

DEPUTY DIRECTOR

DEVELOPMENT CO-OPERATION DIRECTORATE

Director's office

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To: DAC Delegates and Observers

Greece Mid-term Review, 28 November 2022

Dear Colleagues,

On 28 November 2022, I conducted the mid-term review of Greece, together with Aussama Bejraoui and Joëlline Bénédicte of the Development Co-operation Directorate (DCD). I would like to thank Ambassador Diakopoulos, Head of Hellenic Aid and officials at the Ministry for Foreign Affairs (MFA), the Ministry of Education, Life Long Learning and Religions, the Ministry of Health and Solidarity, the Ministry of Migration and Asylum as well as the Ministry of Environment and Energy. I would like to also thank Ms. Eleni Nikolaidou, Director of Development Co-operation Policy at Hellenic Aid, for her close co-operation in the lead up to the review. In addition, we had rich and frank discussions with representatives from the European Union (EU) Commission and civil society. We thank them for taking the time.

The mid-term review focused on the DAC's 2019 peer review recommendations, and the developments that have taken place since. We were pleased to see that Greece has made progress in implementing many recommendations. Greece's efforts to reform its legislative, institutional and internal systems provide the building blocks for effective development co-operation once the bilateral programme resumes. These reforms have taken place in the context of a decreasing official development assistance (ODA) budget, with a very limited bilateral budget beyond in-donor refugee costs, which has to date provided limited scope to test the reforms.

Greece has made significant improvements in streamlining the management of migration and its experience could be of interest to other members of the Development Assistance Committee (DAC)

Greece has made progress in managing the inflows of migrants and asylum seekers by reforming administrative processes and building capacity. The decrease in the number of refugees since 2019 has also contributed to improving the efficiency of the system. As some DAC members are now facing the rapid influx of refugees following Russia's unprovoked war of aggression against Ukraine, Greece's experience could be of interest to new host countries. Key strengths and areas of progress include:

- Ensuring the continuity of services during the transition to the 2021-27 EU Asylum Migration and Integration Fund (AMIF).¹ While the disbursements from AMIF were temporarily delayed, Greece managed to use its own national budget to pay up front the services needed to welcome and host refugees, although this came with increased administrative burden in particular due to the need to comply with both national and EU procedures.
- More timely disbursement and simpler procurement procedures – even though further progress can be expected. The revised payment schedule streamlines transfers to civil society organisations (CSOs) supporting refugees: CSOs are now paid 80% up front and 20% at the end of their contracts, instead of two instalments of 40% and one of 20%. In addition, Greece reformed its procurement processes to accelerate the construction of refugee reception centres and the provision of services to such centres. Multi-year funding agreements with CSOs should further simplify administrative processes, as should the plan to work through multilateral organisations with more efficient procurement procedures. Some challenges remain, especially for more complex programmes such as support to unaccompanied minors.

¹ The new AMIF programme for 2021-27 has just been agreed in November 2022.

- More efficient asylum procedures. Greece managed to reduce the asylum backlog and shorten the time needed to process asylum requests. The administration now provides a first response to asylum requests within 29 days in the island centres and 95 days on the mainland, compared to a two-year delay previously, making Greece the fourth most efficient asylum service in the EU. Such progress was possible thanks to the establishment of a single registration procedure, instead of three previously, the creation of a digital registration portal and investments in staff capacity – as well as the reduction in the number of new cases.
- Improved conditions in reception centres. The previously criticised hotspot centres built on the islands in 2015 have been replaced, with support from the EU, by new centres providing better conditions including safe zones for minors, areas for leisure and social activities, for medical care, and adapted spaces for the registration and asylum processes to take place. Service providers are also committed to the United Nations Charter on Human Rights and United Nations Convention on the Rights of Persons with Disabilities.

One of Greece's emerging challenges is how to be flexible enough to adjust its reception capacity to decreasing migration flows – while remaining prepared for sudden potential increases.

Further focusing its thematic priorities can facilitate decision-making once the bilateral programme has resumed

The 2021 law on development co-operation demonstrates Greece's commitment to bring its legal and strategic framework up-to-date with international standards and practices, as recommended in the 2019 peer review. While Presidential decrees supporting implementation are yet to be approved, new features of the law include the introduction of public awareness campaigns – which have not materialised yet – the possibility to fund Greek CSOs and Greek private sector with experience in development co-operation, and the introduction of four-year national programmes clarifying the geographic and sectoral priorities for international development co-operation. As Greece expects to strengthen its engagement with Greek CSOs, which according to the law need to be based in Greece, it will have to be mindful of the ability for these organisations to work closely with local counterparts to ensure sustainability and national ownership.

