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Adenauer
Stiftung

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Volume I

Basic Orientation and Overall Objectives of European Development Cooperation

Workshop with Stakeholders in Development Cooperation
in the New European Union Member States

Development Cooperation in the new EU Member States

Development Cooperation in an enlarged European Union

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Development Cooperation in an enlarged European Union*

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The Konrad-Adenauer-Stiftung

The Konrad-Adenauer-Stiftung (KAS), founded in 1964, is one of the political foundations of the Federal Republic of Germany. Through its international activities and projects, KAS makes a substantial contribution to international cooperation and understanding. It is named after the first Chancellor of the Federal Republic of Germany, Konrad Adenauer.

Through international partnerships with private organisations and movements, state institutions and think tanks, KAS intensifies global knowledge transfer and promotes civil education. The 65 KAS offices worldwide act as central service and information centres.

Through its projects and activities, KAS contributes to the worldwide promotion of democracy and to strengthening of the rule of law, as well as to peace and social harmony, the fight against poverty and social exclusion, the extension of the concepts of the social market economy, and European Union integration. KAS considers these developments as conditions for the improvement of the political, socio-economic and environmental foundations of life.



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Abbreviations

CIDA	Canadian International Development Agency
DA	Development assistance
DAC	Development Assistance Committee (OECD)
DC	Development cooperation
DCs	Developing countries
DE	Development education
DP	Development policy
EP	European Parliament
EUR	Euro (currency)
GNI	Gross National Income
KAS	Konrad-Adenauer-Stiftung
MDGs	Millennium Development Goals (UN)
MFA	Ministry of Foreign Affairs
MS	Member State
ODA	Official Development Assistance
PHO	Polish Humanitarian Organisation
UNDP	United Nations Development Programme
USD	United States dollars

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Introduction

Peter Köppinger

The independent German political foundation Konrad-Adenauer-Stiftung, named after the first chancellor of the Federal Republic of Germany and one of the founding fathers of the European Union, has more than 60 offices in developing countries. The Konrad-Adenauer-Stiftung is also represented in seven of the 10 new EU Member States.

With more than 40 years of development experience, and over 15 years of experience in supporting restructuring and transition in Central and East European countries, the Konrad-Adenauer-Stiftung is seeking to promote more systematic integration of new Member States into EU development cooperation.

During the last three decades the development cooperation policy and programmes of the European Community and the European Union have undergone significant change. There has been a huge extension from measures in favour of strengthened relations by some Member States with their former colonies to today's wide range of projects and programmes in nearly all developing countries, based on visions and objectives spelt out in basic documents and specific country strategies.

The 15 old Member States of the European Union share many decades of tradition in development cooperation with Latin American, African, Asian and Pacific countries based on similar values and objectives. This is despite striking differences that persist with regards to priorities, approaches, institutional structures and methodologies. Common traditions and understanding of development cooperation carried out both by states and state-owned organisations as well as by civil society have provided the platform for the philosophy and growing importance of EU development cooperation policy and programmes.

Nonetheless, in recent years there has been increasing discussion by politicians as well as other stakeholders in the Member States on the specific role of EU development cooperation policy with respect to that of its Member States. There is a need to more clearly define overall objectives and priorities, thereby restructuring instruments and approaches with the purpose of increased efficiency. Upon accession to the EU, the new Member States adopted the political and legal framework of the Union as well as the underlying values and orientation that govern EU policy in the field of development cooperation. However, formal adoption still needs to be accompanied by a parallel process of integration of people, societies and political institutions into the philosophy, orientation, instruments and programmes of the Union.

In December 2005, the Konrad-Adenauer-Stiftung held a conference on development cooperation policy and activities in the 10 new Member States. The conference set out to answer questions as to the official policy of respective governments, budget lines, general philosophies, orientation, government and party political focus and civil society organisations. The conference also evaluated the role that new Member States play in European development cooperation.

This paper, based on the conference, is one step towards increasing participation and integration of new Member State actors in the implementation of EU development cooperation programmes. Given the specific experience of reform and transition in their recent history, non-state actors in new EU Member States have much to contribute to EU programmes for developing and transition countries.

The conference also sought to identify and strengthen those advocating European development cooperation to political decision-makers and the general public in the new Member States. Obviously, political, economic and social stabilisation in the new EU Member States is a top priority on the EU agenda and for the EU budget. However, stabilisation must not lead to decreased EU efforts in the fight against poverty and support for democracy and peace worldwide. This is in the interest of the new Member States as well.

The more governments, political movements and civil society in the new EU Member States are involved in development cooperation activities, be it their own national programmes or via participation in EU programmes, the greater understanding will be of the responsibility of the EU as a whole in this important field.

Part I
**Introduction to European development
cooperation**

Development cooperation and the European Commission

Sabine Weyand

Introduction

This is an opportune moment to reflect on development policy. The special attention of the G8 Summit and the New York Millennium Review Summit gave rise to a number of new initiatives and policy orientations in EU development policy. After months of hot debate, in November 2005, the Council adopted its first common vision for EU Development Policy based upon eradicating poverty. The European Council has also endorsed an Africa Strategy that translates this common EU vision into concrete actions.

The above events represent a breakthrough in EU Development Policy. For the first time in 50 years, the Commission, the European Parliament and the 25 Member States agreed on a common vision for actions, not just at Community level, but also bilaterally. At last, there is a common set of values, principles, objectives and means to combat poverty. For the first time, a Declaration applies to policy in all developing countries, wherever they are.

Millennium goals

The new Declaration reflects the important changes since the early 2000s. After the crucial Millennium Review Summit in 2005, the key aim of the EU Declaration was to give a vision of how to meet the Millennium Development Goals. It is adapted to a Europe of 25 Member States and addresses the key challenges of globalisation and of security following the terrorist attacks in the United States on 11 September 2001 and later in Europe itself.

This European consensus agreed upon in 2005 also confirms the eradication of poverty

as the central aim of the European Union. It underlines the need for better coordination between the Member States and the Community to ensure collective support of reform strategies in developing country partners. The consensus emphasizes the need for greater coherence in the policies of the European Union.

Common vision

The Policy Statement has two main parts. The first part sets out a common vision for European Union Development Policy and how to achieve change. In May 2005, the Council also agreed upon the timetable to achieve 0.7 percent of GNI for ODA by 2015, with an intermediate collective target of 0.56 percent by 2010. For the new Member States, this intermediate target was set at 0.17 percent, with a view to reaching 0.33 percent in 2015.

This means an extra EUR 20 billion in development spending per year. There is also agreement on enhancing the effectiveness of that aid and ensuring greater coherence between development and other EU policies.

Five key principles in the EU policy statement were seen as central to effective common development policy.

- 1) *Ownership & partnership* requires that developing countries have primary responsibility in the creation of enabling domestic environments and the mobilisation of their own resources. Donors only come in to support national poverty reduction strategies. The involvement of national parliaments in developing countries is a further prerequisite for the appropriation of these national strategies, as is cooperation with local authorities.
- 2) *Political dialogue* is seen as an important instrument to further development objectives. Central themes include good governance, human rights, respect for democratic principles and the rule of law.
- 3) *Civil society*, economic operators, social partners and NGOs, are seen as having a vital role to play as promoters of democracy, social justice and human rights. Support will be given to building the capacity of non-state actors to strengthen their voice in the development process. The particular role of European civil society also needs to be recognised and supported.
- 4) *Gender equality* is not just a fundamental right but a prerequisite for reaching the Millennium Development Goals.
- 5) *State fragility* must be addressed and the EU should not shy away from working with difficult partners and helping to rebuild governance structures.

Administering Development Policy

The second part of the European Consensus indicates how development policy is to be put into practice at the Community level setting out where the Community has a comparative advantage.

The Commission is seen not as a classic development agency but rather as a political body in its own right with specific roles that allow it to add value to what Member States do individually.

Firstly, the Commission has a global presence as a development partner in more countries than even the largest of the Member States. In certain cases, the Commission is the only partner with a substantial presence. Secondly, the Commission can make use of the full range of Community policies, not just cooperation programmes covering practically every developing country and region. There is the Commission's political dialogue, extensive network of delegations, but also the common EU trade policy. At the Community level there is also the possibility of enhancing the coherence and positive impact of EU policies on developing countries in areas such as agriculture, fisheries, environment, research and development. Thirdly, the Commission promotes best practice, by stimulating, together with Member States, a European debate on development. Fourthly, the Commission can facilitate coordination and harmonization via, for instance, the Paris process on aid effectiveness. Fifthly, the Commission is a delivery agent in areas where size and critical mass are of special importance.

The Commission is active in the full gamut of developing countries in least-developed, middle income and also fragile states. This requires use of a wide range of policy instruments in, for example, trade and regional integration, environment, infrastructure and communication technologies, water and energy, rural development and food security, good governance conflict prevention human development, and social cohesion.

Concentration of aid

The Commission fully upholds the principle of concentration of aid. Support in any given country will be limited to a small number of priority areas. Choice of areas, however, varies from country to country and the Commission works where there is a real comparative advantage happy to leave the leadership to Member States in other areas. For example, if the Swedes have particular expertise in education in a given country, the Community will focus on other priorities.

A particular importance is given to budgetary aid. The Community is an innovative force in this area. Budgetary aid enables recipients to cope with growing operating

budgets and promotes harmonisation of procedures and alignment on national policies. It also contributes to lower transaction costs and encourages approaches based on results. This allows discussion of the whole range of policies in a developing country and promotes reform and good governance.

Currently, a quarter of EC aid to the ACP region takes the form of budget support and Commissioner Michel is committed to increasing this share.

Strategy for Africa

Africa, the continent with the largest donor presence, represents the greatest challenge. HIV/AIDS is threatening to wipe out a whole generation. Famine is spreading. Water is in desperately short supply. And desertification is encroaching, not receding.

Africa needs more resources and must use them more efficiently. There are urgent challenges regarding coordination and ensuring aid complementary.

Europe must also not lose sight of the political opportunity of Africa's untapped potential. Countries such as Russia, Japan and most notably China have been quick to recognise this. China's trade with Africa has grown from USD 10 billion in 2000 to over USD 28 billion in 2004. Africa now supplies a quarter of China's oil.

The EU's Strategy for Africa is an ambitious political vision setting out a single framework for the long-term development of relations between the EU and Africa.

One Africa

Africa is a continent of great cultural diversity. The continent is also committed to an ambitious path of political, economic and cultural integration with the African Union and the New Partnership for Africa's Development (NEPAD).

One Europe

Europe has shown the way to political and economic integration with enlargement being clear proof. But this does bring new challenges and the need for greater coordination.

One objective

Up until now, the Community's relations with Africa have fallen under different agreements such as the European Neighbourhood Policy, Cotonou, and the South Africa Trade and Cooperation Agreement. These agreements operate in different policy sectors such as trade, security, development and environment. The emergence of the

African Union forces the EU to redeploy instruments in a wider perspective and to integrate them across sectors. The Peace Facility is but one example, indicating that issues such as security and development cannot be separated. The EU Strategy for Africa gives a political framework to relations and clearly defines the common objective: achieving the Millennium Development Goals.

Development cooperation and the European Parliament

Nirj Deva

Introduction

Discussions of development cooperation and policy throw up many questions especially considering the fact that the arms industry globally generated annual revenues of around EUR 1 trillion in the early 2000s. Support for agriculture given by the US, EU, Japan and other countries also totalled some EUR 400 billion a year. Development assistance, globally, reached only about EUR 70 billion per year and some 960 million or more people live under one dollar a day.

In spending EUR 70 billion a year on overseas development, with the Commission and Member States together forming the largest contributors, the EU, and in particular the Commission, should be doing something much more coherent and complementary. The Commission should be coordinating what the 25 Member States are doing or should be doing.

A first step is to bring the new Member States within the development framework and examine how to apportion different areas of responsibility and coherence to the entire structure. Otherwise Latvia, Poland or Hungary, for example, will be doing in Africa exactly what the United Kingdom does.

Coherent structures

When I first came to the European Parliament from the House of Commons EU aid policy and implementation was in absolute chaos. One year, money was even returned to Member States because it could not be spent. Former External Relations Commissioner Chris Patten cancelled about 3000 projects that could not be carried out.

The situation has improved tremendously with a more coherent structure emerging from previous complications. This was no fault of the Commission but rather the Member States and the Treaties which did not allow the Commission to do what it should be doing. Recently we have given the Commission more power of delegation in the countries concerned so that EU officials can take action on the ground with the experts who know what the local problems are without having to come back to Brussels over and over again for approval.

Eradication of poverty

What is the European Parliament's overriding concern regarding development policy? It is very simple: the eradication of poverty within the framework of sustainable development. There are many facets to this simple concept which relates to consumption and food security, to health, education, rights, social justice, dignity, decent work.

There are hundreds of millions of people, especially in certain Asian countries, who have been lifted out of poverty. This has not happened in Africa, which may have gone backwards. But why have millions of people come out of poverty in other parts of the world? Just 40 years ago, India was, relatively speaking, a very poor country. Today, there are 350 million Indians with a purchasing power comparable to that of Portuguese, Greeks, Hungarians and many other Europeans. This is not to deny that within India's 1.2 billion population, there are 400 or 500 million people living on or under the poverty line with a spending power of just two dollars per day.

Concluding remarks

The eradication of poverty within the framework of sustainable development also relates to what we now call the Millennium Development Goals. The UN Millennium Goals Secretariat has identified key areas where 'quick results' can be achieved. Following this, the Parliament identified in its budget three areas to make substantial contributions to the wellbeing of children: education, school meals, and nutritional matters.

The Parliament is then pushing for money to be allocated to reaching Millennium Development Goals and to the eradication of poverty.

Discussion

The Integration of the new Member States into EU Development Cooperation

Chair: Christiane Overkamp

Contribution from the floor

One of the benefits of budgetary aid is the reinforcement of long-term financing and the use of overall development indicators and goals. This approach will also be used, when applicable, for other instruments such as the European Neighbourhood Policy, especially as there are neighbouring countries in a development phase. Will such indicators be specific to the regions covered by the European Neighbourhood Policy?

Response from Sabine Weyand, European Commission

Budgetary aid has the advantage of better respecting the principles of ownership. We are thinking in terms of 50 percent of funds going to budgetary aid, not 80 percent. As for indicators for budgetary aid, there is no one size that fits all. Indicators for budget aid are negotiable and related to the poverty reduction strategy in a given recipient country. In European Neighbourhood countries, for example, the challenges are very different from those in sub-Saharan Africa. That is why it is important that development cooperation is built around national strategies.

Better communication and a public debate on budgetary aid would be beneficial due to the misunderstandings surrounding the concept. The European Parliament will produce a report on budgetary aid, and this will provide an opportunity for public debate on budgetary aid.

Contribution from Šimon Pánek, People In Need Foundation

The drive by the European Commission to increase budgetary aid as much as possible

appears to be taking place without sufficient critical analysis and feedback. I do not think control is as good as the Commission claims. It is also not only a question of wasting money but also of evaluating. If evaluation results are poor in five or seven years from now this will strike back at the EU's ability and willingness to increase development cooperation. It is not only a technical, but also a strategic issue.

