation with Developing/Transition Countries in the Area of Sustainable Industrial Development and Good Governance” and it is implemented by the NGO “EDUCON Prague”. The other is called “Promotion of Capacities among Developing/Transition Countries in the Area of Small and Medium Scale Enterprises and Protection of Environment”.

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15 MFA: *The Concept…* p.14. It seems that the deadline for reaching the 0.1% goal has been pushed back. It should have been 2004 (FAO Committee of the Czech Republic, UNDP CEH/99/001).
17 FAO Committee.
18 EDUCON Report.
Within the aim of adapting its development policy to DAC criteria and practices, implementing actors of the Czech development assistance will have to get used to new methodologies for implementation and evaluation. The Development Centre is already carrying out training seminars in Project Cycle Management, in partnership with the NGO Development worldwide (200 persons participated to this program in 2002).\textsuperscript{19} In the Concept the Czech Republic acknowledges the fact that it will have to go over to long-term programs of cooperation with a precise sectoral and territorial focus and to improve the selection and combination of the smaller projects in order to make them more coherent, more sustainable and more effective.\textsuperscript{20}

THE INVOLVEMENT OF NGOS

NGOs are involved in the implementation of development assistance through contracting-out by the UNDP Trust Fund, and by the government as well. Especially People in Need Foundation, Caritas and ADRA, which are the biggest Czech NGOs active in this field, are cooperating with the government.

In September 2002 the Czech National Platform of NGDOs was launched in Prague. It is called FoRS (České fórum pro rozvojovou spolupráci – Czech Forum for Development Cooperation). It is formed of 14 NGOs working on development cooperation, development education and relief. The project receives financial support from CIDA, within the framework of its ODACE program. Its creation will probably facilitate and accelerate the reforms planned by the MFA, especially those concerning cooperation with civil society: the establishment of a Foreign Aid Council as an advisory body and the institutionalisation of cooperation procedures between the future Development Agency and NGDOs.

A concept called “Support for the Work of Volunteers in International Organisations” is currently in a draft stage and will probably impact on NGDOs’ work abroad (for instance Volonté Czech).


\textsuperscript{20} Petr Halaxa: \textit{Development Co-operation Program of the Czech Republic}, EADI General Conference, Ljubljana, September 19-21, 2002.
ESTONIA

Estonia gained its independence from the USSR in 1991 and since then it has experienced a successful transition to democracy and market economy.

Estonia applied for membership in the EU in November 1995. Negotiations were opened in March 1998 and, as for Chapter 26 “External relations”, provisionally closed during the first half of 2000. Negotiations were definitively closed in December 2002.

In 1998 a budget was devoted to development policy for the first time. Since then, the structures for a development policy have been improved and practices adapted to the EU and OECD standards.

THE ADMINISTRATIVE INFRASTRUCTURE

The administrative capacities for development policy were increased in autumn 2001, with the creation of a separate Development Cooperation Division within the External Economic Policy Department. This division employs four persons and its task is basically to plan and organise the implementation of development assistance. Other ministries are involved only on a case-by-case basis, providing for instance expertise on technical matters. The Parliament is involved in development policy when it comes to discussing political and financial commitments. In 2002 development appeared four times on the agenda of the plenary sessions.

THE LEGAL AND POLITICAL FRAMEWORK

The government made clear commitments towards the establishment of a development policy in the NPAA, and till now the agenda has been respected as for the adoption of a legal and political framework for development cooperation.

Even if Estonia is not member of the OECD, it supports the goals and strategy for development cooperation adopted by the OECD and it reports yearly to the DAC.

On January 20th 1999, the Estonian Parliament adopted the Principles of Development Cooperation for the years 1999-2000. The document was elaborated in cooperation with the Nordic countries and it provides the conceptual basis for development and humanitarian assistance. It is planned to up-date it regularly, in order to integrate changes in the international situation and in internal development of Estonia’s economy and interests. The latest version of the Principles has been adopted by the Parliament on January 15th 2003. It now makes an explicit reference to sustainable development and to the Millennium Development Goals and it stresses the necessity to raise awareness among public opinion on development issues.

The Principles will remain the main legal basis for development cooperation, as the idea of a Development Cooperation Act has been abandoned after discussions in 2002. The Foreign Relations Act adopted on January 28th 2003, presents the plans for the near future. The government should lay down the rules of procedure for development coopera-
Development cooperation is seen by the government as “an increasingly important foreign policy instrument for Estonia.” Several reasons for an active development cooperation policy are mentioned in official documents like the Principles: moral, of course, but also political (joining the EU and securing stable relations with neighbouring countries), economic (creating new contacts and spreading Estonian goods and services) and historical (introducing Estonian culture to other people).

For the choice of the recipient countries, Estonia has adopted a “value-added approach”, cooperating mostly with transition countries which can benefit from its experiences in political and economic reform. But in the reviewed version of the Principles there is no list of priority regions.

THE BUDGET ALLOCATION

Since 1998, there has been a special budget allocation for development and humanitarian assistance.

In 1999 and 2000, the budget line for development provided approximately 7 million EEK (about 0.45 million Euro), that is 0.009% of GDP. In 2001 it remained stable at 470,000 Euro, that is 0.001% of GDP and in 2003 it will remain the same. According to DAC statistics, the funds allocated to multilateral and bilateral OA and ODA amounted to 0.81 million USD in 2001 (0.68 million USD in 2000). Part of this funds are allocated to international organisations as voluntary contributions. OA is granted on a bilateral basis, whereas half of the ODA is allocated through multilateral channels (in 2001 0.23 million USD bilateral and 0.26 million USD multilateral ODA).

THE IMPLEMENTATION

Estonia is involved in bilateral and trilateral cooperation as well. An example of bilateral cooperation is included in the Memorandum of Understanding signed between Estonia and Georgia, which organises training programmes for border guards for instance. In 2001, there were 11 projects implemented in countries of Eastern Europe and Central Asia. One project in the field of development education was carried out with the Jaan Tonisson Institute. For the 2002-2003 period, Estonia wants to expand
its activities in Central Asia in the area of information and communication technologies, media, energy and environment.\textsuperscript{26} On a trilateral basis, Estonia participates to the CUBE programme between Canada, Baltic States and the Ukraine for the training of Ukrainian civil servants.

THE INVOLVEMENT OF NGOS

Around one third of the foreign aid was implemented with the cooperation of NGOs in 2001.\textsuperscript{27} Official documents of the government and the Principles acknowledge the importance of NGOs in development policy and humanitarian aid. There is a general framework for the cooperation between governmental institutions and civil society (the Concept for the Development of the Civil Society in Estonia), but no formal procedure for the involvement of NGOs in the formulation of development policy exists at the moment. However, in 2002, 10 organisations and some individuals launched the Estonian Development Cooperation Roundtable. This forum acts as an informal national platform of NGDOs: it has submitted a joint position on the Principles in October and it will help to coordinate common projects (lobbying, development education, research, implementation of development projects, like for instance a fair trade project).\textsuperscript{28}

HUNGARY

Hungary was among the first countries of the former Soviet bloc to sign the Europe Agreement (covering political dialogue, law approximation and economic cooperation) in December 1991. The country has experienced a rapid transition towards democracy and market economy. Hungary applied for membership in the EU in March 1994 and negotiations were launched in March 1998. Negotiations on Chapter 26 were provisionally closed in the second half of 2000. Negotiations on all chapters were definitively closed in December 2002.