The first four-year national programme published in 2021 aims to guide Greece's development co-operation. The programme sets out a pragmatic geographic concentration on seven countries in the Mediterranean as first priorities and an additional eight as second priorities – all countries with strong cultural ties to Greece. The thematic priorities are however broader and remain largely similar to those identified during the previous peer review. Greece's vertical priorities are poverty, health, education and sustainable economic development. The horizontal priorities are climate, governance, gender and digital transformation. Only peace and security are previous priorities not listed in the current programme. While the broad priorities give Greece flexibility to seize opportunities when identifying partners and projects at a time when it needs to make the case for bilateral co-operation, they do not provide a clear direction to prioritise spending within what might remain a small budget, nor clearly define Greece's identity as a bilateral provider. A narrower set of priorities could also strengthen the transparency and accountability of the decision-making process.

The new institutional set-up can support more efficient and co-ordinated management of the development co-operation programme

Greece has taken action to improve communication and working relations across ministries. The Directorate General for Development and Humanitarian Assistance has been paying more attention to improving inter-ministerial working relations and strengthening its role as a hub for bilateral activities funded by other government departments. For instance, the Directorate facilitated a cross-government evaluation of scholarships, as recommended in the 2019 peer review – leading to the creation of a cross-government scholarships data platform to be launched shortly by the Ministry of Education – as well as the co-ordination of humanitarian projects funded by the Ministry of Civil Protection in co-operation with the EU. The new law also reintroduces an Inter-Ministerial Committee for Co-ordination of International Development Co-operation Policies, in charge in particular of defining the strategy for development co-operation and ensuring coherence in the implementation of

the four-year programme. Learning from its previous experience,² Greece will need to make sure the Committee convenes regularly and that senior participation is secured.

It was clear from our conversation with different line ministries that the 2022-25 four-year programme is owned across government, which gives the MFA the platform to support coherence and consistency of the bilateral programme. Whether the plan actually guides the international co-operation of line ministries will have to be tested once new programmes and projects are selected and funded. The next peer review will be an opportunity to assess whether the scholarship programmes, as well as the new projects currently planned by the Ministry of Environment, are aligned to the priorities stated in the 2022-25 national programme.

The internal restructuring of the Directorate General for Development and Humanitarian Assistance should improve the efficiency and expertise of the development administration. As recommended in the last peer review, the new law restructures Hellenic Aid Directorates around three key functions (compared to six previously) – policy, programming and corporate processes. An independent Evaluation and Statistical Data Office is expected to enhance administrative efficiency and adaptive capacity. To strengthen its staff capacity, Hellenic Aid is currently in the process of recruiting two additional experts. Greater clarity on the evolution of the ODA budget would help the Directorate General with workforce planning and identify the right balance of generalist and expert profiles.

The reforms aimed at strengthening due diligence mechanisms and evaluation capacity will be tested as Greece progressively rebuilds its bilateral programme

New financing procedures strengthen procurement, risk management and due-diligence mechanisms, which were weaknesses of the Greek system. The new law and related forthcoming Presidential decrees reinforce project screening, payment and auditing procedures; clarify the conditions for registration of CSOs and private entities in the Hellenic Aid Registry;³ and provide Hellenic Aid with the task to monitor project implementation, including through on-site checks. The newly drafted information guide for project applicants facilitates the understanding of the prerequisites, obligations and procedures related to the implementation of projects funded by Hellenic Aid. The planned recruitment of an expert in audit and controls should strengthen Greece's capacity to implement the new procedures. Hellenic Aid will need to put these new procedures into practice once its bilateral programme resumes and ensure there is a right balance between due diligence and enabling an efficient system.