Contribution from Peter Köppinger, Konrad-Adenauer-Stiftung

Having spent 11 years in developing countries, notably in Vietnam and Cambodia, one notes that transparency and control of budgets is almost the last thing that can be achieved in the process of strengthening good governance. This is difficult in EU countries as well. There is a need, nonetheless, to enter into greater budgetary aid. However, the Commission may be going too fast and control is lacking. It will not be enough just to note that a law, national audit court and authority have been established as reality is often different. Raising the level of budgetary aid to 50 percent also appears too ambitious.

Contribution from the floor

There appears to be a massive lack of policy indicators. Having worked closely on Eastern Europe, Central Asia and the Caucasus regions, I also note a huge lack of EU representation at a regional level. Before the opening of the new delegation in Moldova, there were only two delegations in Eastern Europe and Central Asia for almost eight countries.

Considering the de-concentration process it is very hard to determine exactly how effective the Community system is implemented. This lack of evaluation mechanisms needs to be addressed so as to counter what is referred to as the democratic deficit of the Union in implementing policies. There need to be stronger indicators on the Community side not only focusing on national government performance but also on how the Community is actually implementing policy and the role of the relevant EU delegation.

Part II
Development cooperation in the new
Member States

Government policy and infrastructure in the Czech Republic

Zuzana Hlavicková

Introduction

A tradition of development cooperation has existed in the Czech Republic, or its predecessor, Czechoslovakia, since the 1970s. This allowed the Czech Republic to build upon expertise and relations with partner countries in 1996 when a system of development cooperation was relaunched.

Development cooperation is today an integral part of Czech foreign policy and is coordinated by the Ministry of Foreign Affairs. As is probably the case in most new Member States, there is no specific legislation governing development cooperation even if a draft law is being considered. Nonetheless, several government documents form the basis of Czech foreign aid.

Development principles

In Spring 2004, the government approved a document entitled 'Principles of International Development Cooperation after the Accession of the Czech Republic to the EU'.

The Czech Republic has goals reflecting international commitments and solidarity in its development cooperation. There are also security and cultural issues, but a growing focus on issues such as eradication of poverty, good governance, gender and so on. The priorities of Czech development cooperation include health, education, sustainable development, environmental protection as well as economic, more generally, agricultural and rural development.

In recent years, there has been a greater focus on human rights, democracy and institution

building. This wide spectrum of issues may lead to fragmentation and a call for greater concentration on just a few priorities. This is especially so as there is just one department of 10 persons, also covering humanitarian affairs, with two units, bilateral and multilateral.

The situation is even more complicated as other ministries are involved in development aid or managing projects. Together with staff in ministries and in the development centre, there are around 30 persons involved in development cooperation.

Cooperation projects and areas

The Czech Republic has different instruments for bilateral cooperation such as scholarships for students from about 70 countries to study in the Czech Republic and monetary aid. Assistance for refugees is another instrument considered as bilateral development cooperation. Further instruments include public awareness, nation development capacity building and debt relief activities. As of yet there is no budget aid or micro-financing. Multilateral cooperation at EU and international levels is important for the Czech Republic that participates in several multilateral development projects.

In 2004, the government established a policy focus on eight priority countries: Yemen, Angola, Zambia, Vietnam, Mongolia, Moldova, Serbia-Montenegro and Bosnia and Herzegovina. For these countries there are separate strategy programmes approved by the government in 2005. Memoranda of understanding are to be signed shortly with each of the countries and to be followed by tenders and projects. Other priority countries, due to the special security situation, are Iraq and Afghanistan. This country focus allows greater concentration as opposed to the current fragmented situation of more than 100 projects in 50 countries.

Czech ODA and GNI

In 2003, Czech ODA surpassed 100 million US dollars or 0.11 percent of gross national income. A significant part of this money now goes on the Czech contribution to the EU. Reaching 0.17 percent of GNI will be difficult. As for areas of development cooperation activities, investment projects took 13 percent of the budget, technical assistance 7 percent, scholarships 3 percent, humanitarian aid 2 percent, and public awareness about 2 percent. Some 11 percent of ODA was spent in the least developed countries. Other low-income countries received 8 percent. Middle-income countries obtained 41 percent. Iraq received most of the money allocated to middle income countries via the Czech Republic's special programme, which was approved by the government in 2004. In 2004, Sub-Saharan Africa received only 3 percent of the budget.

The largest portion was spent in the Middle East and Northern Africa.

Development education

Another important area is development education with an annual summer school of development assistance and development cooperation. Development studies is also being taught as a subject at five universities in the Czech Republic. One university offers a Master's programme. There is also finance for further six projects in the framework of development cooperation education and broader public awareness.

NGOs and development cooperation in the Czech Republic

Šimon Pánek

Introduction

The Czech NGDO platform is responsible for pursuing dialogue with the government on development cooperation, its transparency, priorities, and policies. The NGDO also networks at EU level giving members information as to EU funds. NGOs from the new Member States are often not eligible or not strong enough for EU funds. The platform also works with the media to raise awareness about global issues.

NGDO platform members represent one group of organisations with around a dozen different development projects in the South. Other groups represented include voluntary organisations with smaller numbers of projects but plans for the future. Another group is represented by those organisations working mainly on awareness and education in the Czech Republic.

More standardised model

It is difficult to characterise Czech ODA and bilateral development programmes. There is a comparatively higher amount of money spent and more mature structures that have moved forward in the past three years. But cooperation with the government, since 1994, with up to EUR 15 million coming from the government budget, has not been without problems such as the division of competence and manpower between nine ministries that occurred in 1995.

Ministries are still fighting hard to maintain the status quo as it entails money. There is little political will for the more standardised model that the Czech Foreign Ministry appears to favour. Practical implementation is sometimes heavily influenced by the powerful industry and trade ministry with the support of the prime minister. This

may lead to specific experts or contracts being favoured. But on the whole there is progress. Some five years ago, the industry and trade ministry was still very powerful, controlling 40 percent of the bilateral development budget and dominating the scene. A standardised way of how to distribute funds, decide and control projects is becoming stronger and stronger.

Towards an 'ideal' situation

Perhaps Czech ODA has made 30-40 percent of the journey towards an 'ideal' situation. Since the Development Department was founded in 2003, NGOs have been encouraged by having a competent partner on the government side rather than diplomats simply waiting in Prague for another mission. Government development staff is more stable and understanding despite the fragmentation into nine ministries. Another positive factor is investment by the Czech Foreign Ministry in public awareness and education. This is important for future sustainability and future increases in funding.

There is a gap between statements and action when examining the positions of the main parties in the Czech Republic on development cooperation. Concrete action has yet to be taken by the social democratic prime minister who promised an ODA increase to 0.3 percent over three years after being briefed by NGOs and experts from the Ministry of Foreign Affairs (MFA) following the Millennium Summit in New York. President Václav Klaus opposes an increase of ODA to 0.3 percent even if influential elements within the right-of-centre Civic Democratic Party favour the idea. However, despite this political situation there does not appear to be any danger to the process of ODA reform.

Concluding remarks

ODA has found a receptive Czech society, in terms of private individuals as well as companies. During the tsunami, for example, some EUR 15 million was raised in the Czech Republic, a relatively large sum for a new Member State. Perhaps one reason is Václav Havel's insistence on altruism during his 12 year tenure as president. Other reasons include the lower number of NGOs, their transparency and trust enjoyed as well as the close cooperation between the MFA and NGOs.

Questions and answers: Czech Republic

Question from Stefan Gehroid, Konrad-Adenauer-Stiftung

Have pre-1989 contacts helped Czech development assistance in countries and areas where Western European development programmes could not previously have acted?

Response from Šimon Pánek, People In Need Foundation, Czech Republic

Many contacts dating from the time of the former Czechoslovakia ended up in jail. Not all contacts were good and could be built upon. This is true specifically for dictators from Africa supported by the Soviet bloc.

Angola is a special case as the side supported by the Soviet bloc finally gained the upper hand and is now trying to establish a government that is making progress after 20 years of civil war. Contacts made in Angola before 1990 were preserved. Ethiopia is a different case.

Question from Peter Köppinger, Konrad-Adenauer-Stiftung

Are there still any projects for which commitments or activities date from the period before 1990?

Response from Zuzana Hlavicková, Czech Ministry of Foreign Affairs

No. The second phase of Czech development policy started in 1996. So there was a gap between 1990 and 1995 when no development projects were implemented.

The Czech Republic was founded in 1993. Before, Czechoslovakia was a member of the Soviet bloc. And, being a richer member of the Soviet bloc, Czechoslovakia provided aid to other communist countries including Angola, Yemen, Vietnam and Cuba. Czechoslovakia also sent experts to these countries and many people from these countries came to Czechoslovakia. There were both positive and negative aspects to this tradition.

Government policy and infrastructure in Estonia

Eero Saue

Introduction

Development cooperation in Estonia started in 1997 with one person designated in the Ministry of Foreign Affairs to work on development issues. Along with the increase of staff, a Development Cooperation Division was established in the Department of External Economics and Development Cooperation and now hosts a staff of five, there is also one person in Brussels in the Permanent Representation to the EU dealing with EU development cooperation matters.

The broad policy lines concerning Estonian development cooperation are set out in a statement (The Principles of Estonian Development Cooperation) that was first approved by the parliament (Riigikogu) in 1998 and that was updated in 2003. Development cooperation is seen as an integral part of our external policy, of equal importance than other aspects of this policy.

Mechanics

The legal framework for the implementation of this policy is to be found in the “Government of the Republic Act” (which assigns MFA as the coordinator), the “Foreign Relations Act” (which sets out the formal rules for implementation) and several acts that specify and implement these procedures. An inter-ministerial commission, which also helps in facilitating coherence between different policies, is responsible for evaluation and appraisal of project proposals with the final decision being made by the foreign minister.

The Estonian Parliament is engaged in development issues through approving the policy principles, development issues are also included in Foreign Minister’s semiannual presentation on state of play of external relation and the External Relations committee

is consulted on specific issues on ad hoc basis.

The budget for development cooperation and humanitarian aid was approximately EUR 500,000 in 2005 and for the 2006 the government allocated some EUR 950,000 as a first step towards fulfilling international commitments. This development budget makes up only around 10 percent of the total Estonian expenditure on development cooperation activities, which was approximately EUR 6.6 million or some 0.08 percent of GNI.

Substance

The majority of Estonian assistance (87 percent of the total Estonian development cooperation in 2004) is provided multilaterally, the bulk of which comes from the contribution to the EC budget. Therefore particular attention is paid to strengthening participation in EU policy making, especially in areas in which we have a specific knowledge and experience. Other channels are mostly those of the UN such as UNICEF, UNDP, UNHCR, UNFPA and OCHA, but for example also ICRC.

Bilateral aid accounted for only 13 percent of the development cooperation expenditure in 2004, or EUR 900,000. This part of our activities mainly has stemmed from our political contacts with certain developing countries and their specific requests. Therefore it is mainly focused on the Eastern-European region, primarily Georgia and Ukraine. This on-demand approach avoids complex structures for aid management and allows flexibility in responding to concrete needs.

Specific areas of bilateral cooperation depend directly on what partner countries request, with a strong input from the different reform processes Estonia implemented itself in recent history. One of the fields most drawn upon by partners is ICT, where the Egovernance Academy is a major partner for the Ministry.

In 2004, some 60 percent of bilateral aid was channelled through NGOs based on the latter's projects. Besides financing, the ministry has constructive dialogue on policy planning with the NGO platform 'Development Cooperation Roundtable' that has some 17 organisations and 70 people. The Roundtable participated in preparing the Principles of Estonian development cooperation and is also consulted on the new Estonian Development Cooperation Strategy.

An important area where Estonia is lagging behind 'traditional donors' is public awareness. One survey in 2005 indicated general support for aiding other countries, but also showed a clear lack of knowledge of global issues. NGOs have recently been

especially active and efforts are making a difference.

Concluding remarks

The Estonian Development Cooperation Strategy aims at defining a specific niche for the country in global development. The strategy was prepared in parallel to and in coherence with the discussions in Brussels on the EU development policy, the wider international elements, such as the Millennium Development Goals and Paris Declaration being included from the start. The strategy has now been submitted to public consultation.

Estonian assistance will remain a 'niche-product on the development market', since even if Estonia spent 0.7 percent of GNI, this sum would only amount to around EUR 50 million, which is less than 0.1 percent of global aid. Therefore Estonian aid will continue to work as a catalyst or complement to other donors and partner activities.

NGOs and development cooperation in Estonia

Steven Segaert

Introduction

The link between e-governance and development cooperation needs some clarification. By helping governments to introduce the use of ICT in their daily affairs, the e-Governance Academy (eGA) helps solve several problems with which developing nations are confronted:

- Governments become more aware of what are good and realistic ideas and what are not, which leads to better choices and less inefficient spending;
- The business of government gets more rationalized and more transparent, which in turn helps participation and the development of democratic control by civil society.

Being able to trust in solid, well-organized and transparent government is an important factor in the development of a society, and we are very happy that the Estonian government recognizes this importance and the strong position of Estonia on this subject.

Estonia developed fast from a state left in shambles after the collapse of the Soviet Union, to a modern knowledge society in which e-government is a normal and integral part of people's daily lives. This has been with a very small budget, in a time where the average income still was about one third of the EU average. Rather than introducing lots of money, Estonia accomplished this through sound policy and clear vision. As a result, government and administration are increasingly transparent and open to participation.

As an NGO, the e-Governance Academy disseminates this know-how and strategic

vision through training (over three years, we trained about 500 decision makers from 25 countries). We also try to initiate research wherever possible, and help build specific projects through consultancy missions – for example, helping to connect Georgian schools to the Internet.

Emphasis on projects

Development cooperation becomes increasingly project based, and the efforts are more and more made on a multilateral level. These developments are looked at by smaller NGOs with a certain amount of concern.

Sustaining an organization through projects is not easy. To build projects, you need to invest. An NGO also needs to sustain a core staff – the e-Governance Academy, for example, works in 25 countries with a core staff of 8 to 9. Giving these people perspective through a stable portfolio of (often short running) projects is a real challenge.

Moreover, projects are getting bigger and bigger. So big, that an organization such as the e-Governance Academy have no hope of winning tenders. Granting funding for projects in the order of hundreds of thousands of euros – even millions – in one go, undoubtedly favours large commercially run organizations that are not so much oriented towards content, but rather to management, typically looking for experts only after the project has been granted. It is clear that this does not always contribute to the desired outcomes of the projects.

As an organisation, the academy has not been able to directly access European Union funds, as it does not reach the criteria to obtain such funding. A staff of as much as 100 and an annual turnover of EUR 2 million may be required to be eligible. In other cases “co-financing” is required, which often poses an equally insurmountable problem. Entering consortia with big management firms is often the only plausible solution. It is however hard to reach a balanced partnership that reflects the expert input, as opposed to the rewards connected to the management of the project.

Combine these two observations, and it is not difficult to see why NGOs of the scale of eGA are getting rather nervous at times...

Concluding remarks and recommendations

While the e-Governance Academy welcomes and encourages the efforts made by the Estonian government in empowering its local NGOs and in taking into account the issues voiced by civil society, some reasons for concern can be identified.

How interesting working on development cooperation through projects may be, governments should understand that, in doing so, they risk destroying the capacity of their NGOs. Without structural funding that allows NGDOs to build capacity and support core staff, an organization is more or less forced to shrink and expand, even rebuild, according to the amount and nature of projects available.