During the 1970s and 1980s, Hungary had a comprehensive development policy and was delivering technical assistance to more than 50 countries all over the world. After the break-down of the communist regime Hungary continued cooperation with some develop-

\textsuperscript{26} MFA Press.
\textsuperscript{27} Regular Reports 2002.
\textsuperscript{28} Written interviews.
ing countries for some years, but it ceased when the cooperation framework came to its end. In 1999 and 2000, Hungary had no development policy at all. According to the EU, “Hungary still needs to progressively shape a development policy in accordance with EC lines.” First steps in this direction have been undertaken since 2001.

THE ADMINISTRATIVE INFRASTRUCTURES

The Ministry of Foreign Affairs is responsible for development and humanitarian aid, other ministries being involved only on a case-by-case basis. At present, the administrative capacity is very small. A special unit exclusively for development cooperation, the International Development Cooperation Department, has begun to work within the MFA in October 2002.

In December 2002, an agreement was signed between the government, the UNDP, CIDA and HUN-IDA (follow-up of Tesco, the Hungarian agency for technical assistance to developing countries before 1989). Its aim is to help the government to set up the institutional and political framework for ODA. HUN-IDA will implement the project by screening foreign ODA systems, selecting possible sectors for cooperation, providing training and information to governmental officials as well as other actors of development policy.

The European Commission underlines the necessity to accelerate the process of institutionalisation of development cooperation: “Further efforts are needed to ensure that the administrative capacities with a view to Hungary’s participation in EU committees and working groups for development cooperation are in place upon accession.”

THE LEGAL AND POLITICAL FRAMEWORK

The legal framework dedicated to development policy isn’t fully designed yet. A Concept Paper for Development Cooperation was approved by the government in July 2001. It contains the principles and broad goals of development policy. The government underlines its commitment to adapt the development policy to the DAC criteria (Hungary is a member of the OECD since 1996).

The priority regions and the sectors for cooperation are still to be precisely defined, a task which is part of the project carried on by the government, UNDP and HUN-IDA. But it is already clear that Hungary will concentrate its action on regions interested in its experience of political and economic transition: the Balkan and the Central Asian Republics, maybe also the Middle East and Asia.

30 Regular Reports 2002.
31 Written interviews.
32 Regular Reports 2002.
34 Written interviews.
THE BUDGET ALLOCATION

A specific budget line devoted to development cooperation has been created in 2003. The scale of development assistance is to be determined annually by the Ministries of Finance, of Economy and of Foreign Affairs. Around 6.32 million USD (that is about 0.01% of GDP) should be earmarked for bilateral development cooperation for 2003. Around 3.5 million USD should go to international organisation for multilateral development cooperation. According to estimates, Hungary should contribute for 13-15 million USD to the European Development Fund after accession. In order to achieve the aid/GDP ratio of 0.25% (currently the average of OECD donor countries), the foreign assistance budget should reach approximately 120 million USD.

As internationally agreed rules are not yet applied to keep evidence of the funds allocated to development and humanitarian aid, figures of the past years may vary according to the sources. In 2001, 29 million Euro were spent for external assistance: 20.5 million for OA and 8.5 million for ODA (including contributions to multilateral organisations: in 1999 they accounted for 85% of total ODA). The main part of OA goes to Hungarian minorities living in neighbouring countries through the Office for Hungarians Living Outside Hungary (administered by the MFA).

THE IMPLEMENTATION

Before the end of the communist regime, Hungarian development assistance was administered and implemented by the state-owned company Tesco. Tesco has now been transformed into HUN-IDA, Hungarian International Development Assistance Nonprofit Company who offers its expertise and consultancy to the government. But there is no development agency yet.

THE INVOLVEMENT OF NGOS

Some NGOs in Hungary have a tradition of cooperation with developing countries independent of the official development policy. These include the Third World Foundation, the Foundation of the Bokor Community for the Poor of the Third World, the BOCS Foundation as well as church-based NGOs like HIA (Hungarian Interchurch Aid) and the Baptist Aid. As early as in the 1960s, the Bokor Foundation for instance collected money to support third world projects. Their focus is on the financing of schools in India. These NGOs receive little or no support from the government. They work mainly on a voluntary basis. In January 2003, a group of 11 NGOs decided to build up the Platform of Hungarian Non-Governmental Development and Humanitarian Aid Organisations. A Memorandum of Understanding has been signed and a steering committee elected to prepare decisions on the internal structure of the platform. The project is supported by CIDA.

35 Judith Kiss, “Hungary”, In: M.Dauderstädt: EU Eastern Enlargement and Development Cooperation, p.34.
37 Regular Reports 2002.
38 Judith Kiss, op.cit.
LATVIA

Latvia gained its independence from the USSR in 1991, and since then it has energetically rebuilt its economy and democratised its political system. It is considered as a “lower-middle-income country”. Latvia applied for EU membership in October 1995, and negotiations on the acquis were officially launched on 15th February 2000. Negotiations on chapter 26 “External relations” were provisionally closed in the first half of 2000 and definitively closed in December 2002. The establishment of an official development policy started in 1999, but it is still at an early stage.

THE ADMINISTRATIVE INFRASTRUCTURE

Concerning the administrative infrastructure, the Regular Report 2001 points out that “some upgrading might be needed in order to have the necessary administrative capacity upon accession”. In 1999, the Foreign Economic Department was created within the Ministry of Foreign Affairs. One staff unit is devoted to development policy matters and EU acquis approximation. Presently the Ministry of Economy and the Ministry of Agriculture are also involved in matters concerning trade. It is planned till 2003 to establish a mechanism to coordinate bilateral and multilateral development cooperation with the EU’s development policy. Therefore it is envisaged to create a new division in the Ministry of Foreign Affairs. 39

THE LEGAL AND POLITICAL FRAMEWORK

A legal framework dealing with development and humanitarian assistance is not in place yet, and a law on Latvia’s development policy is planned only in a long-term perspective. But there are clear commitments by the government towards the establishment of a development policy.

In the National Programme for the Adoption of the Acquis, the Latvian government plans to analyse the development policy of the EU and of the member states, in order to elaborate a national action plan.

In 1999 the preparation of a Concept Paper of Latvia’s development policy was started. This paper was submitted to the government in the first half of 2001. A Development Cooperation Strategy was adopted in January 2003. The priority regions for Latvian development cooperation are the Balkans (Bosnia Herzegovina and Macedonia) and the Newly Independent States, with which Latvia shares the experience of being a former Republic of the Soviet Union (Azerbaijan, Byelorussia, Georgia, Kazakhstan, Russia and Ukraine).