Further investment in evaluation capacity and results-based management (RBM) could improve quality assurance in case the bilateral programme grows. The Directorate General conducted two internal evaluations on multilateral financing and scholarships. The launch of the scholarship data platform should allow for tracking students' post-education pathways and therefore better measure the development impact of scholarships. In order to sustain its evaluation capacity, Hellenic Aid has established an Evaluation and Statistical Data Office, responsible for ex-post evaluation of programmes and policies and statistical compilation of ODA. There is however no specific evaluation budget or programme and it is not clear whether a distinction is made between *ex post* impact assessment and project auditing. In addition, no RBM system is in place, which may be explained by the fact that Hellenic Aid does not currently run any bilateral projects. As Greece rebuilds its bilateral programme, it will need to ensure that its evaluation and RBM capacity is commensurate with the size and complexity of its projects.

Renewed senior level commitment to development co-operation has to translate into increased budgets

From setting up a new law on development co-operation to reforming internal processes, Greece is slowly reviving its development co-operation beyond multilateral contributions and managing the inflows of migrants and asylum seekers. However, this progress does not yet translate into its ODA figures. Greece's overall development co-operation budget remains low both in terms of volume and share of Gross National Income (GNI), reaching USD 341 million in 2021 – representing 0.16% of GNI – and has been decreasing in terms of percentage of GNI over the last three years. In addition, with 68% of its budget going to core contributions to EU institutions and 10% spent of refugee costs in the country in 2020, Greece has had limited opportunity to define a programmable budget. It is worth stressing, however, that in addition to providing consistent humanitarian support (an average of USD 4.9 million per year since the last review), Greece has identified some bilateral projects in its priority partner countries. Since Greece exited the European Union's enhanced surveillance framework in a context of reasonably

² A similar committee (the Inter-Ministerial Committee for the Organization and Coordination of International Economic Relations) was created under the previous law (1999) but had not convened since 2011.

³ The conditions include the absence of any pending litigation or final conviction of the members of the boards of CSOs and private enterprises, including in relation to bribery, money laundering and terrorism financing.

sustained growth, coupled with the decrease in cost of hosting refugees from USD 135.7 million in 2019 to USD 36.55 million in 2021, it may have more flexibility to increase programmable aid. Such budgetary flexibility will nevertheless require strong political buy-in and public support to lead to a sustained budget increase.

Greece seeks synergies with EU development co-operation to strengthen its own programme

Greece seeks to complement and enhance the efficiency of its small bilateral aid programme by engaging and co-ordinating with its EU partners. For instance, by co-funding humanitarian activities in the framework of the EU Civil Protection Mechanism, Greece seeks greater impact and efficiency for its relatively small contributions.⁴ Greece is also active in Team Europe Initiatives⁵ and uses EU institution building instruments ([Technical Assistance and Information Exchange](#) (TAIEX) and [Twinning](#)) to provide technical assistance to developing countries. In 2021, Greece contributed to 6 Twinning projects and 30 Greek national experts were mobilised for TAIEX projects.

As Greece explores the possibility of establishing an independent development agency or mobilising its existing national development bank to further engage with the EU and implement EU delegated co-operation, further reflection on risks and opportunities can inform decision making. While engaging in EU delegated co-operation could give Greece enough critical mass of bilateral projects to build and protect expertise, setting-up an independent agency also comes with a set of challenges in terms of policy vision, leadership, strategic steering and co-ordination, and costs. Making sure that managing the EU budget does not come at the expense of the national budget and priorities will also be critical. As Greece has already initiated discussions with EU member states to learn from their experiences in setting development agencies, discussing the objectives and challenges directly with the EU Commission could provide useful insights. The Secretariat stands ready to share learning extracted from peer reviews on similar challenges.

Conclusion

I was encouraged by Greece's commitment to implement the DAC's 2019 recommendations and the will at the most senior levels to resume its bilateral co-operation programme. As Greece is finalising the modernisation of the legislative and institutional framework of its development co-operation, increasing the budget for ODA beyond refugee costs will be critical for Greece to be able to implement the priorities set-up in its new four-year national programme. The next peer review in 2026 will be an opportunity to assess whether this will translate into ODA growth and the new framework is fit for purpose.

Yours sincerely,



Mayumi Endoh

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⁴ For example, under the EU Civil Protection Mechanism (CPM), the EU commission can co-finance transport and operational costs. See https://civil-protection-humanitarian-aid.ec.europa.eu/funding-evaluations/financing-civil-protection/transport-and-operations-co-financing-procedures-under-union-civil-protection-mechanism_en.

⁵ See <https://europa.eu/capacity4dev/tei-jp-tracker/greece?tab=tei>.