Governments should take care to maintain a certain degree of structural funding, and can help their national NGOs to compete in the project market by offering training and direct aid aimed at capacity building, and by helping them to reach the eligibility criteria that are often imposed (e.g. by offering possibilities for grant-matching, co-funding and guarantees).

A second concern is the allocation of the money going to development cooperation. In the development cooperation strategy currently being developed by the Estonian government, some 80 percent of donor funds may go to multilateral instruments and only 20 percent to bilateral programs. This 20 percent will go to concrete projects managed by small NGOs such as the e-Governance Academy. It is feared that multilateral efforts will more and more be favoured to bilateral ones, partially because bilateral efforts require more management and a more intense follow-up.

While multilateral efforts have their importance, moving towards putting the money in “one big pot” has some clear disadvantages.

- Big budgets lead to big projects, which – as we have discussed – makes it extremely hard for local, specialized NGOs to operate.
- The priorities connected to multilateral efforts do not always fit the interests of the countries contributing to these efforts. A country like Estonia, for example, will always have a clear interest in development cooperation in the “Eastern neighbourhood” than in Africa or South-America, while this seems to be of less concern to the EU as a whole.
- As it turns out, the quality of mega-projects has yet to be determined, while the outcome of smaller bilateral projects is much easier to assess and monitor. Even if it can be argued that bigger projects are more cost-efficient, this gain in efficiency does not extend to the result of the projects.

Empowerment of NGOs is an important issue, and one we are glad is being addressed seriously in Estonia. Through professional NGOs, more becomes possible and public awareness becomes a more achievable goal.

Parliament and policy in Estonia

Mihhail Lotman

Introduction

Not only new but also old EU Member States must critically re-examine the principles of development policy and development cooperation. Unfortunately, in Estonia, humanitarian aid is not very popular when compared to rescue operations such as in Pakistan and Indonesia. Estonia is too small to make much of a difference and is not a rich society compared with the United States or Saudi Arabia.

Effectiveness of help

Effectiveness of help cannot be measured exclusively in terms of expenditure of money. And such forms of aid are no less important than expensive and ambitious projects. Aid organisations must also be trusted and understood. In Russia today, the side effect of many NGO efforts is an increase in xenophobia, anti-Semitism, anti-Western and anti-American sentiment.

A most important factor in aid is trust. And that is why Estonia is successful and effective in Georgia. Estonians have good contacts at government level, in parliament and with NGOs. Georgia now has very similar e-government projects as in Estonia. There are, of course, difficulties, but the predominant atmosphere is one of trust.

Concluding remarks

Why is e-government so important? As MEP Nirj Deva noted, a company can be created in Britain over the Internet. In most developing countries, this takes about a year. So e-government can provide direct access to property and political power. Such problems can then be solved by technical and rather inexpensive solutions.

Questions and answers: Estonia

Question from the floor

Considering future economic growth in the new Member States, and the increase of revenue per inhabitant, ODA will also increase. Have any economic studies indicated Estonia's ODA rate of growth in relation to goals set for 2010 and 2015? What will Estonia do with the new funding? Will Estonia's contribution to the Commission and UN be increased or will there be new policies and projects, for example, in Africa?

Response from Eero Saue, Permanent Representation of Estonia to the EU

There are tables indicating economic growth and the financial implications but redirecting to ODA remains a political decision. Government expenditure is relatively small compared to other Member States and the proportion of ODA would be correspondingly higher than in some old Member States.

Turning to strategy, it appears to me that most of an increase in ODA would have to go through multilateral channels. For example, in terms of sharing of expertise, with a population of 1.3 million, one has to consider how few available development experts there are in Estonia. This represents a limit to technical assistance capabilities. It would also not make sense to set up complex development administration structures in Estonia.

Government policy and infrastructure in Poland

Olga Zawadzka

Introduction

Polish development assistance and cooperation is a new element in the country's foreign policy. The Department of Development Policy Cooperation in the Ministry of Foreign Affairs, previously a division, has been a separate department with a staff of five within the Ministry only since September 2005. There are many challenges ahead, and, as in the Czech Republic, there is not yet a law regulating development cooperation.

The strategy for Polish development assistance is mostly governed by a document adopted by the Polish government in October 2003. This document sets out priorities in regard to main areas of development assistance and target countries. A strategy for 2006-2010 is being elaborated and negotiated. The strategy will identify future priorities for Polish development aid such as the health sector, education, access to drinkable water, environmental protection, local structures capacity building, support to government institutions, improvement of public administration, development of cross border cooperation and restructuring of the economic sector.

Cooperation principles

Principles of Polish development cooperation include ownership responsibility, partnership between the donor and recipients, and a comprehensive approach embracing all elements of sustainable development. Cooperation between the Polish government, civil society, and the private sector in the implementation of the strategy is also central.

Another principle is the differentiation of aid modalities, meaning the use of comparative advantages and of coherence in development cooperation that allows

synergies between different government activities to contribute to a single development policy. A final principle is the concentration of Polish aid in the field of development cooperation on selected countries in order to maintain aid sustainability.

Legal framework

The search for partners is at times constrained by the legal framework which foresees cooperation with NGOs or multilateral organisations. At the moment, partners are very much limited to NGOs, and there is little flexibility in working with the private sector. Seven priority countries exist under current strategy: Angola, Afghanistan, Iraq, Moldova, Vietnam, the Palestinian Authority and Georgia. When looking for partners, and considering possible activities, priority goes to these seven countries.

However, funds have been allocated to other countries where there are good partners and to areas with good projects. Thanks to this approach around EUR 1 million was allocated to Ukraine in 2005. This was possible due to Polish NGOs being active in Ukraine since the fall of the Soviet Union and the strong cultural and historical links to Ukraine. Belarus is a more problematic country for bilateral projects. There is also humanitarian aid, mostly through multilateral channels such as the various UN organisations although NGO partners are welcome.

There are basically three pillars of development cooperation. One is technical assistance as implemented in Ukraine. The historical and cultural ties make technical assistance much more effective. Other countries for technical assistance are Belarus and, in Central Asia, Tajikistan and Uzbekistan. A further pillar is development assistance, mainly in Georgia, Moldova and African countries. In Africa, the projects are small and focus on building a new school or buying equipment for a hospital. The third pillar is humanitarian aid and assistance, mostly immediately following a disaster although assistance in rehabilitation and rebuilding should be enhanced.

Concluding remarks

Summing up, work is carried out mainly through bilateral projects where the main partners are NGOs. The legal framework does allow cooperation with the private sector although this is more complicated due to human resources restraints. There is a need to broaden the scope of partners and also enter into trilateral projects. The Polish Ministry of Foreign Affairs and the Canadian International Development Agency (CIDA) are, for example, currently working on a memorandum of understanding that should allow the implementation of projects by the Ministry of Foreign Affairs, CIDA and NGO partners.

NGOs and development cooperation in Poland

Janina Ochojska

Introduction

Polska Akcja Humanitarna began activities in December 1992 by dispatching a convoy to Sarajevo. At the time, Poland was undergoing systemic transition and was not a rich country. This moment of change, from a 'helped' society into one that provides aid to others, was vital for the transition process.

Polish Humanitarian Organisation (PHO) currently conducts humanitarian and developmental projects in Afghanistan, Chechnya, Iran, Iraq and Sri Lanka. PHO also raises awareness in Poland as to development issues and North and South interdependency. The development education programme encourages international solidarity and supports informed action, especially among school pupils, teachers and other NGOs in Poland.

Tapping other funds

Up until 2000, PHO activity was entirely financed by funds from private donors and international organisations. Poland's Official Development Assistance had until then been mainly implemented by contributions to the UNDP and other international organisations. In 2000, the Polish government first allocated resources from the budget reserve for aid to Kosovo.

Before Poland joined the European Union, resources for humanitarian and developmental aid were granted from a reserve fund sporadically and without any defined strategy.

During accession negotiations with the new Member States, the issue of their participation in the European Development Policy was not detailed. Obligations arising

from EU development policy are then currently considered as so-called soft *acquis*. This influences the way policies are perceived by individual governments of those states. For example, in Poland the problem was not one of priorities as it needed pressure by NGOs to create structures and procedures related to allocation of development aid resources. Such considerations should be taken into account for further EU enlargement.

Since accession to the EU, Poland has become part of the European development strategy. Thus, in October 2003, the government set out its first strategy of developmental and humanitarian cooperation. The creation of the Department of Development Cooperation within the Ministry of Foreign Affairs in 2005 was an important element of the Polish developmental policy.

Polish NGOs see the creation of an independent government agency for development cooperation as promoting more independent developmental policy free from current foreign and economic policy concerns and centred on the eradication of poverty.

Development education

Better development policy requires not only a shift in political attitudes, but also societal changes. Many Poles still think that they should first help themselves and then others. Therefore, the UNDP, in cooperation with PHO, ran a campaign for the Millennium Development Goals in 2004 and 2005. Opinion polls indicate some 63 percent of Poles believe that development aid should be provided by Poland to Third World countries. This appears to be a good result even if the poll was conducted just after the Beslan tragedy. Poles do not fully understand the difference between developmental policy and humanitarian aid.

Currently, the Polish government estimates aid policy at around 0.1 percent of GNI, although this calculation is not fully compliant with generally accepted ODA ratios. Aid actions include, among other things, scientific exchange, scholarships and fees paid in Poland.

Polish NGOs note, however, positive government involvement. Procedures have been created enabling NGOs to access funds even if their form and modalities need improvement as the funds are too closely linked to budget implementation and fiscal years. It may soon be possible to conduct long-term projects exceeding the budgetary year. The former government declared that the level of developmental policy financing should reach 0.17 of GNI by 2010. There are hopes that the new government will maintain this commitment.

Thanks to official development budget grants, PHO accomplished projects such as rebuilding schools in Afghanistan and water stations in Iraq. PHO also provided medical aid in Cameroon and aid for camps in Darfur, Sudan.

Polish platform

As to the NGDO platform, most organisations in the Zagranica group give top priority to “democratisation” activities and forming civic society in the countries of the former Soviet Union. The Zagranica platform was slower to participate in EU-level NGDO coordination.

Following the example of the Central European Initiative, with participating organisations from Austria, the Czech Republic, Slovakia, and Hungary, PHO favours the creation of a similar regional initiative for the Baltic Sea area aimed at the exchange and reinforcement of NGO structures among old and new Member States. Such a structure would foster closer relations with respect to Germany as well as Scandinavian and Baltic states. PHO already collaborates with the German INVENT organisation in the GLEN programme that pools voluntary workers from the new Member States and Germany globally.

Concluding remarks

Poland's accession to the European Union accelerated the process of institutionalising development cooperation. Accession also opened new possibilities for Polish NGOs and for the exchange of experience with organisations in the old Member States. At the same time, Polish NGOs do have specific knowledge and experience of developmental and humanitarian activities in the countries of the former Soviet Union. A further advantage over old Europe is that countries like Poland were recent beneficiaries of aid. Such experience in Western Europe dates from the Marshall Plan.

Questions and answers: Poland

Question from the floor

Poland has a Memorandum of Understanding with CIDA, the Canadian development agency. Is Poland planning any Memoranda with other European countries?

Response from Olga Zawadzka, Ministry of Foreign Affairs, Poland

The Memorandum of Understanding with CIDA grew out of previous cooperation. CIDA cooperated with most of the new Member States in institution building including study visits to Canada and training sessions for staff. We are not planning any further memoranda. But after listening to the presentations on other new Member States, one should perhaps consider greater coordination and harmonisation. Activities in the new Member States appear very similar.

Government policy and infrastructure in Latvia

Andris Sekacis

Introduction

The Latvian Ministry of Foreign Affairs has a rather new department for development cooperation with two divisions; one dealing with multilateral issues and EU policy, and the other dealing with bilateral assistance. The priorities largely coincide with the EU neighbourhood policy, and that is where Latvia has comparative advantages.

Priority areas are not specifically described but are rather broad and mostly include promotion of democratic society and national economic development. Priority countries are Moldova, Georgia and also Belarus, despite difficulties.

The number of priority countries was recently widened to see what NGO and expert interest exists in Latvia to undertake projects in other countries. Currently total funding is too limited to effectively fund aid programmes in more than two countries.

Basic principles

Basic principles of cooperation were adopted at the Cabinet of Ministers in 2003. A midterm programme is currently being submitted to the government. There are annual policy plans, rather short-term planning, which follows on from annual budgets.

Country strategy papers have been prepared for the two priority countries. These are rather typical country strategy papers based on neighbourhood policy rather than policy planning documents. As to the legal framework, the government is currently preparing a law by the end of 2006.

In 2005, Latvia organized a fact-finding mission to Moldova for technical cooperation in the public sector that identified a number of projects, especially in border and

customs control. Assistance began with Georgia, although not as successfully as with Moldova. The case of Georgia is interesting as more Latvian NGOs are involved and actively participating.

Despite a sudden increase in 2004 bilateral aid has decreased substantially. The ministry is submitting proposals to the Cabinet of Ministers on how to increase financing, especially in light of commitments within the EU.

Concluding remarks

In 2006, there is a continued concentration on mainly technical assistance with priority countries. A grant programme should soon provide micro-project funding for non-state actors. Communication activities and development studies are being promoted, although more funding is necessary.

Parliament and development cooperation in Latvia

Oskars Kastens

Introduction

Latvia is slowly and gradually turning its attention towards development assistance and cooperation as a tool of foreign policy providing support to transition and developing economies. There is a focus on countries from the former Soviet Union due to a common history and experience with these countries.

There is also major public support for these priority countries. A recent survey indicates that a majority wish former Soviet bloc countries to be priority countries for Latvian development aid. One aim is also to show the Latvian example of democracy and the rule of law as well as encourage sustainable economic development.

Active Parliament

Parliament is very active in the field of development assistance policy scrutinising documents both in the Foreign Affairs Committee and the European Affairs Committee. Parliament also approves relevant legislation. Parliament itself has also been a beneficiary of some aid projects, most notably the Swedish CEDA helping improve capacity.

Latvia has experience as a recent aid recipient and can show other countries what steps to take or not take in becoming efficient market economies and democracies. There is also good mutual understanding among specialists with most of our experts speaking Russian. This is important, for instance, in Moldova where few people speak English.

There is also strong political backing from the Parliament and government and good cooperation with the Ministry of Foreign Affairs.

Recent examples of practical parliamentary cooperation projects include a project between the parliaments of Latvia and Georgia that started back in 2001. The six-month project provided practical advice on Georgian decision-making mechanisms on EU issues.

Concluding remarks

Recently memoranda of understanding were signed with Georgia, Armenia, Azerbaijan and Ukraine. This provides a framework for development cooperation and the main principles of development cooperation are laid down in these memoranda. In 2004, closer cooperation began with the parliament of Moldova.

This builds on the experience of the Georgian-Latvian parliamentary project. The trilateral project involving Latvia, Sweden and Moldova, will allow the latter to learn from both a new and old Member State. Moldovan parliamentarians have the chance to learn how the Swedish and Latvian parliaments function.

NGOs and development cooperation in Latvia

Ingrida Skuja

Introduction

NGOs in Latvia only began to raise awareness of development cooperation issues from 2001 with the support of CONCORD, the European NGO confederation for relief and development and TRIALOG, which is a CONCORD project to support NGDO platforms in the new Member States. In June 2004, 21 Latvian NGOs came together to establish the Latvian NGDO platform so as to foster a more favourable environment for NGOs and provide development cooperation at both the national and international level.