39 Written Interview.
THE BUDGET ALLOCATION

There is no special allocation in the budget for development and humanitarian assistance. During the year 2001, the total aid provided amounted to 65,500 USD. The aid is provided on a case-by-case basis.

THE IMPLEMENTATION

Latvia is considered by the UNDP as an “emerging donor country” and thus participates in its programmes for capacity building on this issue. Its contribution to UNDP amounts to 5,000 USD per year since 1999. Latvia is also participating in the IMF Development and Poverty Prevention Programme.

In addition to this participation in multilateral organisations, Latvia is involved in trilateral development cooperation. One example is the project CUBE, Canada Ukraine Baltic Economic Management Training Programme. Its aim is to support economic transition in the Ukraine through the training of civil servants responsible for economic policy. It is coordinated by the University of Dalhousie in Canada and will last till 2009.

Latvian development cooperation focuses on know-how transfer rather than on technical or financial assistance. Bilateral cooperation took place with the Ukraine on the topic of land reform, with Georgia on customs organisation and legislation and with Kazakhstan in the field of social insurance and pension systems. As for humanitarian aid, an example could be the aid of 46,000 USD which Latvia sent to Romania in September 2000.

THE INVOLVEMENT OF NGOs

The involvement of NGOs in official development policy is not really taking place on a regular basis. This can partly be traced back to the fact that there are no Development NGOs in Latvia yet. The Concept Paper acknowledges the importance of NGOs in this policy area, and according to governmental officials, consultations with the civil society are planned for the elaboration of the Development Strategy in 2002. But before NGOs can contribute to formulating and implementing the development policy, the legal framework for the existence of NGOs has to be adapted and completed and awareness of development issues has to be raised among civil society.
LITHUANIA

Lithuania is the largest of the three Baltic states and the most populated. Lithuania applied for membership in the EU in December 1995 and negotiations were opened in March 2000. Chapter 26 was provisionally closed in the first half of 2000 and the negotiations were definitively closed in December 2002.

Lithuania is considered as an “emerging donor country” by the UNDP, and as such it participates in seminars and meetings of this organisation.

THE ADMINISTRATIVE INFRASTRUCTURE

The Ministry of Foreign Affairs is responsible for development and humanitarian assistance. Within the Economic Department of the MFA, a division was established to coordinate foreign assistance at the end of 2001. In April 2003, the Division for Development Assistance is expected to employ four persons.

One part of the Division’s work is to manage incoming bilateral assistance for Lithuania. But it is becoming less important in comparison with activities related to foreign assistance granted by Lithuania to third countries and global development issues.

THE LEGAL AND POLITICAL FRAMEWORK

Despite the limited administrative capacity, a legal basis for the provision of development and humanitarian assistance will be adopted in the first quarter of 2003, in form of a Concept Paper for Development Cooperation. The Concept foresees, among other projects, programmes for development education and capacity building in Lithuania. The Lithuanian government underlines its readiness to participate in the Cotonou Agreement and to discuss the contribution of Lithuania to the EDF for the period from 2006 to 2010. But the granting of financial assistance has a low ranking in the priority list of Lithuania, according to the possibilities of the national budget. The priority regions for development cooperation are the bordering countries Belarus and Kaliningrad, as well as the Ukraine.

THE BUDGET ALLOCATION

A budgetary line for technical assistance to third countries has been established in 2002. 100,000 LIT (about 29,000 Euro) were allocated to it in 2002. Humanitarian aid is financed through the Reserve Fund of the Government. Lithuania has been involved in several projects delivering humanitarian assistance, financed on a bilateral, trilateral and multilateral basis. The amount spent in 2001 reached nearly 150,000 Euro, from which 9% were given as a voluntary contribution to UNHCR for Afghanistan. According to DAC statistics, Lithuania spent 0.03% of its GDP for ODA in 2001 (4.12 million Euro).

40 Regular Reports 2002.
41 Written interviews.
THE IMPLEMENTATION

Humanitarian aid was mainly offered on a bilateral basis to Eastern Europe, India and Turkey. But Lithuania also participates in technical cooperation on a multilateral or trilateral basis. One example is the participation in the CUBE (together with Estonia, Latvia and Canada). Technical assistance was also granted to Kaliningrad in the field of environment protection, the financial part being assured by Sweden and the United States.\textsuperscript{43} Eight projects were implemented in 2002.

THE INVOLVEMENT OF NGOS

NGOs do not seem to be involved in the establishment of a development policy yet. But universities are involved in the implementation of the projects.

MALTA

Malta applied for membership in the EU in July 1990 and negotiations were formally launched on 15 February 2000. The negotiations on Chapter 26 of the acquis on "External relations" were provisionally closed in the first half of 2000 and definitively closed in December 2002.

The European Commission stated that “Malta will need to be prepared to participate in the Community’s activities in the fields of development policy and humanitarian aid upon accession”.\textsuperscript{44} Malta is still considered as a developing country by the WTO and will resign this status only upon accession.

There is a real tradition of charity work in Malta, but it concerns mainly civil society.\textsuperscript{45} The establishment of a development policy and humanitarian aid is not a priority for the government. However, NGOs have begun to actively lobby the government in order to set an institutional framework and elaborate a development cooperation strategy.

THE ADMINISTRATIVE INFRASTRUCTURE

Concerning the administrative infrastructure, no special body is responsible for development and humanitarian assistance. Bilateral agreements with third countries are monitored by the EU Directorate within the Ministry of Foreign Affairs. But the Ministry of Economy

\textsuperscript{43} Written interviews.
\textsuperscript{44} EC: „Negotiations on Chapter 26“.
\textsuperscript{45} Written interviews.
and other line ministries are involved in distributing humanitarian aid. The increase of administrative capacities is addressed in the NPAA 2001 in relation with external economic relations, but not specifically in the issue of development policy.

**THE LEGAL AND POLITICAL FRAMEWORK**
There is no legal or political framework yet for development policy and humanitarian aid. Some laws have an impact on the humanitarian aid in particular cases (law on refugees for instance), but they are not part of a political strategy. However, since 2002 the national NGDO Platform and the government have been working on a draft concept for development cooperation, which should be adopted before the end of 2003.

**THE BUDGET ALLOCATION**
A special budget for development and humanitarian assistance doesn’t exist. However, aid is granted from the government on a case-by-case basis. There are no figures available. According to the NPAA 2001, Malta offers development assistance through the UN and the Commonwealth, by contributing to the Commonwealth fund and in 1998 also by making voluntary contributions to the International Emergency Food Reserve and the World Food Programme. Funds were also sent in 2001 for humanitarian aid to India and El Salvador.

**THE IMPLEMENTATION**
Implementation of Malta’s development policy should start in 2004. A timetable and a list of possible projects and programmes are to be discussed in the first half of 2003, with civil society taking part into the consultations.

