

# Experience of Poland in Creating Development Cooperation Policy – from a Recipient to a Donor



*Grzegorz Mazur\**

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The vision and priorities of Poland's development cooperation are based on principles of democracy, good governance, respect for human rights and solidarity.

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### Introduction

At the beginning of the 1990s Poland entered a multidimensional process of transformation from a communist system to a free market economy and democracy. Initiated at that time, the economic and political reforms aimed at liberalisation of the economy, privatisation of state-owned enterprises and gradual liberalisation of trade flows along with building fundamental rules of democratic system. The transformation of the Polish economy and political system had been strongly supported by the European Community (EC) and correlated with the gradual economic integration with the EC. Since the beginning of the 1990s, Poland had become one of the biggest beneficiaries of European funds addressed to Central and East European (CEE) countries willing to join the EC in future (mainly Phare<sup>1</sup>; since the end of 1990s also SAPARD<sup>2</sup> and ISPA<sup>3</sup>). These programmes aimed to facilitate transformation and assist the candidate countries in the preparation for accession. Transformation efforts were finally crowned on the May 1, 2004 when Poland and nine<sup>4</sup> other countries joined the European Community. The membership of those countries in the European Community (EC)/European Union (EU) has induced full and active participation in all EU policies, including EU's assistance to less developed countries. This was also a moment when acceding countries from Central and Eastern Europe became active donors and participants of the EU's Development Cooperation Policy.

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\*Assistant Professor, Department of European Studies, Faculty of International Business and Economics Poznań University of Economics and Business (Poznań, Poland). Views expressed are personal.

The general aim of the paper is to define the main challenges faced by Poland in the process of building the framework of a development cooperation policy and evolving from a country being one of the most important beneficiaries of structural funds to an active and growing donor in development support.

## **Constructing Poland's Development Cooperation Policy - the Main Challenges**

Although Poland, together with other countries of the CEE region, had some experience in delivering development assistance to other countries before the 1990s, this cooperation had rather ideological character and was addressed to those developing countries that shared and supported a communist ideology (Yemen, Mongolia, Vietnam and Cambodia). In this regard Poland's historical pre-1990s experience may not be utilised as fundamentals for modern development cooperation policy for the twenty-first century. The collapse of communist political and economic system had led to a drastic reduction of the assistance addressed by Poland to other countries. Moreover, the country – being in difficult social and economic situation in the late 1980s or early 1990s - became to an extent a 'competitor' with other developing countries in applying for development assistance from developed world, including specially, European Community and its member states.

The success of transformation and dynamic growth of the Polish economy in mid-1990s started to deliver – at the beginning on a limited scale – development assistance to other developing countries. However, more integrated actions in creating coherent and comprehensive

frameworks for development cooperation had been initiated at the end of the 1990s and were strongly related to Poland's preparations for membership in the European Union. The process of integration with the EU required from the country many new commitments in the area of development cooperation, including legal, organisational and financial aspects.

The first fundamental challenge was to set-up a legal framework for actions undertaken in the area of development cooperation, including foremost a coherent national strategy describing priorities, rules and actions of development cooperation. Although all actions and documents had to be fully coherent with a strategy and documents adopted at the EU that were a valuable benchmark for other countries, newly created strategies in CEE countries raised some doubts. Those mostly referred to insufficiently expressed references to poverty eradication as a strategic aim of development assistance. It was interpreted as a result of lower (than in West European countries) engagement in development cooperation in the least developed countries (LDC). CEE countries addressed their development assistance more to South and East European countries that needed support in areas such as strengthening democracy, human rights or regional security. Among other doubts raised in reference to the strategic documents of CEE countries was insufficient transparency of rules determining priority partners for development cooperation. Decisions on that were mostly results of political strategies rather than clear economic and social criteria. Another critical aspect applied to slow implementation of new legislation in other areas related to development cooperation (e.g. public finances, tax regulations).