There are currently 23 member organisations and a wide range of expertise. Members mainly work at the national level. Development cooperation forms but a small part of their work and geographical spread is limited.

Latvian NGDOs have little experience of implementing international and EU-funded projects. As a member of the EU-wide platform CONCORD, Latvian NGDOs are gaining expert knowledge and advocating tools. At national level the main partner for NGDOs is the Ministry of Foreign Affairs of Latvia. In December 2004, a cooperation agreement was signed.

The NGDO Platform LAPAS is the main lobbying body for all NGDOs in Latvia. The main activities include policy, advocacy and lobbying at national and international levels. At the national level, LAPAS is involved in consultation on development cooperation policy papers such as the country strategy papers for Georgia and Moldova.

Financial challenges

The greatest challenge at the national level is lobbying for the budget, which was only

0.06 percent of GNI in 2005. In 2006 there was a slight increase to 0.061 percent. There is now greater understanding not only among the general public but also decision-makers and politicians as to development cooperation and development education issues. This calls for more public awareness activities, capacity building and facilitating cooperation among members as well as providing NGOs with information about fund-raising options to carry out development cooperation activities.

Priority countries are currently Georgia and Moldova. In Moldova, activities have just started with a fact-finding mission planned for 2006. Georgia has been a relative success. In 2005, an NGO forum entitled 'Moving towards the EU' was held in Georgia as was a first visible instance of cooperation between Latvian and Georgian NGOs. In a very short period of time several funding sources were reached with the largest being the Latvian Ministry of Foreign Affairs.

Concluding remarks

Specific aims are those of providing experience from Latvia's transition in education, social affairs and EU integration. There is also the goal of strengthening NGO cooperation with municipalities and governments and establishing networks in these areas of action.

Questions and answers: Latvia

Question from the floor

Why does Latvia only choose post-Soviet countries for development projects? Are projects in Africa not possible?

Response from Andris Sekacis, Ministry of Foreign Affairs, Latvia

The percentage of bilateral aid in development cooperation is something like 3 percent. If one extrapolated a share of Latvia's total multilateral contributions that go to Africa then one would probably arrive at a figure that is much greater than the total Estonian budget for bilateral aid. As regards bilateral projects in Africa, it is probably too soon as we do not have embassies there and cannot physically implement projects.

Question from Lada Parizkova, Trialog/CONCORD

We just heard from other post-Communist countries that they already have a tradition of helping African countries. Why is this not the case with Latvia?

Response from Oskars Kastens, Latvian Parliament

Latvia is not only working in former Soviet Union countries. Latvian experts have been working in Africa, Iraq and Kuwait, for example, on self-government and providing civic society building assistance. Latvia also sent experts to Uganda.

The Baltic situation is different from that of other ex-Communist countries in Central Europe. There was no own foreign affairs policy of the Baltic countries before 1990. Countries like Poland, Czechoslovakia and Hungary have always had their own embassies abroad even during Soviet times whereas Baltic countries had to build a new network of embassies. Latvia will shortly open embassies in Azerbaijan, Georgia, and, mainly for financial reasons, in Japan.

Government policy and infrastructure in Lithuania

Laurynas Jonavicius

Introduction

There are many similarities between Estonian, Latvian and Lithuanian development policy. The first steps in development sphere in Lithuania were made in 2002. In that year, the Ministry of Foreign Affairs of the republic of Lithuania for the first time allocated part of its budget specifically to development assistance. One difference from countries like the Czech Republic or Poland is that Lithuania had no prior experience of development aid during Soviet times.

In 2003, the Lithuanian government approved a concept paper on development cooperation setting out the main objectives of Lithuanian development policy as well as the main principles. The paper also laid down the priority countries and regions as well as the key sectors for development assistance.

Politically this paper also represents the agreement of the main Lithuanian parties with regards to the major goals of Lithuanian foreign policy, which, among other objectives, also underlines the importance of supporting international efforts to eradicate poverty. This in its turn indicates awareness on the part of the government and general public of those goals.

Additionally, the government's programme for 2004-2008 foresees the increase of the development policy budget.

Concept papers

The first concept paper on development policy was for the period 2003-2005. A new concept paper, or guideline, is being prepared for the period 2006-2010. Regarding

administrative structures, currently there is a Development assistance division of the Multilateral relations department in Ministry of Foreign Affairs, which deals with development policy issues. There are three staff members in the division and one diplomat, who has the responsibility for the development cooperation mission in Brussels.

On an operational level, there is a multilateral and bilateral development projects Commission that decides on priority countries, sectors and funding for bilateral development projects. This commission consists of representatives of the Development assistance division and directors of other departments within the Ministry of Foreign Affairs who are also responsible for bilateral cooperation.

As in the case in other new Member States, priority countries for Lithuanian development policy are mainly former Soviet republics. Exceptionally, Lithuania is also engaged in Afghanistan with Lithuanian military and civilian experts involved in provincial reconstruction. The main priority sectors mentioned in the concept paper on development cooperation are the promotion of democracy, economic development, administrative capacity building and EU integration. Priority areas are those in which Lithuania has comparative advantages gained through experience in preparing for accession to the EU, NATO and in state building.

Lithuania's comparative advantage

State-building and democratisation experience are comparative advantages and Lithuania is good at passing them on to priority countries such as Ukraine, Moldova, and Georgia. These countries are striving to become members of the EU and/or NATO.

Projects financed by the MFA in 2004 and 2005 illustrate operations in priority countries and sectors. Over time, when financial resources gradually increase, Lithuania's impact and visibility will increase. As regards partnerships, it is important for Lithuania, a new and emerging donor country, to gain experience from older donor countries. Lithuania has signed, as has other two Baltic states and Visegrad countries, a letter of intent with Canada's International Development Agency (CIDA).

CIDA's assistance has been useful in organizing study trips on development to Canada for parliamentarians, representatives of private sector and also from the Ministry of Foreign Affairs. CIDA also co-finances Lithuania's development projects in Ukraine and Georgia.

It is very important for Lithuania to profit from Canadian and other donor countries' experience as this allows capacities to be built up more quickly. Cooperation with UNDP is worth mentioning in this respect too. UNDP is very active in Lithuania providing assistance in the development sphere. There is cooperation on a public awareness raising campaign.

Cooperation with NGOs is also important element of broader public's involvement. In 2005 the interest to create the platform of NGOs working in development sphere was initiated and first steps made. Interest is also being shown by NGOs that were not previously engaged in development cooperation but were attracted by the platform. This throws up the prospects of closer cooperation with NGOs and other development projects.

As regards funding, a specific budget line for development cooperation was laid down for the first time in 2002. Overall amount of money which was counted as ODA in 2004 aggregated in about EUR 7.66 million. However Lithuanian development priorities in 2004 were Ukraine and Belarus (assistance to them was not counted as ODA in 2004 according to OECD/DAC methodology) and it means that ODA increase should be expected in 2005 because now assistance to both Ukraine and Belarus is also counted as ODA.

Even with the probability of consistent ODA increase, for Lithuania it will not be easy to reach EU ODA commitments of 0.17 percent GNI. Lithuania is striving to reach this level by 2010, even if budgetary planning is on an annual basis.

The Ministry of Finance has also made an internal commitment to increase Lithuanian ODA spending to 0.1 percent of GNI by 2010.

Concluding remarks

The main constraints faced today are limited administrative capacities. Another constraint is the low priority, in terms of financial allocations, accorded at a general political level to development. The public still does not fully understand development policy although a recent public opinion poll indicated that 82 percent of those questioned thought developed states should provide development assistance.

An important challenge will be to raise public awareness through education. There is currently an agreement with UNDP for relevant courses at high schools and universities. Vilnius University already has such a course. Active participation in EU bodies and institutions promoting development cooperation is a further challenge to be met.

NGOs and development cooperation in Lithuania

Lina Kalibataite

The Lithuanian Kolping society, part of the international Kolping organisation, Lithuania, is relatively new to the field of development cooperation. The international Kolping organisation, however, has more involvement in development issues and acts on all continents with various development projects.

The Lithuanian Kolping society, as well as other Lithuanian NGOs, has been working on various projects since 1996. Kolping organises courses for young people from Belarus, Russia, Ukraine and other countries. There are other organisations working especially in the field of gender issues in Kaliningrad and other towns in Russia.

Currently Kolping is working on a project to send young volunteers to different countries in Africa and also India as part of short-term projects lasting from one to three months.

As a member of the NGDO platform in Lithuania, one of the aims of the Kolping society in Lithuania is for the platform to become stronger, also in its relationship to the Lithuanian Ministry of Foreign Affairs.

Questions and answers: Lithuania

Question from Stefan Gehroid, Konrad-Adenauer-Stiftung

What is the role of the media in Lithuania? What is their approach to development assistance?

Response from Laurynas Jonavicius, Ministry of Foreign Affairs, Lithuania

As part of a UNDP project, the Ministry of Foreign Affairs also places special emphasis on the role of media in development affairs. With CIDA and UNDP cooperation, for example, we organised projects for journalists in Georgia. The UNDP also organised a competition for the best article on development assistance. We are trying, but are only just now starting to involve the media.

Government policy and infrastructure in Malta

Leonard Callus

Introduction

Malta does not yet have an elaborate policy of overseas development aid. Nonetheless, the country does have various administrative instruments as well as a specific culture, with religious roots, to support aid. Building upon a variety of historic developmental difficulties, Malta has then established a long and healthy tradition of philanthropy that cannot be ignored. The country's transition from beneficiary to benefactor, which EU membership involves, should not be a radical one.

Even if Malta's situation is very different from that of the Central and Eastern European countries, for historical reasons, only very recently was overseas development cooperation placed on the Maltese policy agenda. The year 2006 is also the first year in which there is a budget line for overseas development aid. In 2003, a development unit was set up within the Ministry of Foreign Affairs. This unit is currently establishing a development policy due to be announced in June 2006 and formulated together with ten NGOs.

The Maltese NGO platform urged the Ministry of Foreign Affairs to set up a special development unit. This new unit is currently taking stock of what is happening on the ground in terms of intervention, financial assistance and projects.

Tradition of cooperation

Despite the lack of formal frameworks, overseas development aid in Malta has existed for a long time. There is also much public recognition. For example, state employees are given unpaid leave, if they undertake work in 'human welfare and development and environmental protection' on condition that the work is recognised as such by the responsible Minister of State in advance.

Social security contributions, too, may continue to be credited for up to five years. This measure was introduced in 1991, but made to apply retroactively to 1981. Voluntary work in Albania has additional support and up to five public officers may, at any one time, be released on special leave with pay for one year.

State employees wishing to undertake missionary work or voluntary service are eligible for a maximum of four years unpaid leave whether in one period or broken up by periods of resumption of duty. Additionally, foreign students from developing countries who come to Malta on a personal basis may have their university fees waived although there is no official scholarship scheme.

Such initiatives, although officially sanctioned, lacked a policy framework. The current challenge is to streamline these initiatives and develop even more of them.

The Maltese development unit calculates that the country's level of ODA is 0.12 percent of GNI when one includes financial allocations towards meeting refugee and migration needs. This is one element that marks overseas development aid in Malta.

In calculating Maltese development aid, one should take into account not only official government spending, which at 0.12 percent of GNI places Malta, together with Cyprus and Slovenia, at the fore of new Member States, but also of the generous voluntary contributions made by the people of Malta.

Background factors

There are two important background factors in Maltese development aid. The first is migration. Malta is 200 kilometres away from the second least developed zone in the world, Northern Africa, and somewhat further from the least developed zone, sub-Saharan Africa.

Another factor in Maltese development strategy, similar to Cyprus, is the Commonwealth. Malta assumed the presidency of the Commonwealth late in 2005 for a period of two years. The Maltese presidency during these two years would like to develop the Commonwealth as a network for development with Information Technology and Communication (ITC) being a key tool in this endeavour. It is envisaged that ITC addresses the issues of size, geographical location and remoteness.

The Commonwealth is made up of many small countries and islands. So the focus is on the development of policy and regulatory capacity, modernisation of education and skills development, promotion of local access and connectivity, promotion of

entrepreneurship and the strengthening of local and regional networks.

Concluding remarks

Another common point between Malta and the East European states is a *lingua franca*. In the Commonwealth of Independent States the common language is Russian, while the Commonwealth uses English.

Particular projects that the Maltese presidency is considering include a virtual parliament, a globally distributed research lab focusing on education and health as well as the creation of a cultural diversity hub.

There is a widely shared understanding in Malta that it is our moral duty to make the world a better place for its people.

Parliament and policy in Malta

Clyde Puli

Introduction

Malta sincerely believes in a fairer and safer world. Firstly, this is in line with our belief in the value of solidarity. Secondly, we believe this to be in our own interest and not solely that of developing countries. In an era of globalisation, poverty, conflict and instability affect both developing and developed countries. Consequently, the struggle to reduce and eventually eradicate poverty is our concern too. The structural conditions of poverty require more than just financial aid.

On the one hand there is starvation, bad infrastructure, corruption, discrimination, war, genocide, and on the other, problems of illegal immigration, xenophobia and new forms of slavery. The EU is then not simply aware of existing disparities and their consequences, but is also actively involved in their eradication by being the largest contributor to development assistance.

In May 2004, Malta renounced its development status and took on the full obligations of the EU Accession Treaty. At the same time, Malta also endorsed the moral and political obligations to achieve the UN Millennium Development Goals towards the reduction of poverty in the developing world by 2015.

The 15 older EU Member States have a common tradition in development cooperation going back several decades, based on similar values. Most of the new Member States had little tradition of development cooperation policy due to their own recent delicate political and social situation.

Maltese development contributions, over the years, have meant the accomplishment of a number of projects ranging from Albania to India, from Pakistan to Brazil and

from Kenya to Peru. A Maltese spirit of solidarity with the poor of the world has long been ingrained in our society. The question we now face is how to direct this spirit. How do we become more effective, as part of a combined effort EU or world strategy, in eradicating world poverty?

As a new EU Member, Malta, despite its own variety of difficulties, has had over the years a long and healthy tradition of philanthropy that cannot be ignored. Changing from being beneficiary to benefactor was for Malta not a completely new challenge.

Informal cooperation

In addition to the generous contributions made by the people of Malta, one should also take into account the disproportionately large numbers who left Malta to do voluntary work in countries much larger than Malta, a rock inhabited by only 400,000 people. Maltese contributions all over the world have meant the accomplishment of a number of projects from Albania to India, Pakistan to Brazil and from Kenya to Peru.

The concept of overseas solidarity has been ingrained in Maltese society for a number of years. How do we increase effectiveness and work together with the EU or globally in the eradication of poverty?

To this purpose, Malta's overseas development policy is being carried out in close cooperation with NGOs. This is not only due to the EU fostering NGO activity but also because Malta seeks to preserve the spirit of solidarity that has been cultivated throughout the years.

Maltese action plan

The Maltese Ministry of Foreign Affairs is at present drawing up a strategy and an action plan in this regard. A development policy unit has been set up within the foreign ministry that should enable Malta to participate in a more structured manner in the international mission of eradicating poverty.