**THE INVOLVEMENT OF NGOS**
The government encourages NGOs to take a part in development and humanitarian assistance. In the NPAA 2001 there is an explicit reference to the positive effects of the establishment of a National Platform of NGDOs. But the legislative basis for NGOs is still in draft stage, making their activities more difficult. In addition it is a problem for NGOs to get the funds to implement development projects. Despite these conditions, civil society is actively involved in the establishment of a development policy. The NGDO Platform, formed in June 2001 with seven NGDOs, proposed a concept for development policy at the end of 2001. Since then, regular meetings have been taking place between the platform and ministry officials to discuss the draft proposal. NGOs are also carrying out projects abroad, sending volunteers to Peru or Africa for instance.46 The government grants case-by-case aid for these projects, facilitating the sending of volunteers by offering, for example, free vaccination or waiving taxes on travel.

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46 Written Interviews.
Poland

Poland is the largest and most populous country of all the accession countries. Poland applied for membership in the EU in 1994 and negotiations were opened in March 1998. Chapter 26 was provisionally closed in the second half of 1999. The Negotiations with the EU were definitively closed in December 2002.

Poland is considered by the UNDP as an emerging donor country. It is member of the OECD and participates to the DAC as an observer, trying to adapt its development policy to the DAC principles.

THE ADMINISTRATIVE INFRASTRUCTURE

The Ministry of Foreign Affairs is responsible for supervising and coordinating development policy and humanitarian aid. Its Department of the United Nations System and Global Affairs prepares conceptual guidelines for development cooperation and is in charge of the practical supervision of development projects. The Ministry of Finance is in charge of the financial aspects of cooperation, especially debt reduction.

Line ministries are involved in the implementation of development assistance (especially the Ministry of Education for scholarships and the Ministries of Health, Agriculture, Environment). Furthermore, the MFA cooperates with NGOs and with the Polish Know-How Foundation for the implementation of assistance. The Polish Know-How Foundation was founded in 1998, it is financed by the Polish government and aims at sharing experience in political and economic transition with Eastern and South-Eastern European countries. In the perspective of a reform of the institutional framework for development policy, this organisation could become a development agency under the responsibility of the MFA.

In cooperation with the Canadian International Development Agency (CIDA), the Polish government should make a decision on this at the beginning of 2003.

THE LEGAL AND POLITICAL FRAMEWORK

Development policy seems to be considered an integral part of the Polish foreign policy since the declaration of the then Minister of Foreign Affairs Bronislaw Geremek in Parliament in May 1999. Poland officially endorsed the UN Millennium Declaration and supports the Monterrey Consensus on financing development. The Strategy of Development Cooperation of Poland is in a draft stage, but a new version should be pre-

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48 Op.cit. Poland is part of the ODACE program of CIDA aiming at supporting the transition from recipients into donors of the Visegrad countries.
49 MFA of Poland: Exposé of the Minister of Foreign Affairs B.Geremek to the Parliament, April 1999.
sented to the Government for approval in the first months of 2003. It should specify the sectoral and geographical priorities of development assistance.

In the past few years the priority regions for Polish development and humanitarian assistance have been East-Central and Southern Europe (especially the Balkans) and some developing countries in Asia and Africa, such as Vietnam, Kazakhstan and Yemen. There will probably be little change in this. As for the areas of cooperation, they were mainly related to transformation and democratisation.

THE BUDGET ALLOCATION
The budget allocation for official development assistance and official aid (according to the DAC statistical rules) has increased continuously since 1998. It then amounted to 28.9 million USD (of which 65% was spent on ODA).

In 2001, 35.54 million USD were spent on ODA and 8.3 million on OA. The total represents 0.021% of GDP. Except for a peak in 2001, multilateral aid (contributions to UN agencies and the World Bank group) remained at about 5 million USD. Bilateral ODA to Africa and America stayed very low and even slightly decreased (from 1.71 to 0.67 million USD for Africa and from 0.30 to 0.29 million USD for America). The real increase in the last year’s ODA budget is due to bilateral aid to Asia: it grew from 12.81 million USD in 2000 to 30.70 million USD in 2001. The reason for it was the important preferential credits for Yemen and Vietnam.

THE IMPLEMENTATION
A wide range of projects are implemented within the scope of development assistance. A first type of projects aims at sharing the experience in the field of political and economic transformation. Some are implemented directly by the government, taking the form of seminars or training courses, other being implemented by the Polish Know-How Foundation.

A second type of projects are carried out within the framework of the Stability Pact for South-Eastern Europe. They focus on local democracy, education and health. A last type of projects deals with poverty eradication, mainly in Asia (in 2000 the countries concerned were Cambodia, Vietnam, Indonesia, Kazakhstan and Yemen).

THE INVOLVEMENT OF NGOS
There are about 40,000 NGOs in Poland, from which nearly 100 are involved in international projects. They have established a semi-formal NGDO Platform, the Group of NGOs

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51 KRZESZEWSKA, Report on the Round Table Discussions.
Working Abroad, which organises seminars and does some lobbying on the government. One of their demands is the institution of a consultancy council with the MFA.

The government sometimes finances projects implemented by NGOs (for instance in the Balkan under the Stability Pact), and the importance of the civil sector is officially recognized. But due to the rather small budget, most of the NGOs have to find other sources of financing than Polish public funds. Big NGDOs like CARITAS, the Batory Foundation or the Polish Humanitarian Organisation get funds from private or public US donors. Their activities focus mainly on economic and political transformation, the strengthening of civil society and local democratisation in post-communist countries (especially Ukraine, Belarus and the region of Kaliningrad). Humanitarian assistance also gets a big support from the Polish public. But there is no or little experience with traditional development assistance, related to poverty eradication in developing countries.

SLOVAKIA

Slovakia was founded only in 1993, when it split off from Czechoslovakia. It has experienced a more difficult economic transition than the Czech Republic. Slovakia applied for membership in the EU in June 1995 and negotiations were opened in February 2000. The negotiations on Chapter 26 “External relations” were provisionally closed in the first half of 2000. Negotiations were definitively closed in December 2002. The Slovak Republic has a long tradition of development and humanitarian assistance. Even after separation from Czechoslovakia, Slovakia continued to provide ODA. But the former policies which were influenced by the priorities of the Soviet Bloc have had to be completely revised.

THE ADMINISTRATIVE INFRASTRUCTURE

The administrative infrastructure is currently made up of a small unit devoted to ODA within the Department of International Economic Cooperation of the Ministry of Foreign Affairs,


55 J.Boratynski (TRIALOG News No.1).
while the Ministry of Interior is responsible for humanitarian aid. But competences are split among several ministries, including Ministries of Economy, Agriculture and Finance. The Institute for International Studies provides some analytical support to the MFA. In March 2001, the government approved a *Proposal for the Creation of Mechanisms for Providing Governmental Development Aid by the Slovak Republic*, which contains the plans for the creation of a coordination committee for development cooperation with advisory competences. The responsibilities of the MFA in the field of development policy are also to be reformulated. According to a scheme now under examination, the MFA should have competences in:

- Designing the Policy Framework
- Making the budget proposals to the Government
- Defining program priorities
- Bilateral agreements
- Country programming framework
- DAC statistics
- Public relations and information strategies.

