

# Polish Aid and EC Spring Package 2010

## *A chance for New Solidarity*

**The European Commission's Spring Package 2010 offers an opportunity for a new momentum for the Polish government to bring its Official Development Assistance (ODA) back on track. Poland, a country of Solidarity, should use EC's recommendations to enhance efforts to fulfil Polish commitments on aid levels and on the improvement of aid effectiveness.**

The EC's package of Communications and Staff working papers<sup>1</sup> presents an analysis of challenges to EU development policy and an action plan for EU Member States to contribute more to the implementation of Millennium Development Goals (MDGs). The EC communication is accompanied by five Staff Working Documents on: the MDGs, Aid Effectiveness, Financing for Development, Aid for Trade and the Policy Coherence for Development.

*Globally, there has been strong and sustained progress in reducing extreme poverty (...) but, around 1.4 billion people still live in extreme poverty (51% of them in Sub-Saharan Africa) and one sixth of the world's population is undernourished.*<sup>2</sup>

Poland has significantly increased development aid and started establishing its development cooperation system since it joined the EU in 2004.

However, the progress is clearly too slow to fulfil promises made on European and global fora. Poland wants to build its international image on the heritage of Solidarity movement but until now it has failed to go hand in hand with other EU countries in delivering on aid promises and solidarity with the poor. The EC's 2010 Spring Package offers an opportunity for the Polish government to put ODA back on track and gain credibility among both developed and developing countries.

### ***Aid levels in support for the MDGs***

The EU remains collectively by far the world's biggest donor, providing almost 56% of global assistance. However, as the EC has acknowledged, EU's ODA decreased to 0.42% GNI in 2009 and is behind the schedule to reach the EU collective targets.

*Back-loading aid increases would mean back-loading progress on the MDGs. In the current financial and economic crisis, it may not be easy to keep our collective promises to devote 0.7% of our GNI to ODA by 2015, and to direct 50% of the ODA increase to Africa, but it is still feasible and necessary.*

Poland is one of the countries that fail to keep with the schedule of the increase in ODA. With 0.08% GNI spent on ODA, Poland's aid level stagnated in 2008 and 2009 at a half of what the country pledged (0.17% GNI until 2010 and 0.33% until 2015). All this despite the fact that Poland is proud of being the only country in the EU that has survived the financial and economic crisis with a positive economic growth. Polish ODA level is one of the lowest among 27 member states, far behind many other countries that have joined EU since 2004 (e.g. Czech Republic 0.12% GNI, Lithuania 0.14% and Slovenia 0.15%).

The EC projects that Poland should increase its aid by 270 million euro each year until 2015 and an average annual growth rate should be 35%. This is twice as much as in the previous multi-year increase period between 2003 and 2007.

<sup>1</sup> Available at [http://ec.europa.eu/development/services/dev-policy-proposals\\_en.cfm](http://ec.europa.eu/development/services/dev-policy-proposals_en.cfm)

<sup>2</sup> COM(2010)159, 21.4.2010

While the EC's projection is very challenging Poland can still fulfil it, provided that it follows the EC's action plan.

The establishment of multi-annual timetables in several EU Member States proved to be a useful tool for embedding the scaling-up of aid volumes in national budgets in line with stated commitments.

Therefore, Poland should follow the EC's recent recommendation to establish a realistic and verifiable national ODA Action Plan that outlines how Poland aims to scale up its development assistance and strive to achieve the 2015 ODA targets.

The first action plan (covering actions in 2010 and 2011) should be published prior to the September 2010 UN High Level Plenary Meeting (HLPM). A subsequent annual action plan should be published by the end of the year preceding the spring Foreign Affairs Council (FAC).