In spite of its small size, only 316 square kilometres, Malta can contribute to the achievement of EU and international development goals. Geography placed Malta exactly between the developed and the developing world. It is one of the southernmost parts of Europe and in this sense can serve as a bridge between Europe and Africa. Furthermore, Malta was never a coloniser, but a colony for hundreds of years

Malta's geopolitical position has allowed it to brook considerable success, following recently gained independence both in the political and the economic sphere. Malta

became independent during the Cold War. In spite of certain Maltese governments and political figures showing tendencies to authoritarianism, patronage and little understanding of the spirit of democracy, Malta has become an example of a successful process of democratisation.

Concluding remarks

Malta occupies a small stretch of land with no resources other than human capital. It is a country that has learnt to produce its own drinking water due to the lack of rain. As a fortress colony, the island has historically prospered in times of war and been impoverished in times of peace. The island, with no small sacrifice, shifted its economy from utter dependence on colonial naval needs and has successfully done away with mass emigration as an integral part of official economic policy.

Malta is then proof of a difficult and disadvantaged point of departure, but at the same time evidence of progress and respectable development. This makes Malta readily sensitive to Third World problems. In addition, the country already has long standing ties with a number of North African countries that can give Malta a role as a trusted exporter of experience in modern methods of combating poverty.

NGOs and development cooperation in Malta

Ranier Fsadni

Malta is currently elaborating a development cooperation policy particularly guided by the fact that Malta is a neutral state and, secondly, that the country directly borders both the second-least developed set of economies in the world, Northern Africa, and has close proximity to the world's least-developed economies in sub-Saharan Africa.

Malta has maritime frontier that adds a particular flavour to security needs. Political security is closely interrelated to the economic and environmental security of the sea and coastal areas. Second, the problems of the Mediterranean region generally are best tackled in a holistic way.

Malta is committed to exploring, with its southern neighbours as well as EU partners, methods of regional governance involving solidarity as well as subsidiarity. Such an approach aims to enhance the political, economic and environmental security of the entire neighbourhood. Malta believes that such methods of regional governance need to give importance to trans-cultural communication.

In a post-Cold War world, Maltese neutrality articulates itself as qualified pacifism. Admittedly, in the current military context, where the line between war and peace is less clear-cut than it once was, what constitutes neutral action is not always simple to determine. However, there are three key areas where Malta can clearly cooperate with its EU partners and third countries whilst respecting both Malta's neutrality and addressing regional concerns:

- a) Post-conflict reconstruction. Malta can help with the provision of translators, lawyers, judges, and psychologists in post-conflict areas such as the Balkans.
- b) Technological aid. Malta has specific technological experience, for instance, in the

desalination of seawater due to the country's chronic water shortage. Such expertise may be useful in resolving one of the prime factors fuelling the conflict in Gaza and the Palestinian territories;

- c) Cultural dialogue. Malta is trusted by its southern neighbours as a state truly committed to cultural dialogue. This reputation is built in part on the commitment of the University of Malta as well as specific measures such as the MA programme in Democratisation and Human Rights that attracts tens of students from the southern Mediterranean each year. This is also evidenced by the Mediterranean Journal of Human Rights that often explores human rights through different legal traditions, including the Islamic one and by the Mediterranean Journal of Education that often explores multi-faith teaching.

Development cooperation in Hungary

*Summary of presentations by János Balla
and Balázs Szent-Iványi*

Introduction

Hungary is implementing an international development cooperation policy according to international principles, such as those of the OECD and EU. The country is committed to targets set out in the Millennium Development Goals.

As a new EU Member State, Balla noted that Hungary's ODA commitments for 2010 represent 0.17 percent of GNI. This figure will rise to 0.33 percent in 2015. Recently an aid recipient, Hungary has experience of effectively using aid. Well-targeted transfer of such experience, although of modest financial cost, can have a significant development impact in partner countries.

Efficient international development cooperation policy, however, represents a challenge for Hungary, a small country with limited resources even if the institutional, legal and financial framework has been established. A law governing Hungarian development cooperation is being prepared and should allow multi-year planning and more financial stability. Further aims of the draft law include flexible structures for project implementation, a reliable reporting system to strengthen coordination, and an increase in trilateral projects.

Country focus

With limited resources, Hungary has set clear targets and preferences regarding partner countries and sectors. Policy also makes full use of the country's comparative advantages and ensures maximum added value to the EU common development policy. Hungary also seeks to cooperate closely with other new EU Member States in Central Europe so as to ensure policy complementarity and cohesion.

The above considerations have entailed a focus on Western Balkan and CIS countries as well as sharing experience gained during the country's political and economic transition and EU integration process.

Hungary's geographical focus has been complemented by the Africa-orientated policy of the EU. In Hungary's case, this has led to debt-settlement for Ethiopia and participation in knowledge-transfer projects for example.

The Hungarian International Development Assistance Program, noted Balla, defines some four groups of countries, also taking into account the traditions of Hungarian bilateral relations, previous personal contacts, and experiences accumulated in past decades. Hungary defines 'strategic partners' such as Serbia and Montenegro, Bosnia and Herzegovina, Vietnam, and the Palestinian National Authority.

There are also 'other partner countries', notably, Macedonia, Moldova, China, Mongolia, Kyrgyzstan, and Ukraine. A third element is formed by 'least developed countries' that include Ethiopia, Yemen, Cambodia, and Laos. Finally, Hungary has a geographical focus arising from international security commitments, that is, Afghanistan and Iraq.

Sectoral focus

Fields of cooperation in the Hungarian International Development Assistance Program are centred around technical assistance, which also includes transition management and the EU accession process, knowledge transfer, education, vocational training, health, agriculture, water-management, infrastructure and environmental protection.

Balla noted that, in 2004/2005, there were more than 133 Hungarian development projects adopted or finalised with a total volume of some EUR 65 million. Priority regions were the Western Balkans and CIS countries. Balla said that Serbia-Montenegro, Bosnia-Herzegovina, Macedonia and Ukraine shared 41 percent of total Hungarian ODA in 2005. ODA as a percentage of GNI was estimated at over 0.08 percent in 2005, up on a 2004 figure of 0.07 percent or approximately EUR 54 million.

Hungary has also received assistance from Canada as part of the Official Development Assistance in Central Europe (ODACE) programme that provides support to develop necessary legislative, institutional and policy frameworks, as well as professional skills, for Official Development Assistance.

Hungary also participates in the Regional Partnership Programme, a three-year programme initiated by the NGDO-Platforms in Austria, Czech Republic, Hungary,

Slovakia and Slovenia. The overall goal is to strengthen the capacities and visibility of development cooperation in the respective countries as well as to improve the networking between national NGDOs. The programme is financed by the Austrian Development Agency of the Austrian Ministry of Foreign Affairs, which provides 70 percent of total funds. The New Member States Ministries of Foreign Affairs (MFA) provide a further 20 percent and participating NGDOs 10 percent.

A core objective is to create common projects and make proposals for financing. The Programme builds on Austria's experience in the EU to help overcome problems of accessing EU funding that new Member States experience. The Regional Partnership Programme also has allowed for new projects that focus on development awareness and education.

Awareness is an important element of Hungarian development policy, Balla noted, and entails helping the wider public and political circles understand the aims of development policy. Public awareness policy entails increasing and enhancing political awareness as well as reaching all parts of society. The introduction of a development aspect into primary and secondary education syllabuses is an important step as well as in higher education.

As regards development education, Balázs Szent-Iványi, of Corvinus University of Budapest (former Budapest University of Economic Sciences), added that Hungary has long traditions in development education, dating back to the 1960s. Current courses at the Corvinus University related to the topic include development economics, sustainable development and global problems, international development cooperation, and African studies. The curriculum for 'International Development Cooperation' was developed in cooperation with the Foreign Ministry, HUN-IDA, and the NGO platform 'HAND'. Fields covered in the course include the political economy of development cooperation, aid theory and practice, macroeconomic effects of aid, bilateral and multilateral donors, NGOs, effects of aid in Africa, Asia and Latin-America, the implementation of aid projects and recent trends. The University also plans organising courses for professionals.

Concluding remarks

Balla concluded that there will be fewer beneficiary countries in the future and Hungary will focus on neighbouring and pre-accession countries. Hungary also wants to harmonise cooperation activities with other European donors to avoid duplication and parallel projects. A further goal is to increasingly involve the private sector and establish Public Private Partnerships. Budget support is seen as an additional tool.

Government policy and infrastructure in Slovakia

Marek Brencic

Introduction

In Slovakia's main policy statement on aid and development cooperation a medium term strategy is laid out for official development assistance for the period 2003-2008. The strategy details programme and project countries. The programme country is Serbia-Montenegro, and there are 13 project countries.

As a rather small donor it is important to focus on particular regions and sectors. Slovakia has focused on Albania, Afghanistan, Kazakhstan, Uzbekistan, Tajikistan, Bosnia-Herzegovina, Kyrgyzstan, Macedonia, Moldova, Mongolia, Kenya, Angola, Mozambique, Sudan and Cambodia.

Slovak ODA has also dramatically increased in recent years and reached around 0.1 percent of GNI in 2005. Total ODA in 2004 amounted to some EUR 25 million and around EUR 4.2 million of this was for three-year projects.

Slovakia has signed a memorandum of understanding with Serbia-Montenegro establishing two contracting units. One is called Bratislava-Belgrade Fund and deals with projects in Serbia-Montenegro; the second is called the Trust Fund and deals with other countries. Slovakia works in close cooperation with UNDP, which has a regional office in Bratislava. Slovakia also cooperates closely with the Canadian Development Agency (CIDA) and start to cooperate with ADA (Austrian Development Agency).

Project proposals

As for project proposals, there were five rounds for 13 priority countries and three grant rounds for Serbia and Montenegro. There were also project competitions to support democracy in Ukraine and Belarus as well as three rounds for public awareness

and development education. And a further round was organized to provide help to victims of the Tsunami disaster.

Regarding the numbers of approved bilateral projects by country, Serbia-Montenegro has the highest number: 39. There are approximately 70 projects. In total, between 2003 and 2005, Slovakia approved more than 100 projects adding up to EUR 4.2 million. As to orientation, in the case of Serbia-Montenegro, there is support for civil society, democratisation, regional development, infrastructure, enterprise development and integration into international organisations, among others the EU.

In 13 priority countries, Slovakia also helps develop democratic institutions and the market environment. But its main goals are to support infrastructure, including social infrastructure, landscape, environmental protection, agriculture, food safety and the use of raw materials.

Slovakia also funds Tsunami-related projects and the development of education. One project by a Slovak NGO was, for instance, a 'House of Hope' for some 50 children affected by HIV/Aids in Cambodia. In Serbia-Montenegro, the 'Bailey Bridge Construction' project was implemented by NPOA, a civil society development foundation.

Further projects include assistance for blind and handicapped students in Mongolia, implemented by Slovak NGO ADRA. Funding was given for rehabilitation aid in Sri Lanka. The project, entitled 'New houses for fishermen', was carried out by the organisation 'People in Peril'. In implementing such projects and building a coherent development strategy, Slovakia, as all new Member States, faces the challenge of increasing ODA to 0.17 percent by 2010.

Creating a Development Agency

Slovakia is also seeking to create a Development Agency by transforming the two relevant government units for programme countries and project countries into one single agency. This also entails intensifying work with the Slovak public and target groups. And lastly Slovakia also seeks to attain a stronger programme focus allowing greater specialisation and sector orientation. All this implies reducing the number of countries.

Additionally, reform challenges arose following the Tsunami, which indicated that Slovakia's humanitarian aid system is not working effectively. Slovakia is also seeking to be more active in the EU institutions and is considering drafting a development

assistance law. A further challenge would be to improve reporting and cooperation with the OECD/DAC.

Concluding remarks

Slovakia has initiated several projects in Africa. There have been state visits, for example, to Mozambique, Sudan and Kenya. Slovakia gave around EUR 33 million of debt relief to Sudan, for example. From 1 January 2006, Slovakia as a member of the UN Security Council, deal with many issues touching Africa and development.

Administering development cooperation in Slovakia

Zdeno Cho

Introduction

The Civil Society Development Foundation (NPOA), is one of the two administrative and contracting units for official Slovak development assistance. Slovak aid administration was divided into two in 2003 when the Ministry of Foreign Affairs sought to quickly establish an official development mechanism.

The Ministry quickly signed a contract with the UNDP's regional office in Bratislava and established a trust fund component detailing 13 priority countries. During the ensuing procedure of open bid public procurement NPOA was selected as the other implementing agency.

The Ministry of Foreign Affairs annually signs a financial memorandum with the Civil Society Development Foundation (NPOA). The Ministry then releases the whole budget allocation for the respective year to the NPOA account and we sign the contracts with applicants and contractors. NPOA thereby has the flexibility to rapidly finance individual projects in a way not possible for official state administration structures.

Two ODA managers

Slovakia thus has two independent organisations managing official Slovak development assistance. NPOA deals with the Bratislava-Belgrade Fund, which is solely focused on providing development assistance to Serbia-Montenegro and Kosovo.

The Ministry of Foreign Affairs is responsible for official Slovak development assistance. The State Secretary acts as the planning authority for ODA with a coordination committee representing other ministries. Represented are the ministries of economy,

finance, education, environment and others so as to voice their opinions on the strategic focus of Slovak ODA.

There are two steering committees for the Trust Fund and for the Bratislava-Belgrade Fund comprised of foreign ministry representatives, ambassadors from the respective countries, representatives from the NGO sector and implementing agencies. There is also a Department for Development Cooperation and Humanitarian Aid in the MFA. Then there are two administrative and contracting units, Slovak contractors, partners and finally beneficiaries.

The one general rule for Slovak ODA is that applicants must be Slovak organisations and must have a partner in a target country. Serbian partner organisations have tried unsuccessfully to directly approach Slovak aid donors with proposals or ideas, but they must first have partners in Slovakia.

Serbia and Montenegro

2005 was the third year of the implementation of Slovak official development assistance in Serbia and Montenegro. In 2003, the budget was of the order of EUR 1.3 million for 19 projects. In 2004, the amount increased slightly to EUR 1.5 million and should represent the same amount in the national ODA plan for 2005. This is the regional aspect to projects.

In the first call for proposals announced in 2004 NPOA was awarded one project in Kosovo, six in Serbia i.e. altogether in Serbia-Montenegro as the State Union, four projects exclusively in Serbia, six for the autonomous Vojvodina district within Serbia. There was initially no project for Montenegro although a good public relations campaign in the Serbian and Montenegrin media helped solved this problem at a later stage.

Applicants were divided into four groups, state organisations, NGOs, businesses and wider non-profit organisations such as local government and universities. In 2005, one could mention the Bailey Bridge project. Back in 2003 Slovak Prime Minister Mikuláš Dzurinda pledged Slovak construction aid in building bridges in Serbia and Montenegro. It is a unique military construction that Slovakia received in the framework of US aid after World War II.

After a procedure with 100 applicants, 10 locations were selected and subsequently five were approved for the Bailey Bridge construction project. One location was approved for a non-Bailey construction. Local conditions in the latter case did not allow for the Bailey Bridge and the location will receive a traditional concrete construction bridge.

The construction is rolled over the river without any real mechanism but simply on the basis of manual work. It is inspiring to observe how local communities try to help the construction team build replacements to old bridges.

The Serbian local government authorities contribute to the bridge construction to almost the same degree as they are responsible for building the concrete abatements, access roads and all necessary terrain works. This is an example of successful cooperation.