In case of Poland, the *Strategy for Poland's Development Cooperation* was adopted by the Council of Ministers on October 21, 2003. The vision and priorities of Poland's development cooperation are based on principles of democracy, good governance, respect for human rights and solidarity. Moreover, the country considers its own experience in economic, social and political transformation as a comparative advantage in its development cooperation. In reference to a legal framework in 2011 the Polish Parliament adopted the *Development Cooperation Act* being a fundamental guide and tool for the Ministry of Foreign Affairs in building cross-government ownership of the aid programme.

In the aftermath of adopted Act of 2011, Poland prepared for the first time the *Multiannual Development Cooperation Programme (MDCP) 2012-2015* that included stronger geographic and thematic focus of Poland's development cooperation. The second MDCP was adopted for 2016-2020. The current multiannual programme 2016-2020 defined six following thematic priorities reflecting Polish expertise and comparative advantage: good governance, democracy and human rights, human capital, entrepreneurship and private sector, sustainable agriculture and rural development as well as environmental protection. In addition, the MDCP also indicated on the basis of five criterias (development needs, implementation of development cooperation, bilateral cooperation, cohesion with EU measures and security) the priority partners. Those are four countries of Eastern Partnership (Belarus, Georgia, Moldova and Ukraine) and eight countries from Africa, Asia, and the Middle East (Ethiopia, Kenya,

Lebanon, Myanmar, Palestine, Senegal, Tanzania and Uganda).

The second fundamental challenge in building Poland's development cooperation policy was to develop an institutional framework, which was necessary for effective implementation of undertaken commitments and adopted priorities. Problems that had to be addressed in the initial phase of creating policy were the dispersion of competences among different institutions and the shortage (both in number and skills) of human resources/experts in designing and implementing effective development cooperation. However, the Polish Government did not decide, unlike what other countries of the region did (Czech Republic, Slovakia), to create a special executive development agency. As a consequence, the country created a special department within the Ministry of Foreign Affairs (MFA). This has been confirmed by the Development Cooperation Act of 2011 that gave the MFA and its Department of Development Cooperation a leading role in defining strategic priorities and coordinating the system of Polish development cooperation. However, as it was stressed in the OECD Peer Reviews (2017), Poland is still in the early stages of developing a whole-of-government approach in providing assistance to partner countries. Moreover, achieving the optimal organisational set-up, systems, procedures and key capabilities for delivering aid remain an issue for Poland. Although since 2011 human resource management has been evolving at the MFA (specialisation and more experienced staff), the Ministry has limited resources to recruit expertise. As recommended in the OECD Reviews, Poland should also make a greater effort

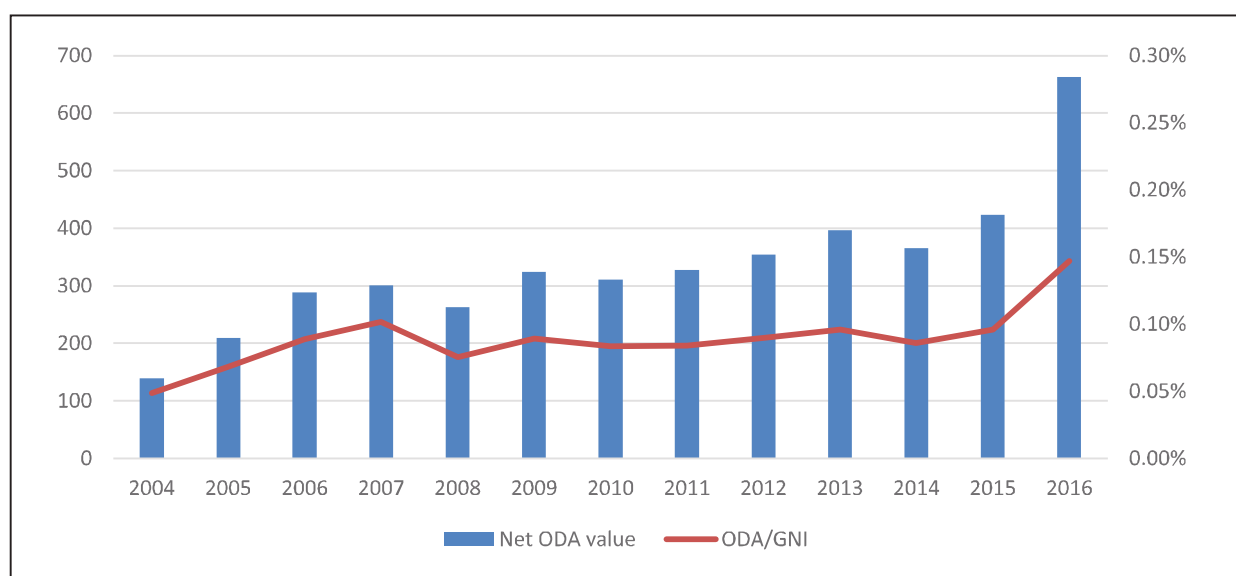
to bring different parts of the aid system together and draw on technical capacity throughout the system.