The *Second Country Cooperation Framework of the UNDP for Slovakia* (2001-2004) aims at assisting Slovakia in the task of institution-building and capacity-building in the field of development policy. Training for governmental officials will be organised or supported by the UNDP.

There is no governmental agency in Slovakia responsible for implementation of ODA programs. The UNDP proposes to “emerging donor countries” such as Slovakia to implement the programmes through the Regional Trust Fund Agreement. The Trust Fund Agreement between Slovakia and the UNDP is still under preparation.

**THE LEGAL AND POLITICAL FRAMEWORK**

In 1999 Slovakia began to formulate and adopt a legal and policy framework for development assistance. First, a *Concept of Development Assistance* was approved by the government on 7 July 1999.

It was followed by the *Charter on Active Development Assistance and Cooperation*, approved by the government in December 1999 but rejected by the Foreign Committee of the National Council of the Slovak Republic because of disagreement on territorial priorities and budget allocation. After negotiations between the government and the Parliament, the *Charter* should be presented a second time to the deputies in 2003, together with a mid-term strategy for development assistance.

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56 Regular Report 2002
In March 2001 the Proposal for the Creation of Mechanisms for Providing Governmental Development Aid by the Slovak Republic was adopted. In March 2002 the government also approved the Institutional Framework and National Program of ODA, along with the Report of the Slovak Republic for the Development Assistance Committee of the OECD on ODA.

In a next step, the Concept of Slovak official development aid for the years 2003-2008 together with the National Program of the official development aid for 2003 should be adopted by the Coordination Committee and by the government before May 2003.58

THE BUDGET ALLOCATION
In the year 2000 the total ODA amounted to 6.36 million Euro (0.033% of GDP):
- Bilateral assistance 14%
- Multilateral assistance 71%
- Administrative Costs 15%
- Humanitarian assistance accounted for 10% in the total ODA.

In 2001 ODA amounted to 9.3 million USD, that is 0.042% of GDP. The share of bilateral aid increased in comparison to 2000, reaching 32% of the total (multilateral aid: 59%, administrative costs: 9%). Humanitarian aid represented 23% of the budget and was partly responsible for the total increase in ODA budget between 2000 and 2001.59 For the year 2002 the total foreign assistance was expected to represent about 0.04% of GDP. In 2003, a special budget was created for ODA, consisting of about 3.7 million Euro. 10% of this budget should be used for projects implemented by NGOs.60

THE IMPLEMENTATION
The MFA, in cooperation with CIDA and the UNDP, is in the process of establishing rules and procedures for the implementation of development aid. Efforts are also visible to improve the methods of implementation, mainly in form of seminars for government officials and actors in the field.

The first Country Strategy Programs for recipient countries should be drafted for Serbia and Montenegro in the first half of 2003.61

THE INVOLVEMENT OF NGOS
A National Platform of Slovak NGDOs has been established with nine NGOs active in international cooperation or development education.

58 Written interview.
59 Attila Szep, Slovakia’s Development Cooperation, EADI General Conference, Ljubljana 2002. Figures are taken from the Report of the Slovak Republic to the DAC.
60 Written interview.
61 Written interview.
NGOs have already been involved in the drafting of the Development Concept and the Chart on Development Assistance. They are also involved in the Coordination Committee which met for the first time in February 2003. The Committee, which has advisory competences, is composed of one representative from the National Platform of NGDOs and several representatives of the MFA and line ministries.

Through the UNDP Trust Fund Agreement, NGOs are also involved in the implementation of governmental ODA.

A programme of the Canadian Agency for Development (CIDA) will give further opportunities to NGOs to strengthen their organisation and their competencies to implement development assistance projects from 2002 onwards.62

SLOVENIA

After its independence from Yugoslavia in 1991, Slovenia succeeded in establishing a stable democracy and one of the strongest economies among the transition countries. Slovenia was the last of the accession countries to apply for membership in the EU in June 1996. Accession negotiations were opened in March 1998 and the Chapter 26 was closed in the first half of 2001. Negotiations on the adoption of the acquis were closed in December 2002.

Slovenia’s assistance to third countries goes mainly to the states of the former Yugoslavia, within the framework of the Stability Pact for South Eastern Europe but a new framework for development policy is being designed in order to prepare for the participation in EU development policy.

THE ADMINISTRATIVE INFRASTRUCTURE

The effectiveness of the administrative infrastructure for development policy was long considered to be insufficient by the EU and governmental officials in Slovenia.63 Only in March 2002 a central unit has been established within the MFA, employing two persons, with the mandate to coordinate development and humanitarian assistance and to prepare a new system of development cooperation. But de facto, line ministries are still responsible for the cooperation with multilateral organisations and assistance provided within the framework of the Stability Pact.64 The Ministry of Economy is the most involved in assistance

64 Mojmir Mrak, “Slovenia as a donor country: where it is and where it should go”, EADI General Assembly, Ljubljana 2002.
matters, although other Ministries, such as the Ministry of Agriculture, carry out their own projects. It is responsible for the preparation and implementation of most of the development projects carried out in the former Yugoslavia.65

The First Country Cooperation Framework (1997-1999) between Slovenia and the UNDP addressed (among other issues) the strengthening of capacities for development cooperation and technical cooperation among developing countries. Its objectives were to increase the efficacy of Slovenia’s representation in international fora and to “bring Slovenia closer to full donor status”.66 But no reference to a continuation of cooperation on this issue is made in the Second Country Cooperation Framework.

THE LEGAL AND POLITICAL FRAMEWORK

Slovenia recognizes the Millennium Development Goals as the main objectives of foreign assistance policy. There is no legal framework for development policy yet. As Slovenian development cooperation is focused on the Balkan, assistance goes through the framework of the Stability Pact for Southeast Europe in accordance with the Strategy of the Republic of Slovenia in the Economic Reconstruction of Southeast Europe. But an evaluation of the assistance provided so far is under way. Its results will be published in 2003 and will be used to prepare a Concept for Development Policy describing Slovenia’s participation in EU development policy, in the UN agencies and in bilateral cooperation projects.67

THE BUDGET ALLOCATION

There is no budget line dedicated to development and humanitarian assistance, therefore it is difficult to keep statistical evidence of Slovenian foreign aid. Funds are distributed to the different ministries according to their needs for the implementation of specific projects. In 2000, the Ministry of Economy had at its disposal 550 SIT (about 2.5 million Euro) for assistance to South-Eastern Europe. Bosnia-Herzegovina received 40%, Montenegro 25%, Macedonia 20%, Kosovo 10% and Albania 5%.68 In 2000 and 2001, there was a large gap between the commitments of Slovenia for the Stability Pact regions and the actual disbursements (commitments in 2000 and 2001 in USD: 4.25 million and 2.95 million; Disbursements: 0.57 million and 0.36 million USD).69 Estimations put the level of ODA/OA between 2 and 3 million USD for the years 2000, 2001 and 2002, with a decreasing trend, representing about 0.02% of GDP.70

69 Mojmir Mrak, “Slovenia as a donor…”
THE IMPLEMENTATION

Through the Stability Pact Slovenia is engaged in multilateral as well as in bilateral cooperation, the last representing close to 90% of the allocated funds. Assistance often takes the form of know-how transfer (for instance in the field of democratisation and security, or in order to develop entrepreneurship). Slovenia is also net contributor to the UNDP and considered as an “emerging donor country”. The largest recipients of assistance are Yugoslavia, Bosnia-Herzegovina, Montenegro and Macedonia. Some funds also go to Slovenian minorities in neighbouring countries (Hungary).