A further three project applicants were non-profit organisations consisting of local governments, 21 NGOs, 21 businesses and nine state organisations.

Concluding remarks

In the second call for proposal approval was given to 19 projects, four presented by entrepreneurs, one by local government, four by state institutions and 10 presented by NGOs. Due to 50 percent co-financing by the Canadian International Development Agency (CIDA), the number of approved projects could be increased by 50 percent.

NGOs and development cooperation in Slovakia

Gerhard Weag

Introduction

NGOs working in the field of development cooperation and education have come together in the platform MVRO (*Platforma mimovládnych rozvojových organizácií*) in the Slovak Republic. Launched in 2003, the platform now consists of 29 NGOs working in four continents, Asia, Africa, Latin America and (Eastern) Europe.

NGOs work for South Africa, Angola, Ethiopia, Kenya, Mali, Mozambique, Sudan, Uganda, Rwanda, Nigeria, Iran, Iraq, Afghanistan, Bangladesh, India, Cambodia, Laos, Nepal, Bosnia, Bulgaria, Croatia, Kosovo, Romania, Serbia, Turkey, Belarus, Chechnya, the Russian Federation, Ukraine, Uzbekistan, Honduras, Cuba and Nicaragua.

Turning to the NGDO PLOP Slovakia, which has existed for five years, the organisation has some 50 staff in Brazil, Angola, Mozambique and Portugal as well as 50 staff in Slovakia and the Czech Republic. PLOP is an international NGO with a daily intercultural experience. The organisation works for Angola, Brazil, Portugal, East Timor, Mozambique, San Tomas as well as for development education in Slovakia. There are very good NGO partners from Canada and Portugal.

Projects for Africa

With several years of rich experience gained from different organisations, Slovakia has come far and is now considering projects in different continents. Slovakia is currently preparing projects for Africa.

Like all new Member States, there is a focus on countries such as Ukraine and Serbia-Montenegro, but the latter have the potential for own development. It is much more

important to help Africa where people really have nothing - no schools, hospitals, democracy and development. It is nonetheless difficult at times to work on projects in Africa due to the different mentality. Staff there often lack basic security and organisational backup.

In 2005, some five projects were completed. A first one was for drinking water in Mozambique and was financed by Slovak Aid. A second project concerned housing for street children in Angola. Thirdly, an exchange project was set up for journalists and television in Brazil with counterparts in Slovakia and the Czech Republic.

The fourth project, entitled Toward, was educational and examined rich countries in Europe and poor countries in Africa. It aimed at informing students in Slovakia about Africa and included workshops every three months in Slovakia in different regions for public, private or university organisations interested in development cooperation.

A final international project came about at EU level. Together with NGO partners in Spain, Portugal, Austria, Italy, France and the Czech Republic, PLOP will exchange experience, and prepare a strategy for African or Latin American countries for coming years.

Concluding remarks

Despite its population of only 5 million, Slovakia has major potential for development cooperation. Following in the tradition of Christian and Catholic missionaries, many Slovak NGOs are today working in different areas of development, namely development education, agricultural, health care, technical assistance and democratisation projects.

This is a new experience as, like other new Member States, Slovakia is only just starting projects for development cooperation. The country has little experience and often only had 'ideas' for cooperation rather than real 'projects'.

Questions and answers: Slovakia

Question from Stefan Gehrold, Konrad-Adenauer-Stiftung

What is the role of the media in Slovakia? What is their approach to development assistance?

Response from Julia Hurna, Assistant to MEP Milan Gála, Slovakia

Public opinion as to development gives some cause for optimism. Slovakia is now ready to fulfil its obligations contributing 0.17 percent of its GNI to the overall EU development aid by 2010. One survey, conducted in May 2005 by the Slovak Institute for Public Affairs together with the Canadian Development Programme indicated that a majority of Slovak citizens, approximately 84 percent, is aware that the Slovak Republic provides development aid and considers this to be a good thing. The majority of Slovak citizens, around 55 percent, believe that Slovak development assistance is effective. Almost one third of Slovak citizens have already contributed to development in other countries and more than two thirds is willing to do so in the future.

Government policy and infrastructure in Slovenia

Marjan Šetinc

Introduction

Slovenia established a unit within its Ministry of Foreign Affairs in 2002 with only two persons at the time. Three years on there is a staff of five.

In December 2005, there was the first debate in Parliament, in committee, on a draft law governing development cooperation. The draft law aims not only to regulate what should be done in international development cooperation, but also to teach parliamentarians about development cooperation. As for the objectives of the new proposed law, they are pretty much those of the Millennium Development Goals.

More interesting is Slovenia's aim to raise funds for development cooperation and the performance of activities within this scope. In achieving the goals that EU Member States committed themselves to at the Council of Ministers in May 2005, the government has approved a document stating that '... Slovenia should achieve by 2010 at least 0.17 percent'. Why at least? This is because if Slovenia wants to achieve 0.33 percent by 2015, then increasing from 0.1 percent of GNI as of today to 0.17 percent by 2010 is a much smaller leap forward than going from 0.17 to 0.33 percent.

This begs the question as to what can be done after 2010. One method is a law that should raise awareness in parliament and actually prescribes that parliament should become involved in detailing a strategy. This also ensures they have to take account of finances and growth.

There is, however, a paradox that other new Member States may face. The largest portions of ODA funds are probably those where Slovenia has the least power of

debate and determination. Estonia channels 80 percent of ODA through the EU. In the case of Slovenia this is around 45-50 percent. None of the old Member States channel these kinds of proportions. Yet Slovenia's voice in the EU is disproportionately smaller than the proportion devoted to the EU ODA fund.

In more concrete terms, Slovenia will spend around EUR 30 million as ODA. Almost 14 million of this sum goes to the EU budget and to instruments such as MEDA, TACIS, CARDS, and ECHO. This is roughly half of Slovenia's ODA. A small donor country such as Denmark has ODA in the region of almost EUR 1.7 billion compared to Slovenia's EUR 30 million.

The remaining half of Slovenia's ODA is mainly spent on various obligations such as contributions to UN organisations and agencies. The state then sponsors five to six organisations that basically perform development cooperation activities for the state. One of them is the foundation TOGETHER. The largest fund-raiser supported by the state is an organisation called ITF, International Trust Fund for De-mining. The annual revenue of this organisation is about EUR 25 million and the Slovenian state contributes roughly EUR 830,000 per year. This is counted as ODA.

The state has also established a successful organisation called Centre for Excellency in Finance to provide training for financial civil servants in South-Eastern European countries. The members of the board are the finance ministers of the regional countries. The Slovenian state finances the organization to the tune of EUR 590,000 annually. Another organisation was founded two years ago and is called the Centre for EU Accession Support. This organisation began activities in 2006 and has experienced some problems in funding. The aim of this organisation is to assist countries on the path of European integration.

There are also bilateral agreements with four countries in the region. These bilateral agreements define partnerships so that Slovene actions in these countries are in line with the needs of these countries. Nevertheless, the majority of Slovene actions are project-based as opposed to being country-based logic. There will be no EU-style country programmes as this is not very economical nor will it enjoy budget support at any point in the near future.

Another question Slovenia has is the drive by the European Commission to rationalise staffing, administration of projects and programmes, cut down on staff and de-concentrate. This may have adverse effects. The budget funding, considered to be more economical and easier, needs much more sophisticated control than what has

been in place until now. It would be better to have a much more knowledge-based approach. The major players in the EU, and many old Member States are major players, have a talk-down-approach. Slovenia, in contrast, has much more of a community approach.

Grass roots

Slovenia's approach stresses that development should come from the grass roots and bring change in countries on various levels in terms of democratisation and governance. The new Member States often have this small donors' logic in contrast to the EU.

Turning to the issue of public awareness, a provocative statement might be that we need to keep public awareness as low as possible from a government point of view. NGO expectations may be much higher in this respect than the state can actually deliver. The government needs parliament, and this explains why knowledge-building through the new law is important.

Up until now, resources have been spread widely allowing for little concentration. This has meant small and limited projects. In the future, Slovenia will have to concentrate and harmonise efforts much more.

An additional aspect of Slovenian development cooperation is the relationship with the Canadian International Development Agency (CIDA) that provides assistance to the Central European countries in building up sectors and capacities. We have not received similar assistance from any other EU Member State. This is in spite of the EU approach to new Member States which requires participating straight away in a global development debate.

Concluding remarks

To cover development issues, the UK has a Department for International Development (DFID) with some 3000 staff compared to five development officials in Slovenia. With so many EU matters to cover, it is impossible for Slovenia to be present in all the working groups and board meetings of other international agencies.

We need seconded people due to this lack of manpower. Only the Canadian Development Agency was prepared to send a person to work to my instructions instead of taking up time by expecting to be taught how Slovenia is working.

NGOs and development cooperation in Slovenia

Viktorija Potocnik

Introduction

The NGO TOGETHER works in former Yugoslavia, in Bosnia-Herzegovina, Serbia-Montenegro and Kosovo, Macedonia and Croatia. Other projects are taking place in Iraq, near Babylon, Kabala, and Baghdad as well as in the Caucasus, for example, in Chechnya. TOGETHER will register a new NGO in Beslan. There are no offices in this region and communication and work is done in conjunction with local NGOs.

TOGETHER tends not to work in large cities but villages and smaller towns as, for example, in Bosnia, Kosovo, and Serbia-Montenegro. In Iraq, we also privilege work with local organisations. Working with local organisations is very important for TOGETHER. Financial support for activities comes from the Austrian, Irish, and Andorran governments as well as Slovenia. Other NGOs also fund TOGETHER projects.

Founded only four years ago, TOGETHER has been successful. TOGETHER was founded by the Slovenian NGO Philanthropy, the Slovenian Ministry of Foreign Affairs and the city of Ljubljana.

The foundation first aimed at activities in the conflict regions of former Yugoslavia, but has now grown and widened its scope. In addition to this organisation, Slovenia has supported projects aimed, for example, at helping children in Palestine. Children have been brought from Israel and Palestine to Slovenia teaching them about the multicultural set-up which exists in some parts of Slovenia.

The basic aim of TOGETHER is to provide assistance to children who have suffered in conflicts. The idea was to educate and train teachers about working with such

children. The foundation's strategy is to strengthen local structures, not on the state level but locally. This entails providing institutional childcare as well as developing long-term programmes even after foreign assistance has been withdrawn.

Humanitarian aid is slowly fading out in the Balkans even if many problems remain. TOGETHER has, however, managed to train some 4,000 teachers during the past four years. The organisation is now active in Iraq with Iraqi teachers being trained in Amman and Slovenia. Some 600 Iraqi teachers have been trained in the past two years. This project is co-financed by the Austrian Agency for Development Cooperation and will probably continue for the next two years.

Such projects are interesting as they answer questions that arise when assistance is cut following cessation of war activity and refugee return. TOGETHER aims to empower local structures and takes a long-term approach. This is different to projects where a hospital or rehabilitation centre is constructed and then the donor leaves. Such a kind of institution may fail because it does not receive long-term support and may not be linked into local capacities.

Questions and answers: Slovenia

Question from the floor

Slovenia's NGO platform was founded by the state. Does this not imply that these Slovenian associations are not proper NGOs?

Response from Marjan Šetinc, Ministry of Foreign Affairs, Slovenia

It is interesting that, as a state official, I had to start motivating NGOs to establish a platform. It has now been set up, although not fully registered yet. In the past 15 years, NGOs in Slovenia have been very active especially when war broke out in Bosnia. At the peak of the war, Slovenia received some 70,000 refugees and many NGOs were involved in helping these refugees. They have thus built up know-how of dealing with people in crisis situations. Slovene NGOs are so small that they cannot be registered, for example, in ECHO. We are pushing NGOs as far as possible so as to enable them to gradually register with the EU Commission. But this is a long process.

Part III
Transforming EU development cooperation

Changing development cooperation administration

Bernard Petit

Introduction

The discussion on development policy is very timely following the approval in November 2005 by the Council of the document defining future EU policy entitled 'The European Consensus on Development'. This document represents a breakthrough in terms of development policy. Up until now EU development policy was based on a joint declaration by the Council and the Commission (approved in November 2000) that laid down the objectives, principles, means and priorities of the Community.

This document from 2005 laid out how the Commission was to manage resources but did not involve the Member States. Since 2000, the world and the EU, especially due to enlargement, have changed dramatically. There are now 10 new Member States whose position is shifting from aid recipient to donor. Development policy has also changed with new commitments made in various forums and at international conferences, namely the Millennium Development Goals and declarations at Monterey, Johannesburg and elsewhere.

There was a necessity to change. But beyond this need to adapt the joint declaration, the key philosophy underlying the proposal submitted by the Commission to the European Parliament and Council was the idea to bring Member States together around a shared vision of what EU development policy should be.

Largest donor

A new vision was necessary to match policy to facts and figures. Today, the EU is the largest donor in the world providing 55 percent of global ODA. The EU is also the

most important trading partner and the main importer of agricultural products for developing countries. In fact, the EU imports much more than the US, Canada and Japan combined.

Despite the EU's performance till date, there has never been a policy that could be defined as a European development policy. There is, of course, the Commission's development policy, that of DFID, the Danish development department, the Swedes, Irish, and so on. But there was no single EU development policy.

The Commission's proposal was accepted after many difficult debates. For the first time in 50 years of development cooperation there is a single document uniting Member States around shared values, principles and objectives. There is a further political significance of this common policy as, in the context of enlargement, there are now 10 new Member States that, until recently, were aid recipients, and become aid donors.

The ten new Member States proved much more 'European' in terms of supporting the European Commission than many older Member States.

The new consensus on development is made up of two parts. Firstly, there is an explanation of the common vision guiding the Commission and the Member States in implementing EU development policy. The second part deals exclusively with the Community and explains what the Commission should do to implement the EU Development Policy. This is the resource management to be carried out by the Commission on behalf of the Community.

As far as the first part, the key objective was to develop a common vision of values, objectives, means and principles. The values are those of solidarity, respect of human dignity, tolerance, equality and so on. The central objective is poverty eradication in line with the Millennium Development Goals.

Concentrating on Millennium Development Goals and poverty eradication does not only mean financing health and education. Combating poverty entails supporting economic reforms to ensure proper growth and trade liberalisation, financing infrastructure, supporting food security and governance, human rights, environment protection and more. There is a multidimensional aspect to poverty, not just health and education.

As far as the principles are concerned, the European consensus underlines what is now

considered as best practice in development policy such as ownership, partnership, alignment, harmonisation, complementarity and so on.

There are also commitments to deliver more and better aid. The EU has committed to increasing annual assistance to developing countries by EUR 20 billion from 2010. Additional elements call for work towards joint programming. In developing countries where several Member States are present each one has their own country strategy paper.

Joint programming is a fantastic tool to reduce transaction costs and burdens. The second element of the 'European Consensus on Development' deals with competence and administration explaining how the Community will put into practice its policy vision. This part of the document replaces and updates the joint declaration of November 2000 and was achieved after difficult compromises.

There were debates as to the exact role of the Commission, the comparative advantage of Commission activities in comparison to those of Member States. There is, nonetheless, a recognition that the Commission is not a classical development agency like those that exist in Member States. The Commission is a political institution and has a particular role and comparative advantage. Member States actually recognise this comparative advantage which is now written down in these documents.