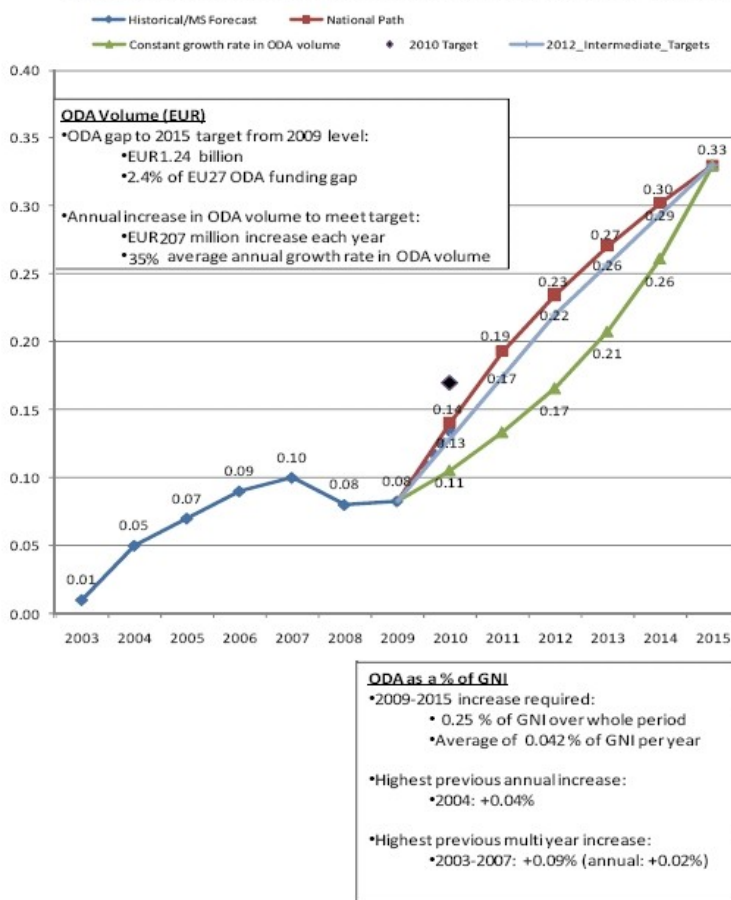
The Commission Staff Working Document on Financing for Development<sup>3</sup> presents details of various measures that are necessary to establishing of realistic and binding national action plans on ODA. The Polish Ministry of Foreign Affairs (MFA) should follow these recommendations and good practices.

Moreover, the EC also proposes new interim minimum ODA targets for 2012 for all individual Member States, with the level of 0.22% for Poland and other EU-12. EC also calls on the FAC to create an EU-internal annual "ODA Peer Review" mechanism at the upcoming spring session, in order to assess the progress of each Member State.

## Aid to Sub-Saharan Africa and LDCs

The EU has made a number of specific commitments towards Sub-Saharan Africa<sup>4</sup> and the Least Developed Countries (LDCs)<sup>5</sup>. However, only Belgium, Denmark, Finland, Luxembourg and Portugal channelled more than 50% of the ODA increase to Africa in 2009, compared to 2005 levels. Similarly, LDCs' share of EU ODA decreased both in absolute and relative terms and was 0.12% of GNI in 2009. *Nevertheless, reaching collectively the lower end of the target of 0.15%-0.20% ODA/GNI allocated to LDCs by 2010 and onwards remains feasible.*<sup>6</sup>

Poland - ODA as a % of GNI  
Historical data and scenarios for reaching 2015 targets



3 SEC(2010) 420, 21.4.2010

4 For example in 2005, the EU made the commitment to direct 50% of EU aid increases to Africa. Several other commitments in regard to development policy result from the on-going EU-Africa dialogue.

5 In November 2008, the Member States promised, as part of the EU's overall ODA commitments, to provide collectively 0.15% to 0.20% of their GNI to Least Developed Countries (LDCs) by 2010 while fully meeting the differentiated commitments set out in the "Brussels Programme of action for the LDCs for the decade 2001-2010".

6 SEC(2010) 420, 21.4.2010

In order to achieve this, the contribution of all Member States, including Poland, will be crucial. Therefore, the Polish government should follow the EC 2010 Spring Package recommendations:

- *Member States should redouble their efforts to increase their aid to Sub-Saharan Africa and to provide half of the pledged aid increases to the African continent.*
- *Member States need to enhance their efforts to increase aid to LDCs with a view of meeting the 0.15-0.20% ODA/GNI target in 2010 and to sustain their efforts once they have achieved that level.*

The EC has listed a number of innovative sources of financing. For example, several Member States indicated their interest in introducing new levies, with all or part of the revenues earmarked for development. Several Member States are considering a tax on financial transactions or a currency transaction levy. However, as some NGOs suggest<sup>7</sup>, much more has to be done in order to crack down on tax havens and straighten EU's commitments to solve problems posed by illicit flows.

In 2009, aid to Sub-Saharan Africa amounted to less than 5% of Polish bilateral aid and assistance to LCDs was decreased to around 10% of bilateral aid.

The MFA's faltering political commitment to strengthening capacities of Polish NGOs to deliver aid in Sub-Saharan Africa is particularly alarming. NGO project aid to Africa decreased from 1.75 million euro in 2008 to mere 0.31 million euro in 2010. As a result, the funds for NGO projects in Africa available from the Polish MFA in 2010 represent only 20% of what was available in 2008<sup>8</sup>.