THE INVOLVEMENT OF NGOS

The Slovenian government supported the establishing of a Centre for NGOs in 2001. Some NGOs are involved in the implementation of assistance projects in the Balkans and they have the possibility to apply for funds from the state budget. But there is no NGDO Platform yet in Slovenia.

The Office for International Development Cooperation and Humanitarian Assistance within the MFA states its intention to engage in development education and capacity building for NGOs.

71 Mojmir Mrak, op. Cit.
72 NPAA 2001.
73 Written interview.
74 http://www.sigov.si/mzz/ang/index.html
CONCLUSION

GENERAL OVERVIEW

The twelve accession countries can be classified in three broad categories:
A first group is formed by Bulgaria and Romania. These countries have not really begun to establish a development and humanitarian assistance policy, nor is the topic really discussed at governmental or NGO level. However, all of them have actually granted some funds for humanitarian aid.

A second group is composed of Cyprus, Hungary, Latvia, Lithuania, Malta and Slovenia. All of them are beginning to establish the basic structures for an official development policy, but they do not implement official development assistance yet.
Cyprus is at the very beginning of the process of establishing an official development policy. It is granting humanitarian aid, but it is still at the stage where alternative models of ODA structures are examined and compared, so that no agenda for the building of relevant institutions is available yet.
Malta is an exception among all these countries of the second group because of the part played by NGOs in the process of establishing a development policy. Even if the structures for a development policy are not yet in place (in fact, Malta hasn’t reached the same stage as the Baltic countries, Hungary and Slovenia), civil society is active and pushing the government to act. As the government officially acknowledges their importance, NGOs may be in a position to bring their knowledge and experience in the formulation and, later on, in the implementation of Malta’s development policy.
In Latvia and Lithuania, by contrast, it is the government who is the initiator. In such cases the risk exists that development policy will become a merely rhetorical exercise because NGDOs don’t exist yet and are promoted neither by the government nor by the EU, so that there is no support from civil society for it.
As for the role of civil society, Hungary can be situated between these two extremes. Unlike the other countries in this group, Hungary has had an important development policy before 1989, so that it can benefit from experience and contacts which remained after the break-down of the communist regime. In this regard it is closer to countries such as Slovakia and the Czech Republic, who have first tried to reflect the lessons learnt in the past, with the assistance of UNDP, before designing new structures.
Slovenia for its part is characterized by the fact that almost all its assistance policy towards third countries is executed in the framework of the Stability Pact for South-East Europe. It has only recently begun to set up administrative capacities and a legal framework for a development policy directed towards other countries than the Balkans.

The third group of countries is composed of those which have already set up basic administrative and legal structures for a development policy, even if these structures are still being improved and increased, and which have begun to deliver assistance in the framework of this policy. This is the case for the Czech Republic, Estonia, Poland and Slovakia.
All the countries of the former Soviet bloc were cooperating with developing countries of the South within the framework of Soviet foreign policy and ideology. But the Czech Republic and Slovakia are, together with Hungary, the only ones to make references to this period in the process of establishing a renewed development policy. The UNDP is an important partner for them in this task, especially for the Czech Republic. In Slovakia civil society is very much involved in development policy and in the Czech Republic NGOs are expected to become a stronger partner for the government thanks to the newly created NGDO National Platform. A concrete plan of action to be undertaken in the course of the next years exists, so that these countries will be comparatively well prepared for the participation in EU development policy.

Estonia has made important efforts since 1998 to establish a development policy, and it is still actively preparing its participation in the EU’s development policy with training programmes and the translation and analyse of relevant European legislation. It is also implementing projects in the field of development education. But the budget for ODA remains very low, at a level of not even 0.01% of GDP.

With regard to Poland, its development policy is close to that of EU member states in that it cooperates with developing countries of Africa, Asia and America as well as with European countries. The goals of the development policy include poverty eradication instead of being restricted to the know-how transfer on political and economical transformation, as it is often the case for the accession countries of Central and Eastern Europe.

PERSPECTIVES

Looking at the process of establishing official development policies in the accession countries, three kinds of remarks can be made.

First, accession countries have to face problems and to find answers to questions which are also relevant for current member states, and generally for all donor countries. Therefore the establishment of development policies in the accession countries should be examined in a larger context. For instance the linkage between ODA and foreign policy is also discussed at EU-level (reform of DG Dev and of the Council). The trend seems to be to create development agencies more or less depending on the MFA (Czech Aid, PolAid, and similar plans are under discussion in Hungary), or simply to set up a special unit within the MFA. The possible impact on the content of development assistance (i.e. the definition of ODA as an instrument to serve political, security and commercial interests) needs to be carefully examined.

Second, the distinction between development and humanitarian assistance is not broadly acknowledged. All the accession countries grant humanitarian assistance more or less regularly after natural disasters and conflict, as far as they have the financial means for it. As was clear from the beginning of this study, no systematic distinction was made by the description of each country’s case. However, this confusion may cause some problems in practice, as far as the objectives and the means are not exactly the same for development and humanitarian assistance. At EU level the distinction does exist, legislation and processes are different for each kind of assistance and the accession countries will have to take the difference into account.

The third remark concerns the objectives and the geographical priorities of the accession countries, especially the ten countries in Central and Eastern Europe. These post-communist countries have something specific that they can share with developing countries: their experience of political and economic transformation. All of them are aware of this and accordingly they concentrate their cooperation efforts on this issue. The fact that they have few financial and technical means leads to a specialisation on know-how transfer rather than other forms of cooperation.

As a consequence of these choices, the priority countries for development cooperation are situated mostly in the former Soviet bloc. This is also due to the fact that they share a common past and similar experience, so that cooperation is facilitated. Recipient countries of the former USSR in Central Asia, Eastern Europe and the former Yugoslavia are interested in the experiences of democratisation, privatisation etc. On the other side the new donor countries are interested in improving their political and economic relations with neighbouring countries (like Belarus, Russia and the Ukraine for Poland and the Baltic states, the Balkans for Slovenia).

So it appears that the priorities of the accession countries and those of the European Union are rather different. As developing countries and LDCs in Asia, Latin America and Africa have to face partly other kind of problems than post-communist transition countries (due to their particular environment, economic structure and history), they are seldom considered potential partners for development cooperation.

By looking at the establishment of a development policy in the accession countries, we were answering the question about the impact of EU membership on the accession countries’ policy towards developing countries. In conclusion to this report we have to reverse the question: what will be the consequences of the enlargement on the European development policy?