Global presence

A global presence is a major difference with the Commission having relationships with all developing countries in the world. No single development agency in the Member States has such a wide scope of intervention. The Commission has relationships with 140 countries. There is also the Commission's right of initiative, the supranational character, critical financial mass as well as the competence conferred by the Treaty to promote coherence, coordination and coherence.

In contrast to other development agencies, the Commission is active in all developing countries, not only in low-income but also middle-income countries and fragile states that are emerging from conflict. The Commission provides assistance to all these different kinds of countries and adapts its approach to the specific situation in these countries.

The Commission requires a range of instruments and competence to be able to respond to the situations and needs of these different countries. The Council has accepted this allowing intervention in nine broad areas: trade and regional integration, environment, water and energy, infrastructure, governance, food security, human

development and social cohesion. Additionally, the Commission should mainstream, in all the above areas, crosscutting issues such as governance, human rights, gender equality, environment and HIV/AIDS.

Concluding remarks

The 'European Consensus on Development' recognises the experience and expertise of the Commission in terms of particular budget support. The intention is to increase budget support assistance.

The European consensus is also historic as it has taken 50 years to obtain such a document. Today, the EU has a development policy based on common principles, concepts, values and financial means. There is an ambitious agenda ahead, and the EU must translate commitments and political priorities into action.

Greater coherence in development cooperation

Michael Gahler

Introduction

The new European Consensus on Development Policy is not only the first real such policy in the history of the EU. It was also a document that the European Parliament was actively involved in compiling. The challenge is to live up to the obligations.

One obligation is 'coherence'. In the field of development policy, it is even more important to be coherent as there are limited amounts of EU and Member State funds. This money must be used as effectively as possible. There should be no contradictions and minimal overlapping. Shared values, principles and objectives should then be complemented by joint actions and common policies.

From 2007, there should be a Development Cooperation Economic Cooperation Instrument (DCECI) alongside three other external aid policy tools, namely the instruments for Pre-accession, European Neighbourhood Policy, and Stability. Parliament seeks to guard its competence despite the changing policy environment.

Millennium Development Goals

The objectives are, of course, those laid down by the Millennium Development Goals, namely poverty eradication. There is also the strong focal point of the EU-ACP relationship.

ACP countries are former colonies that enjoy, within the framework of the Cotonou accord or formerly Lomé I-IV accord, a special relationship with the EU. The Joint ACP-EU Assembly forms the parliamentary element to this relationship and consists of 50 percent MEPs and 50 percent representatives from ACP countries.

Here there is the possibility of not only giving assistance but also using various tools to make these countries aware such as budget support but also an instrument of sanction in withdrawing the privileges conferred by the Cotonou agreement.

The Africa Strategy, recently published by the EU, is a major policy document. It would be good if Member States followed this strategy and this includes former colonial powers. At times, due to long-term traditional relations, there may be separate agendas. For instance, imposing article 96 of the Cotonou agreement, which allows for sanctions in the event of major breaches on the human rights front, may be hindered by an EU Member State maintaining army and police cooperation with that same government.

The EP also deals with cross-sector issues such as agriculture and development. Such issues are very important point in the Parliament's Development Committee. Agricultural policy has in some areas very negative effects on markets and production in Third World countries, especially due to EU export subsidies. From a development perspective, one should definitely support the US and EU lowering and eventually abolishing export subsidies for agricultural products. This would help many countries in the Third World if they were not exposed to EU and US overproduction.

The EP has overreacted in earlier years, especially with the Santer Commission, and corruption allegations. As a budget authority and budget control committee the EP overreacted and contributed to making things so complicated that at the moment some people in the Commission do not dare to move and do anything for fear of being held personally responsible. At some point, the Commission will be able not only to talk but really facilitate and simplify decision-making procedures. Perhaps a conference should be organised to compare handling procedures for concrete projects.

Greater coherence would be welcome as far as new Member States are concerned. As certain structures already exist and function in the European Commission and the old Member States, it might be useful to observe for some time what other EU Members and the Commission are doing. This would avoid setting up huge overhead structures in new Member States that will cost money and initially not have any marked output.

New and old Member States must also treat the question of raising public awareness carefully. It may at times backfire, especially in countries that are to an extent still in transition. It is difficult to argue for foreign aid and development funds even if there is awareness that Europe would also benefit from more prosperity and development in poorer regions of the world.

Concluding remarks

Many new Member State NGOs are already active in development cooperation projects in Third World countries. But perhaps policy in the new Member States should concentrate on helping national NGOs receive funding from the EU. Or, if specific policy elements are not yet sufficiently addressed in current policies, before setting up own structures, new Member States could see if existing structures could not be used.

Such structures exist in many of the old Member States. For example, in Germany, the GTZ and KfW not only work on behalf of Germany but also for the EU. Due to their expertise national organisations can also work for the EU. They could also implement projects for or with new Member States.

NGOs and EU policy networks

Lada Parizkova

Introduction

Long before the EU enlargement, development policy actors were well aware that NGOs from the future New Member States (NMS) were insufficiently prepared to take an active role in the EU development cooperation and policy. The negotiation process itself gave a strong and last hint about this, as many thought it did not deal adequately enough with this particular policy.

A group of development NGOs from the Old Member States (OMS) decided to take action and created a project (TRIALOG) aiming to help NGOs from new Member States prepare for EU accession and become involved in EU development policy. TRIALOG's main objective is to reinforce the role of development NGOs in the enlarged European Union. Today TRIALOG is in its second phase, while the first phase began in 2000 and lasted for three years. During this time TRIALOG supported various NGOs from new Member States in building up networks and creating a platform where all those interested in development policy could gather. The second phase is now in progress and a third one will hopefully start in September 2006.

It is to mention that most of the NGOs in the New Member States were interested in other sectors such as environment, social, democratization, gender, humanitarian, ethical and religious issues as well as cross border cooperation. Development cooperation appeared to be less of an issue. Nonetheless, a number of NGOs from NMS also gradually became involved in this field.

Building up NGO networks

TRIALOG's mandate is to increase capacities and facilitate creation of development NGOs network in NMS. To achieve that it followed two directions: 1. it organised

development cooperation - relevant seminars, discussions, workshops, working-groups, etc. on issues such as development philosophy, the EU development policy, terminology, possibilities for a change of direction of development policy within the EU; 2. it assisted the progress of a series of organizations that became the core of the various national platforms in the New Member States.

Once the development NGOs platforms were set up in most of the NMS, efforts were made to involve the new members in EU development structures and networks.

To illustrate our work I will bring two examples:

I. Working group enlargement

The first example is the participation in CONCORD (Confederation of Development and Relief NGOs), which with its various working groups on development cooperation issues, is the most relevant network for the development NGOs both from the OMS as well as from the NMS. Working Group Enlargement (WGE), for instance, is a CONCORD forum dedicated to issues of concern mainly to development NGOs from NMS. This group is formed by development NGOs both from the NMS and the OMS as the latter ones can bring their experience for the benefit of the former ones. To take our first example further: a recent meeting of the group in November 2005 discussed the European Neighbourhood and Partnership Instrument (ENPI), as this is a major area of interest to development NGOs from the NMS since they can easily transfer their cross-border cooperation experience into development cooperation practices. WGE is also devoting some attention to the Western Balkan Countries. This is due to: 1) the status of potential candidates for the EU accession that these countries have; 2) the fact that these countries represent a focus point for many NMS as recipients of development aid. What TRIALOG is trying to do in this respect, is to provide new opportunities for networking.

II. Our training sessions

As already mentioned, one of our objectives is to increase the capacities of development NGOs in the NMS and for this to take place we organize training sessions on issues that are challenging for NMS. For example, one seminar, held in Budapest in March 2006, focused on advocacy on national and EU level. The aim was to help development NGOs from the NMS to become involved in policy debates both in their respective countries as well as on EU level. Raising awareness and development education are also important topics for the NMS as citizens there are rarely aware of what development cooperation means. One of CONCORD's working groups – Development Education Forum (DEF), is striving to promote a comprehensive Development Education

Strategy and it will soon present this strategy to the European Commission. Development NGOs from the NMS are constantly encouraged and supported to participate in DEF and to contribute to the formulation of this strategy.

TRIALOG also encourages the NGOs from the NMS to become involved in joint projects with NGOs from the OMS. We think this is an efficient way to gain experience from projects in the developing world as NGOs from the NMS rarely have this kind of experience from the past.

When striving for building-up development NGOs network, we are the first to be aware of the benefits and challenges of the task: a consortium of development NGOs from the OMS initiated TRIALOG itself. These organisations are: Horizon 3000 and *Licht für die Welt* from Austria, AEC from France, AGEH and *Brot für die Welt* from Germany, and Cordaid from Netherlands.

So far TRIALOG has succeeded in creating development NGOs platforms in nine of the ten NMS. At the time being our most active partners are: Malta, the Czech Republic, Slovakia and Poland. There are also some projects and international development agencies from other countries (e.g. CIDA from Canada), which are close collaborators of TRIALOG. Other NGOs, too, make special efforts to get development NGOs from the NMS involved in EU and international policy networks. There are new alliances today, especially among the smaller Member States and this also helps the NGOs from the NMS to advocate more effectively for adapting the eligibility criteria of the EC Calls for Proposals to the particular situation in the NMS.

The second phase of the TRIALOG project will finish in September 2006 and if successful a third phase will allow us to focus on the accession countries Bulgaria and Romania. The third phase will carry on our work in countries and sectors that need some further assistance. Thus, we might mention Cyprus, which is still in the process of building its development cooperation platform, even if it is already an EU Member State. We also have an interest in opening some dialogue with the candidate countries Croatia and Turkey

Disseminating information

TRIALOG disseminates information about the different platforms and reflects the development-related information via newsletters, websites and other media. TRIALOG has already started cooperating with Romania and Bulgaria and has contacted some of the major NGOs in both countries to bring them for a study visits in Austria, Slovakia and Hungary in order to visit the development NGOs platforms and the

relevant state administration officers. The study group was formed of officials from the Romanian and Bulgarian MFAs, NGO representatives from both countries and also from Cyprus and other interested actors. We consider such study trips an efficient way to launch cooperation and to allow for close communication between NGOs and Ministries.

Three new financing instruments

Some of the most important ways of financing projects carried out by the NMS NGOs are: Regional Partnership Programme and the Presidency Fund.

The Regional Partnership Programme, for Austria and its neighbouring countries (Slovakia, Czech Republic, Hungary and Slovenia), aims at creating common projects to be implemented in the Third World countries. Austria, as an old Member State, is sharing experience on project drafting, in an effort to tackle problems of NMS in accessing EU money. Helping NGOs in Austria's neighbouring countries to improve their chances of receiving EU funds - was one of the ideas behind the Regional Partnership Programme.

The Presidency fund was initiated by the Irish and Dutch presidencies with the objective of helping small projects carried out by NMS NGOs in the area of development education and public advocacy. There is a two-stage call for proposal open now.

Concluding remarks

The main challenges for the new Member States are the following:

- Raise public awareness about development cooperation,
- Clarify terminology and concepts,
- Create professional NGOs that would be mainly working in development cooperation issues and not just as a side activity.
- Advocate for reasonable eligibility criteria as the EU calls for proposals are concerned.

NGDOs are also challenged in terms of their financial sustainability as funds from former donors such CIDA and USAID are now decreasing. National Platforms also need to prioritise activities and engage more in policy debates on a national and European level.

Practical measures for an active role of new Member States

Reinhard Junghanns

Introduction

In order to define the space for practical measures for an active role of new Member States in the field of external assistance a brief look at the institutional structure and the operational environment of the management of external aid by the different Commission services might be helpful. Basically, there are currently two Commissioners with competencies in the field of external assistance and development policy. Commissioner Louis Michel besides being responsible for DG Development has also the remit for ECHO, the humanitarian aid office. EuropeAid is under the remit of Commissioner Benita Ferrero-Waldner, who is responsible for foreign affairs (DG RELEX). As regards development policy, in terms of geographical location DG RELEX country desks deal with Asia and Latin America, while DG DEV desks deal with the ACP countries. This operational environment is complex, in particular with other DGs such as Trade and Enlargement also entering the field of external assistance.

EuropeAid as external aid implementing office was created in 2001 and has undergone a major transition since then. One important change has been the devolution of projects and project administration to delegations all over the world. This process was finalised with the devolution of thematic budget lines in 2004.

Further Changes to come: Internal Audit Service recommendations and Financial Perspectives 2007-2013

However, the external aid environment within the Commission is characterized by permanent change. As regards the internal aspects of EuropeAid, in 2005 the European Commission's Internal Audit Service (IAS) issued an audit report on NGO funding in DG EuropeAid which – in the form of an Action Plan - triggered further efforts

aimed at the simplification of procedures, greater transparency and an acceleration of the evaluation and selection of projects. But even bigger changes are about to come with the new architecture of the EU external assistance in the context of the Financial Perspectives 2007-2013.

IAS Recommendations: Compliance, information and knowledge-management

A lot of decisions to be taken and reforms to be launched by EuropeAid on the implementing side are concerning the fine-print of procedures, guidelines, selection procedures and contracts. Thus, they are far away from diplomatic glamour which might be found elsewhere. Therefore, some say that EuropeAid resembles a factory where you see the “blue-collar workers” of the RELEX family at work. However, the decisions taken in and the production line of the “factory” are of utmost importance for its clients who in this case are to a large extent civil society organizations.

Turning to the recent report by the Commission's Internal Audit Service (IAS), the audit's scope covered the NGO Co-financing budget line, the thematic health programme and geographical programmes such TACIS, ASIA and the European Development Fund (EDF). The IAS made nineteen recommendations, all of which were accepted by EuropeAid and condensed into an Action Plan to be implemented by the end of 2006. The main objective of the recommendations is to reduce the residual risk inherent to NGO co-financing – a risk the Commission explicitly acknowledged – to an acceptable level. The recommendations were re-grouped in three “clusters” concerning “compliance”, “information system” and “knowledge management”. Here only several key elements of the Action Plan can be mentioned: As regards the compliance cluster it is of utmost importance that in February 2006 the new Practical Guide will enter into force which will provide a basis for an acceleration and simplification of the Call for Proposal procedures for the selection of projects. Another building-block of the internal reform will be the establishment of a new knowledge management system supported by an improved information system. The new knowledge management system will provide EuropeAid and other services with a data basis and tool to know better about with whom they are dealing and will include not only information about the “classical” Non-Governmental Development Organizations (NGDOs), but also on a much broader range of Non-State Actors (NSAs). The new system is expected to deliver its first results at the beginning of 2007. It will include the possibility of an on-line registration of potential applicants (PADOR) for the funding of projects. The new certification of NSAs foreseen in this system will considerably ease the burden for applicants and once obtained it will be valid for all Calls for Proposals in a certain period (e.g. one year) notwithstanding, of course, the

special eligibility criteria of each call which have to be met. By establishing a legal typology of actors and categorizing them according to their specific capacities the system in the future will also be able to better focus Calls for Proposals according to actors' capacities and needs. Thus, using the words of the IAS report the actor-based approach would be complemented by a "segmented" approach. In general, it may be resumed that the new measures being implemented are aimed at improving the service-orientation of EuropeAid and shall contribute to putting civil society organizations at the core of the aid delivery process.