The Polish government, including the MFA, should be more pro-active in ensuring sufficient funds for Sub-Saharan Africa and LDCs in its bilateral aid, at least at levels agreed by the EU, as well as in engaging in the EU's collective efforts to generate more funds for Sub-Saharan Africa and LDCs. Poland should fully support the EC's call for one single European seat at the IMF and the World Bank, thus ensuring parity of voting rights between developing and developed countries

## **Aid effectiveness**

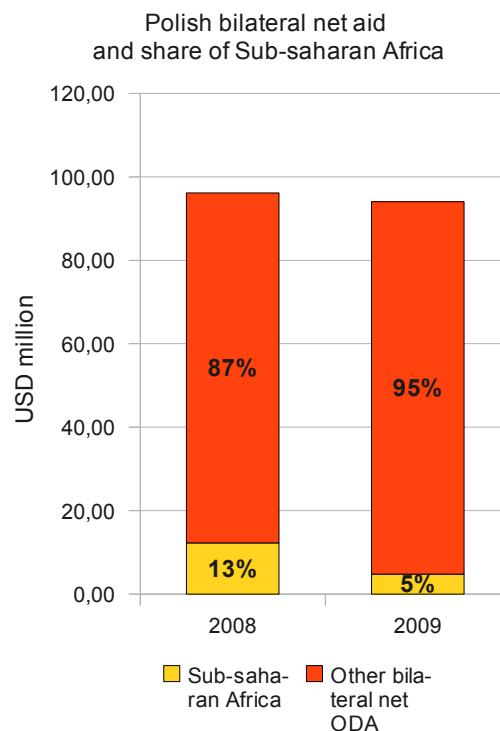
As the EC reminds in the 2010 Spring Package, the May 2009 Council Conclusions call for EU donors to establish individual plans to remove obstacles to aid effectiveness. 16 EU donors reported that they have a plan or strategy to implement the Paris Declaration and the Accra Agenda for Action (AAA). But 11 have not yet prepared a plan and Poland is among them.

The establishment of a national aid effectiveness plan is particularly important for Poland for at least two reasons. Firstly, the national development cooperation system is still in the making,

<sup>7</sup> See Eurodad, One step forward, two steps back? Missing pieces in the European Commission "April package", <http://www.eurodad.org/whatsnew/articles.aspx?id=4102>

<sup>8</sup> See Institute of Global Responsibility, <http://www.igo.org.pl/news/110>

## **Bilateral ODA and Africa's share**



which creates a unique opportunity to design it in a way that will ensure better aid effectiveness right from the beginning. Poland should not miss this opportunity. Secondly, with low levels of aid and public awareness of development issues the Polish MFA should do everything that is possible to demonstrate that the tax-payers' money is spent the most effectively. Any delay in the improvement of aid effectiveness on a bilateral level is an alarming sign not only for partner countries but also for Polish constituents.

Additionally to national efforts, the Polish MFA should fully contribute to the aid effectiveness agenda on the EU level, where the Member States and the Commission use the established EU coordination mechanisms and channels to move further ahead. Similarly, Polish political support for aid quality could strengthen the EU's leading role at the international level in moving the aid effectiveness agenda forward. It is particularly important in the run-up to the Polish EU presidency in the second half of 2011.

A number of particular challenges to the effectiveness of Polish aid were raised in the EC 2001 Spring Package. Among them, Poland was explicitly mentioned in the following contexts: lack of use of country systems, lack of delegated cooperation and lack of Management for Development Results. Although there are some positive tendencies, a dramatic change to the current situation has to be made, especially by the MFA. The development of the national plan or strategy to implement the Paris Declaration and Accra Agenda for Action seems to be an absolutely necessary starting point.

On the project level, extensive capacity building measures should be taken in order to improve capacities of implementing agencies. The most significant group of actors are NGOs which collectively implement around 60% of Polish project aid.

*Institute of Global Responsibility  
Warsaw, 12th May 2010*

For a detailed list of recommendations made by Polish NGOs please refer to the annual aid watch report 2007, 2008 and 2009 published by the Grupa Zagranica, a platform of 50 Polish development NGOs ([www.zagranica.org.pl](http://www.zagranica.org.pl)). An English summary is available.

Institute of Global Responsibility (Instytut Globalnej Odpowiedzialności, IGO) is an independent non-governmental organisation based in Warsaw, Poland. It focuses on research and advocacy on development policy issues, partnerships with Southern civil society organisations as well as development education in Poland.



Find more on Polish development cooperation on [www.igo.org.pl/english](http://www.igo.org.pl/english).