Besides the institutional problems that will arise when the EU will have up to 27 members (reform of the Commission, new decision-process in the Council), there are concerns about the shift in priorities. Because the accession countries have no or little experience
in development policy and because they will themselves need financial assistance from the EU does enlargement mean that the EU will lose its interest in performing solidarity with developing countries? 76

The efforts of a majority of accession countries to establish a development policy seem to prove that they are willing to participate in the development policy of the EU and to increase their own activities in this field. Where civil society is involved, there is pressure on governments to increase financial means and to develop the necessary structures. NGDOs may also positively influence the content of development policy, preventing it from being diverted from its main objectives. For the EU it may be a chance to support civil society in order to encourage the accession countries to make more efforts. It is also the role of Western NGDOs to help their counterparts in the accession countries through various types of exchanges of information and experience.

A second concern often expressed is that the EU development policy may focus more on Eastern Europe and less on Africa, Asia and Latin America, following the special interests of the new members. It is a fact that the accession countries (with the exception of Malta and Cyprus) have a very different understanding of development policy than the EU. In the current EU there is a sense of global responsibility in matters like environment, climate, food security, health etc., which, together with the historical ties of many member states towards Africa, Asia and Latin America, have shaped the European development policy. It will be a challenge for the EU to integrate the new member’s particular interests and experiences without losing this global consciousness, in a way that strengthens the solidarity between the European continent and the other parts of the world.

76 Mirjam van Reisen: European Integration and Enlargement: Is there a Future for European Development Policy?
ANNEX I

CONSOLIDATED VERSION OF THE TREATY ESTABLISHING THE EUROPEAN COMMUNITY

TITLE XX (EX TITLE XVII)

DEVELOPMENT COOPERATION

ARTICLE 177 (EX ARTICLE 130U)
1. Community policy in the sphere of development cooperation, which shall be complementary to the policies pursued by the Member States, shall foster:
   - The sustainable economic and social development of the developing countries, and more particularly the most disadvantaged among them;
   - The smooth and gradual integration of the developing countries into the world economy;
   - The campaign against poverty in the developing countries.
2. Community policy in this area shall contribute to the general objective of developing and consolidating democracy and the rule of law, and to that of respecting human rights and fundamental freedoms.
3. The Community and the Member States shall comply with the commitments and take account of the objectives they have approved in the context of the United Nations and other competent international organisations.

ARTICLE 178 (EX ARTICLE 130V)
The Community shall take account of the objectives referred to in Article 177 in the policies that it implements which are likely to affect developing countries.

ARTICLE 179 (EX ARTICLE 130W)
1. Without prejudice to the other provisions of this Treaty, the Council, acting in accordance with the procedure referred to in Article 251, shall adopt the measures necessary to further the objectives referred to in Article 177. Such measures may take the form of multi-annual programmes.
2. The European Investment Bank shall contribute, under the terms laid down in its Statute, to the implementation of the measures referred to in paragraph 1.
3. The provisions of this Article shall not affect cooperation with the African, Caribbean and Pacific countries in the framework of the ACPEC Convention.

ARTICLE 180 (EX ARTICLE 130X)
1. The Community and the Member States shall coordinate their policies on development cooperation and shall consult each other on their aid programmes, including in international organisations and during international conferences. They may undertake joint action. Member States shall contribute if necessary to the implementation of Community aid programmes.
2. The Commission may take any useful initiative to promote the coordination referred to in paragraph 1.

ARTICLE 181 (EX ARTICLE 130Y)
Within their respective spheres of competence, the Community and the Member States shall cooperate with third countries and with the competent international organisations.
The arrangements for Community cooperation may be the subject of agreements between the Community and the third parties concerned, which shall be negotiated and concluded in accordance with Article 300.

The previous paragraph shall be without prejudice to Member States’ competence to negotiate in international bodies and to conclude international agreements.

**TREATY OF NICE**  
**NEW TITLE XXI – RELATIONS WITH THIRD COUNTRIES**  
**NEW ARTICLE 181A**

1. Without prejudice to the other provisions of this Treaty, and in particular those of Title XX, the Community shall carry out, within its spheres of competence, economic, financial and technical cooperation measures with third countries; such measures shall be complementary to those carried out by the Member States and consistent with the development policy of the Community. Community policy in this area shall contribute to the general objective of developing and consolidating democracy and the rule of law, and to that of respecting human rights and fundamental freedoms.

2. The Council, acting by a qualified majority on a proposal from the Commission and after consulting the European Parliament, shall adopt the measures necessary for the implementation of paragraph 1. The Council shall act unanimously for the association agreements referred to in Article 310 and for the agreements to be concluded with the States which are candidates for accession to the Union.

3. Within their respective spheres of competence, the Community and the Member States shall cooperate with third countries and the competent international organisations. The arrangements for Community cooperation may be the subject of agreements between the Community and the third parties concerned, which shall be negotiated and concluded in accordance with Article 300. The first subparagraph shall be without prejudice to the Member States’ competence to negotiate in international bodies and to conclude international agreements.

Declaration to be included in the Final Act of the Conference on Article 181a TEC

The Conference confirms that, without prejudice to other provisions of the Treaty establishing the European Community, balance-of-payments aid to third countries falls outside the scope of Article 181a of this Treaty.

**ANNEX II**  
**REGULAR REPORTS 2002 FROM THE COMMISSION ON THE PROGRESS TOWARDS ACCESSION**  
**EXCERPTS CONCERNING DEVELOPMENT POLICY (CHAP.26)**  

**BULGARIA**

With regard to development policy, cooperation and assistance, humanitarian assistance has been delivered on an ad hoc basis (Afghanistan, FYROM). For the implementation of humanitari-
an aid initiatives, the authorities cooperate with Non-Governmental Organisations established in Bulgaria. (...)
Bulgaria does not yet have a national policy on, or system for, development cooperation. It needs to shape progressively a development policy along EC lines. Humanitarian assistance is administered by the Ministry of Foreign Affairs.

CYPRUS
Concerning development and humanitarian aid, the cooperation with international non-governmental organisations has continued. Humanitarian assistance from the three main sources for assistance i.e. the MFA, the Ministry of Finance and the Planning Bureau, will reach approximately Euro 2,6 million (CYP 1.5 million) for the year 2002 comprising multilateral assistance, UN Regular budget and voluntary contributions and humanitarian emergency assistance. (...)

CZECH REPUBLIC
With regard to development policy, cooperation and assistance, the Czech Republic is an active member of the OECD and is adapting its development practices to the principles laid down by the Development Assistance Committee. In January 2002, the Czech Republic adopted the Czech Republic Foreign Aid Programme for 2002-2007. It defines the objectives, principles and territorial and sectoral priorities of the Czech Republic’s development aid and foresees institutional and financial changes which will bring the Czech system of foreign development aid closer to that of EU Member States. Total bilateral and multilateral external assistance given by the Czech Republic to developing countries in 2001 amounted to over 34 million Euro (1 billion Czech crowns).(...)
With the creation of Czech Aid within the Ministry of Foreign Affairs and the Czech Platform of development NGOs (Czech Forum for Development Cooperation) the Czech Republic is advancing in establishing the framework for development assistance.