Financial Perspectives 2007-2013: A new Thematic Programme "Non-State Actors and Local Authorities in Development"

The Financial Perspectives 2007-2013 will result in a new architecture for external aid which will have as its objective to rationalize and simplify the current legislative framework governing external actions of the Community. Therefore, the Commission has proposed a new set of six instruments. Three of them – for humanitarian aid, stability and macro-financial assistance – are horizontal in order to respond to particular needs and circumstances. Three instruments – for pre-accession assistance; support for the European neighbourhood and partnership policy (ENPI) and for development and economic cooperation (DCECI) – are designed to implement particular policies and cover specific geographical areas. In the future, these instruments will form the legal basis for Community expenditure on external cooperation programmes including appropriate thematic programmes.

A package of several Communications concerning the new Thematic Programmes (TPs) will be decided by the Commission in January 2006. Among them the TP "Non-State Actors and Local Authorities in Development" which will encompass the previous budget lines on NGO Co-financing and Decentralized Cooperation is of particular interest. The Communication will provide political orientations for an actor-oriented thematic programme. This programme will be designed to be subsidiary to geographic programmes and complementary to the other TPs included in the package (e.g. democracy and human rights, environment, food security). It will not only render a broad definition of NSAs, but – as has already been the case under the Decentralized Cooperation – include in its scope certain State actors, such as local authorities. In contrast to the previous NGO Co-financing budget line it is foreseen that not only European NGOs but also Southern NGOs will be able to apply for funding. The effect this may have on the volume of the budget line still is completely uncertain. Political decisions will have to be taken.

The future of EU development cooperation

Discussion

Contribution from Klaus Weigel, Konrad-Adenauer-Stiftung

One of the points raised, also by MEP Michael Gahler, is the existence of counterproductive types of public awareness in development cooperation. In new Member States, there may, however, be comparative advantages with respect to public awareness as these countries are often working in their neighbourhoods. Development cooperation in Eastern Europe and former Soviet Republics is for many new EU Member States a key opportunity to link policy with own political interests.

Contribution from Stephen Segart, E-Governance, Estonia

For an NGO such as E-Governance, which began three years ago and now operates in 24 countries, placing more emphasis on multilateral development cooperation may have negative effects. This is despite a certain attractiveness from a policy implementation perspective. The risk is that more and more new Member States will put greater emphasis on multilateral development cooperation at the expense of the traditional bilateral approach. More multilateralism entails NGOs such as E-Governance having to compete even more fiercely for EU funding.

To illustrate the difficulties for NGOs from new Member States, one needs merely to look at the selection criteria for a TACIS project which state that "... the average annual revenue of the candidate for the past two years and this year's projection must exceed EUR 5 million". This is an impossible criterion for a small or even medium-size NGO, let alone a major NGO in the new Member States.

The net result of such criteria is to favour large projects with budgets of a minimum EUR 2 million. This field is currently dominated not by expert NGOs but major management consultancies. Such companies accept major projects and manage them

from a business point of view. When they receive contracts, and only then, will they start looking for the best possible experts available on the market.

What are the chances exist of establishing more realistic criteria for smaller NGOs to actually participate in EU projects and help implement policy?

Contribution from Klaus Weigel, Konrad-Adenauer-Stiftung

This question is best answered by the European Commission, but I share the criticism. Increasingly a commercial ideology to development cooperation is taking hold. In Eastern Europe, Russia, Ukraine and other countries, there is a whole network of existing contacts that includes small NGOs and reliable people. The Commission can claim that it cannot handle such a large number of micro-projects, but there are trustworthy intermediate partners who could handle small projects.

Changing funding criteria will require the European Parliament to relax its control mania with respect to existing and experienced partners that can handle smaller NGOs. Not all funding needs to be directly controlled by the Commission.

If 10 percent of small projects fail then a relatively small sum is lost. If major projects fail then relatively large sums are lost, and there is no guarantee that large projects cannot fail. Discussions on criteria are crucial especially at a moment when Russia has implementing legislation barring NGOs from accepting foreign support or in countries where democracy is under threat. In such circumstances small grassroots networks of organisations are needed.

Contribution from Šimon Pánek, People In Need Foundation, Czech Republic

One speaker [MEP Michael Gahler] suggested new Member States avoid duplication of overhead costs and projects by not setting up own structures and using agencies in the old Member States. However, not building national capacity and not raising national awareness of development cooperation would entail not having a development cooperation policy. It would be impossible for government officials in new Member States simply to decide that money should be sent to Brussels, Paris or London for development cooperation.

National expertise at the government level is also necessary to deal with the Czech Parliament, other ministries and so on. The negative impact of awareness building differs from country by country. In the Czech Republic there has been quite a good experience in past years. A group of public awareness projects, partially funded by the

Ministry of Foreign Affairs, has not proven counterproductive.

Contribution from the floor

Visiting Czech NGOs together with Commissioner Louis Michel some eight months after EU enlargement, one could hear the same request for enabling NGOs from the new Member States to come on board. This was linked to criteria allowing projects to start with smaller amounts and then receive more funding if they prove successful. Unfortunately, there has been no reply since the visit by Commissioner Michel.

On the other hand, it is easy to understand the Commission's point of view. The Commission has to implement such a large amount of funds that cannot be divided into sums of EUR 10,000. If this were so, there would simply not be enough space in Brussels to house the administration staff required.

The difficulties faced by small NGOs in the new Member States formed the idea for a Presidency Fund. Together with the Irish NGO platform and several Member States, the Presidency Fund was created in 2004. This fund, managed by the user-friendly new Member State NGO network Eurostep, offers grants ranging from EUR 15,000 to EUR 50,000. The main areas are education and policy awareness.

Contribution from János Balla, Ministry of Foreign Affairs, Hungary

As a major donor state in the European Union, Hungary doesn't want to repeat mistakes made by old Member States in the past. But what is the best way to proceed with regards to project-based programmes and general budget support? Should Hungary repeat the same painful phase of project-based programmes or shift directly to budget support?

Contribution from Bernard Petit, European Commission

Nobody should concentrate all assistance on one mechanism, whether it be budget or project support. A broad spectrum is necessary and projects are very valuable as specific support given to a country. New Member States have much added value as they have experienced transition and can help their neighbouring countries in particular. This is an important element of technical assistance to a country supporting institutional reforms and is not brought about through budget support.

Budget support applies to major operations with a large mass of resources being used to support reform and development. If the conditions of good governance and good financial management are met, then aided governments could just get down to implementing policies. Budgetary assistance is given with specific conditions and

outcome indicators to check whether the policy has achieved good results.

At the moment, Commission allocates 15 to 20 percent of resources for budget support. This may increase to 40 percent.

Contribution from Peter Köppinger, Konrad-Adenauer-Stiftung

As mentioned repeatedly, access for new Member States to EU development cooperation programmes is poor. This is not only a technical question. New Member States give a much higher percentage of their small development cooperation budget to the EU than the old Member States. If they experience problems accessing EU funds, then there is a political problem that needs to be solved. This may prevent the new Member States from sharing experience gained in the transformation process in the European Neighbourhood Policy, for example.

The European Parliament has an important role to play and should call attention to the fact that new Member States may be discriminated by conditions set in calls for proposal. There are also instruments and methodologies that can be exploited to help small actors from new Member States. In some countries, the Commission is already working on ways that might enable small actors to participate more easily. A civil society project in Turkey, for example, required the winning consortium to organise further calls for proposals for small NGOs.

Contribution from Bernard Petit, European Commission

In increasing EU resources for ODA, a differentiation was made between former and new Member States. Such a differentiation would be useful, if applied to eligibility criteria in calls for proposals. Such different criteria, for a transitional period of two to three years, would allow new Member States to better understand how the EU functions and to build capacity. This would help them be more concretely involved with small operations.

Contribution from Lada Parizkova, Trialog/CONCORD

The benefit that the new Member States can bring to development cooperation is, obviously, their own experience of the transition process. Subsequently, target countries of the new Member States are usually neighbouring countries such as the Western Balkans. Is this covered by the EU's development cooperation in the four new financing instruments for External Relations?

One instrument is the Neighbourhood Partnership Instrument (NPI). TRIALOG failed to mention development cooperation in this instrument and some kind of

obligation to follow the Millennium Development Goals. The question now is will the new Member States be able to bring their specific experience of transition to EU development policy as they will not be able to finance programmes through the EU budget.

Contribution from János Balla, Ministry of Foreign Affairs, Hungary

For Hungary, it is very important to balance and to widen the region for development policy to include the European Neighbourhood region. We are not doing this for particular interest. The Millennium Development Goals are valid in Ukraine and Belarus. Examining these goals, five are valid in Ukraine, for example, education, Aids/HIV, the environment and so on. Unfortunately part of society in Ukraine has enormous difficulties. At the OECD's Development Assistance Committee there were objections, notably by Japan and Denmark, as regards including Ukraine and Belarus in the ODA list.

Contribution from Peter Köppinger, Konrad-Adenauer-Stiftung

Participants have made it clear that new Member States should actively participate in EU discussions on development cooperation and policy even if many of the concepts are lacking. The lack of understanding starts with all the abbreviations, with the background knowledge of the terms used like governance, comparative advantages and so on. Old Member States have had lengthy discussion over several decades. Other problems include basic things like programming of project management cycle and manpower.

Contribution from Bernard Petit, European Commission

It proved impossible, unlike in other areas, to use Community resources to train specific administrations on development issues. For this reason development administration capacity in new Member States was supported by others, notably the UNDP and Canada, but not the European Union. Travelling to the new EU countries, one notes that structures are still weak in terms of human resources and insufficient to enable administrations to acquire the capabilities of old Member States. The idea of seconding experts for a transition period to help new Member States learn about Community policies, procedures and language is then a very good idea. The Commission, however, is itself dramatically lacking in human resources. For example, health is a major part of our assistance and only four people deal with health. One person deals with forests.

It does not appear possible to discriminate positively as regards calls for proposal from new Member States. This question must be examined legally. Nonetheless, the

importance of governance and the major comparative advantage of new Member States in this respect have been acknowledged. This applies not only to the neighbouring countries of the European Union but to all developing countries because governance is an essential issue everywhere.

Question from Stephen Segært, E-Governance, Estonia

Should EU rules change with selection criteria that allow smaller NGOs to participate or should NGOs lobby their governments to decrease the percentage of multilateral in favour of bilateral funding?

Contribution from Reinhard Junghanns, EuropeAid, European Commission

This is a very difficult question. Answering a parliamentary question late in 2005, referring specifically to the problems small NGOs have in accessing funding, the Commission notes that there are no special instruments or methods applied to facilitate access for small NGOs. This may perhaps be a brutal answer and does indeed indicate a problem.

Requirements such as the length of time an NGO has worked in development, budgetary criteria and similar affect NGOs differently depending on the calls for proposals. These rules are changing and the revised practical guide will address problems NGOs have such as financial reports.

The Commission is currently trying to establish an overview of all the different budget lines and eligibility criteria with a view to harmonisation. The ground rules for calls for proposals will, however, be the same for all European NGOs from all Member States. There will be no special treatment.

Contribution from Stephen Segært, E-Governance, Estonia

If I may summarise the situation, there are no plans to lower this threshold. This forces NGOs to enter consortia, which may not be optimal for various reasons. In such conditions it appears difficult to implement the expertise and input that the Commission seeks from NGOs in the new Member States.

A requirement of three years experience in one particular project for calls for proposals essentially excluded NGOs from Baltic countries. An Estonian NGO trying to team up with a Swedish NGO could not participate. The only way was to take part as experts. Fortunately, E-Governance is now more than three years old although we have never managed a project with a budget of over EUR 2 million. All the new Member States need clarity as regards financial and other requirements.

Contribution from Peter Köppinger, Konrad-Adenauer-Stiftung

There are tender procedures in the framework of a country programme where the EU has made a contract or agreement with a specific country and require an implementation project. Here, there are usually high requirements in terms of finance and experience for a single applicant or consortium as a whole. There may even be figures as high as EUR 1 million or EUR 2 million.

This may be possible for a TACIS project, for example, in Russia. But the picture is different elsewhere. Local calls for proposal for NGOs in the field of governance or human rights, for example, may reach requirements of between EUR 50,000 and EUR 500,000.

The picture of financial requirements is more diverse than a figure of EUR 2 million would suggest even if it remains difficult for NGOs from new Member States. As regards EuropeAid, there are different standards for applicant and partner eligibility depending on the individual calls for proposal.

Contribution from Šimon Pánek, People In Need Foundation, Czech Republic

The NGO 'People in Need' from the Czech Republic is probably one of the few NGOs in the new Member States with an annual turnover of EUR 2.5 million. This does not, however, mean the criteria are not important for us. Is it not possible to transfer a block grant to one established NGO and funds will then be redistributed to small NGOs from the new Member States. This would allow them to start and learn about EU funding. If the Commission really wants to help the NGOs in the new Member States grow up, then this is probably the only way.

Twenty years ago, the situation in the old Member States was similar but the Commission was much more open and user-friendly. Now things are very sophisticated and the Commission deals with huge sums of money. As far as calls for proposals go, there should be one criterion for everyone and no affirmative action. But there is a way, for example, through a bloc grant to established NGOs to redistribute funds in smaller portions.

Contribution from Reinhard Junghanns, EuropeAid, European Commission

Block grants are one of the instruments under NGO co-financing and are, perhaps, the most easily accessible. Under the NGO co-financing budget line, the budget line with the easiest access for NGOs from the new Member States, grants allocated range between EUR 50,000 to EUR 750,000. For consortia, this figure is EUR 1.5 million.

The question of different criteria for different countries is political and concerns changing policy. It is not a question for EuropeAid to decide.

Conclusions

Peter Köppinger

There are clear common challenges facing the new Member States such as low familiarity with development cooperation concepts, especially among political actors, and the difficulties of establishing new institutions and structures. It is interesting to note how most new Member States are drafting or have just implemented legislation governing development cooperation. There is also the great challenge posed by limited human resources and budgets.

How can new Member States integrate more smoothly into EU development cooperation policy? As regards the European Commission, it would be helpful if the relevant units in the new Member States could benefit from seconded additional manpower. This would entail qualified personnel from the old Member States, perhaps directly financed by the EU, helping new Member States better understand the structures and processes. Seconded manpower could help the new Members integrate more quickly into EU development policy and the implementation of programmes.

A second point would entail enabling better access for actors from the new Member States. There have already been calls for proposal that favour applicants, or those with actors, from the new Member States. This is the use of incentives. Hurdles and obstacles, which at the moment are too high, need to be redressed by it with solutions such as a bloc grant.

A third point is making use of specific experience and expertise in transformation, in restructuring administration and building up new participatory and democratic structures. This needs to be a priority in those programmes of most interest to the new Member States such as the European Neighbourhood Policy. Hopefully, there will be a budget that is sufficient for projects in this field.

What can the Konrad-Adenauer-Stiftung do? Alongside other organisations such as CONCORD, the Konrad-Adenauer-Stiftung is ready to work as a bridge between development cooperation actors in the new Member States and decision-makers. This means pushing political forces and movements in the respective countries to deal with development cooperation. One of the problems in the new Member States is the fact that while NGOs, ministries and relevant units are progressing, parliaments and political parties have not yet fully taken up the challenge of policy-making in the field of development cooperation. Konrad-Adenauer-Stiftung is committed to such a process of awareness building.

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