Beside legal and institutional aspects of development cooperation, Poland had to undertake relevant financial commitments. In 2016, Poland provided USD 663 million in net official development assistance (ODA)<sup>5</sup>, which means an increase of more than 50 per cent compared to that provided in 2015 (USD 441 million). ODA as a share of gross national income (GNI) also grew from 0.10 per cent in 2014 to 0.15 per cent in 2016 (Graph 1). Although the growth in relative terms seems to be very high, Poland did not fulfil its commitments of spending 0.33 per cent ODA/GNI in 2015. As in May 2015 EU countries reaffirmed its commitment to increase collective ODA to 0.7 per cent of EU GNI before 2030, the specific target of 0.33 per cent ODA/GNI for Poland (and other CEE countries that joined the EU in 2004 and 2007) was also re-confirmed. Poland has also committed to increase ODA for least developing countries to reach 50 per cent of its total ODA, but meeting this commitment will be

a challenge. That would require expanding ODA for bilateral aid and reallocation of Polish aid to its geographical priorities. Nowadays priority partners are still not the most important recipients of the Polish ODA.

Further increase in Poland's ODA and fulfilment of adopted targets will be strongly determined by public<sup>6</sup> and political support, giving the government legitimacy to allocate more resources to development cooperation, and growing awareness of global problems affecting Poland such as migration and climate changes. It should be also mentioned that three-fourth of Poland's ODA has been distributed via multilateral channels (mostly contributions to the EU actions) and only one-fourth through bilateral projects. This is a characteristic feature of many CEE countries that the share of multilateral aid channels is relevantly higher than bilateral ones (in some of the region's countries even close to 100 per cent). This is to some extent a result of relatively short experience of those countries in providing ODA (and therefore

**Graph 1: Poland's net ODA value (million USD) and ODA/GNI (%) in 2004-2016**



Source: DAC OECD.



building their own independent bilateral channels of development cooperation) as well as the lack of historical/colonial links with developing countries, as in the case of many other EU countries.

## Conclusion

Although Poland has made a big progress in creating its development cooperation policy and in 2013 joined the OECD Development Assistance Committee, confirming its role as an aid donor, some challenges still should be addressed in making the policy more effective and coherent. Further efforts should be especially concentrated on: integrating development cooperation and other international commitments on sustainable development, clarifying institutional roles and ensuring appropriate resources and institutional capacity for conducting development cooperation, improving institutional efficiency as well as defining a strategic approach meeting the needs of different partners. A challenge of great importance is also to increase funding for ODA to meet re-confirmed obligations in ODA/GNI by 2030.

## Endnotes

- <sup>1</sup> Poland and Hungary: Assistance for Restructuring their Economies
- <sup>2</sup> Special Accession Programme for Agriculture and Rural Development
- <sup>3</sup> Instrument for Structural Policies for Pre-Accession
- <sup>4</sup> The “Eastern Enlargement” (2004) included 8 countries from Central and Eastern Europe (Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Slovakia, Slovenia) as well as Cyprus and Malta.
- <sup>5</sup> In 2016 five biggest beneficiaries of Polish ODA were: Ethiopia (USD 42 million), Ukraine (USD 21 million), Tanzania (USD

22 million), Belarus (USD 19 million) and Turkey (USD 18 million).

- <sup>6</sup> A survey conducted in 2015 found that 65 per cent of Polish people support development cooperation for least developed countries

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