ESTONIA
With regard to development policy, and humanitarian aid, Estonia is making some progress in aligning policy principles with those of the EU and has participated actively in the Doha and Monterrey conferences. Total expenditure has remained low and stable at 0.01% GDP which equates to EEK 7m (Euro 0.47m) in 2001. In this respect, no progress has been made in aligning to the EU financial expenditure targets. Around one third of the expenditure was implemented with the cooperation of Non-Governmental Organisations. Humanitarian aid continues to be focused on near neighbouring states i.e. Poland, Turkey, Georgia, Afghanistan. Development cooperation is focused on Ukraine, Uzbekistan, Kazakhstan and the Balkans. In this context, some cooperation projects are carried out jointly with UK and Canada. In addition, part of the budget is allocated for voluntary contributions to international organisations such as UNICEF, UNDP and UNHCR. In September 2001 a development cooperation division was established in the Ministry of Foreign Affairs with a staff of 4 officials. (...)
Development and humanitarian aid are administered by the Ministry of Foreign Affairs. The Principles of Estonian Development Cooperation were adopted in January 1999.

HUNGARY
With regard to development policy, cooperation and assistance, Hungary is an active member of the OECD and is adapting its development practices to the principles laid down by the Development Assistance Committee. Preliminary work has started to set up the organisational
and institutional framework necessary for development cooperation within the Ministry of Foreign Affairs in the second half of 2002. A detailed budgetary plan for the Fund of the International Development Cooperation is under preparation and will probably be approved as part of the State Budget for 2003. For the implementation of humanitarian aid initiatives, the authorities continue to cooperate with Non-Governmental Organisations established in Hungary. Total bilateral and multilateral external assistance given by Hungary to developing countries in 2001 amounted to 29 million Euro (20.5 million Euro for official aid (OA) and 8.5 million Euro for official development assistance (ODA)).

Hungary’s alignment with and future participation in the common commercial policy is administered by the Ministry of Foreign Affairs. Its role was further strengthened on an administrative level when, in May 2002, the State Secretary in charge of EU accession was also assigned the task of trade policy. However, inter-institutional consultations on the creation of administrative capacities in light of EU accession have not yet resulted in the promised action plan. Further efforts are needed to ensure that the administrative capacities with a view to Hungary’s participation in EU committees and working groups for development cooperation are in place upon accession. (…)

Development and humanitarian aid are administered by the Ministry of Foreign Affairs. Hungary still needs to progressively shape a development policy in accordance with EC lines.

LATVIA

Steps have been taken to prepare for Latvia’s participation in the EU development policy. (…)

With regard to development policy, cooperation and assistance, amendments to the Law on Customs Duty were adopted in November 2001, introducing a General System of Preferences regime in conformity with WTO-rules. Moreover, Latvia is adapting its development practices to the guidelines laid down by the OECD Development Assistance Committee and the EU Development Policy (Policy document of Latvia’s participation in the EU Development policy).

For the implementation of humanitarian aid initiatives, the authorities cooperate with Non-Governmental Organisations established in Latvia. Latvia has no specific budget allocation for development or humanitarian aid, but has granted aid on a case-by-case basis. (…)

Some upgrading might be needed in order to have the necessary administrative capacity upon accession, also with regard to participating in the EU’s development and humanitarian aid policies.

LITHUANIA

As regards development policy and humanitarian aid, a division responsible for development policy was established in the Economic Department of the Ministry of Foreign Affairs of Lithuania at the end of 2001. The budgetary line for the technical assistance to third countries was established and the amount of LTL 100,000 (29,000) was allocated for 2002. (…)

Regarding development policy, Lithuania needs to prepare for future participation in the financing of the European Development Fund. (…)

MALTA

No particular development can be reported as regards development policy and humanitarian aid initiatives. (…). To date Malta has no development and humanitarian aid policy but it provides humanitarian assistance on a case-by-case basis.
POLAND
In the area of development policy, cooperation and assistance, Poland continues to participate actively in the OECD’s work and is adapting its development practices to the guidelines laid down by the Development Assistance Committee. For the implementation of humanitarian aid initiatives, the government cooperates with non-governmental organisations established in Poland. Total bilateral and multilateral external assistance given by Poland to developing and eastern countries in 2001 amounted €48.7 million. More than €200 million have been put aside in the form of highly preferential tied aid credits. (...) Development and humanitarian aid are administered by the Ministry of Foreign Affairs. (...) In order to complete preparations for membership, Poland’s efforts now need to focus on finishing the process of legislative alignment, on taking decisive steps, as a matter of urgency, towards the renegotiation or abrogation of its bilateral investment treaties in full conformity with its EU membership obligations, on bringing its development policy in line with that of the EU as well as on ensuring that the capacity exists to fully implement and enforce the EC *acquis* in this field upon accession.

ROMANIA
Romania is not an international donor and does not have a development policy although contributions are made to certain United Nations development programmes and funds. Romania is a consistent provider of humanitarian aid, most usually to countries in the Balkan, Black Sea and Central Asian regions that have been hit by natural disasters. (...) There are no dedicated structures for managing development and humanitarian aid. (...)

SLOVAKIA
With regard to development policy, cooperation and assistance, Slovakia is an active member of the OECD and is adapting its development practices to the guidelines laid down by the Development Assistance Committee. The guidelines for granting humanitarian aid are also being reviewed. In 2002, the government has allocated additional funding equivalent to € 2 million to bilateral external assistance to developing countries (0.04% of GDP). (...) The Ministry of Foreign Affairs coordinates development policy, while the Ministry of Interior is responsible for humanitarian aid. There is further need to improve the coordination of assistance provided by both ministries in this area, and to strengthen the institutional capacity of the Foreign Ministry as well as cooperation with the non-governmental sector.

SLOVENIA
Slovenia’s development policy and humanitarian aid initiatives are mainly focussed on South Eastern Europe. However, Slovenia is also cooperating in programmes of international financial institutions and UN multilateral programmes. In accordance with its Strategy on Engagement in the Economic Reconstruction of South Eastern Europe Slovenia is participating in the Stability Pact for South Eastern Europe as an active provider of humanitarian aid, technical assistance and co-financing of bilateral projects. In October 2001, the government adopted memorandums on non-refundable aid to Bosnia and Herzegovina, FYROM and Montenegro, which are part of the development and economic aid allocated under the Stability Pact for South Eastern Europe. Total bilateral and multilateral external assistance given by Slovenia to developing countries in 2001 amounted to EUR 2.95 million. In March 2002, the government decided to set up a special coordinating unit within the Foreign Ministry in charge of allocating development funds as well as humanitarian aid. The Ministry stressed the need to institutionalise the allocation of humanitarian aid and development funds prior to Slovenia’s accession to the EU.
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