



## **The DAC's main findings and recommendations**

**Extract from: OECD Development Co-operation Peer Reviews  
Poland 2017**

# 1

## Towards a comprehensive Polish development effort

*Indicator: The member has a broad, strategic approach to development and financing for development beyond aid. This is reflected in overall policies, co-ordination within its government system, and operations*

### Main findings

Since joining the Development Assistance Committee (DAC) in 2013, Poland has made progress with strengthening its strategic framework and systems for development co-operation thanks to the active leadership and co-ordination role played by the Ministry of Foreign Affairs. Greater cross-government ownership is exemplified by the 2016-2020 Multiannual Development Cooperation Programme – a whole-of-government strategy approved by the Council of Ministers. The findings and recommendations of this first peer review provide a baseline and a guide for building on these foundations.

Poland contributes to the global development effort through several channels. Its strong support for Sustainable Development Goal (SDG) 16 reflects how central democracy and respect for human rights are to its foreign policy. Recent responses to insecurity and conflict in the Middle East and Ukraine, and plans to increase Polish economic presence in Africa and Asia show the comprehensive nature of its global engagement. Poland also works actively within the European Union (EU), the United Nations and NATO for greater stability, including through continued support for the EU's Eastern Partnership initiative.

Like other DAC members, Poland has started to identify how it will contribute to Agenda 2030. For example, the Ministry of Economic Development, which is responsible for national implementation of Agenda 2030, is finalising Poland's strategy for Responsible Development which applies a sustainability lens to its domestic development model. The Ministry of Foreign Affairs considers that the 2016-2020 development co-operation programme is in line with the SDGs. Poland has an opportunity to reflect the universal and holistic nature of Agenda 2030 by integrating the development co-operation pillar of Agenda 2030 into its national debate, strategy and institutional set-up for the SDGs.

Poland has taken several steps towards having a systematic approach to making its policies development friendly. These include raising awareness through the intra-governmental network of focal points on policy coherence for development; its work on illicit financial flows; adding a question on development in the Guidelines for Regulatory Impact Assessment; and mandating, in 2016, the Development Cooperation

Policy Council to provide recommendations to the government on priority issues to address.

Now that Poland has put these instruments in place, it needs to ensure that they bear fruit. Going forward, Poland would need to clarify institutional mandates and mechanisms for moving from technical discussions to political decisions. While the Development Cooperation Policy Council has potential to raise awareness and debate issues, it is too early to tell if it has the capacity to provide solid recommendations to the government. The requirement for including development in regulatory impact assessments is a step in the right direction, however there appears to be limited capacity in government to conduct such assessments. At the same time, Polish non-government organisations (NGOs) and research institutes have strong analytical capacity and potential to advocate on policy coherence for development which can be harnessed by the government to stimulate debate and action.

Poland draws on its experience with small and medium-sized enterprise development to promote local private sector development in partner countries and territories. It is also considering how to engage the Polish private sector in development. The Corporate Social Responsibility Advisory Board to the Minister of Economic Development has the potential to stimulate debate on how Polish businesses can contribute to sustainable development through their own investments. Poland can also learn from the experience of other DAC members on this issue.

### Recommendations

- 1.1 As it develops its approach to implementing Agenda 2030 Poland should integrate development co-operation and its other international commitments on sustainable development.
- 1.2 To deliver policies that are coherent with the aspirations of developing countries, Poland should
  - (i) clarify institutional roles, responsibilities and mechanisms for making its policies coherent with development objectives; and
  - (ii) ensure that government departments have resources and capacity to conduct regulatory impact assessments.

## Main findings

Poland's clear overall vision and priorities for development co-operation are underpinned by principles of democracy, good governance, respect for human rights and solidarity. Poland considers its own transformation experience a comparative advantage in its development co-operation with Eastern Partnership countries looking to learn from Poland's experience.

The 2011 Development Cooperation Act has proven to be a fundamental guide and tool for the Ministry of Foreign Affairs in building cross-government ownership of the aid programme. The stronger geographic and thematic focus of the second Multiannual Development Cooperation Programme 2016-2020 and the explicit objective to increase efficiency and impact are informed by lessons arising from the first programme. In addition, the ministry selected its priority countries on the basis of criteria and consultation with key stakeholders and the six thematic priorities reflect Polish expertise and comparative advantage.

Poland has great potential to increase the strategic focus and scale of its aid allocations, notably by ensuring the various components of its bilateral portfolio work towards the objectives of the Act and multiannual programme. For example, the special reserve budget for development co-operation is ring-fenced for priority countries and territories but it only accounts for one third of bilateral aid. Loans and scholarships make up over half of bilateral aid. However, lending by the Ministry of Finance and ODA qualifying scholarships offered by the Ministry of Science and Higher Education are not strictly required to align with geographic and thematic priorities of the multiannual programme.

Multilateral aid accounts for almost 80% of Poland's development co-operation and is therefore an important channel for advancing its objectives. Reflecting this, Poland works strategically to influence EU development and humanitarian policy as outlined in its 2016-2020 multiannual programme. In addition, it feeds lessons from its participation in EU development policy-making into the bilateral strategy and programme. Poland could, nevertheless, be more active and strategic in communicating how its multilateral aid contributes to development – and raise visibility domestically and internationally of this important component of Polish aid.

Polish development co-operation policy is evolving in line with the international development agenda – such as the SDGs – and has gained credibility as a tool for supporting Polish foreign, economic and security policy. These changes are evident in its humanitarian aid to the Middle East, its increased support to least developed countries and expanding economic presence in Africa and Asia (exemplified by its new priority countries of Senegal and Myanmar). However, as a relatively new provider of development co-operation in least developed countries, it will be a challenge to have an impact on development with its limited budget and country presence unless it has a clear idea of how it can add value and respond to local priorities.

The 2011 act commits Poland to “support long-term social and economic development through actions to reduce poverty”. Evidence from Ukraine shows that Polish development co-operation supports sectors which benefit poor and marginalised people but it lacks dedicated guidance for focusing aid to reduce poverty. Such guidance could also strengthen project and programme design, and provide a baseline for monitoring impact of the various channels of bilateral aid, including loans and scholarships.

Finally, clearer objectives and guidance for mainstreaming cross-cutting goals such as gender equality and women's empowerment and the environment could help translate general commitments into practice and ensure they are addressed systematically in programming and policy dialogue.

## Recommendations

**2.1** To strengthen its strategic framework, Poland should:

- (i) have a policy for providing loans and scholarships that aligns with principles for aid effectiveness, the objectives of the Development Cooperation Act, multiannual programmes and Agenda 2030.
- (ii) provide clear objectives and guidance for delivering on priorities such as reducing poverty and cross-cutting issues such as gender equality and environmental protection.
- (iii) define a strategic approach to meeting the needs of different partner countries in a way that adds value and complements support provided by other development partners.

# 3

## Allocating Poland's official development assistance

*Indicator: The member's international and national commitments drive aid volume and allocations*

### Main findings

In 2015 Poland provided USD 528 million in net ODA (in 2014 constant prices) – an increase of 16.8% in real terms compared to 2014 (USD 452 million). ODA as a share of gross national income (GNI) also grew from 0.09% in 2014 to 0.10% in 2015. However, Poland has some way to go to reach the target of 0.33% ODA/GNI by 2030 in line with the 2015 Addis Ababa Action Agenda.

Poland has no overall plan for scaling up ODA to meet these international targets. Changes in Poland's ODA volume are generally determined by (1) increases in its EU contributions, which are indexed to the size of the economy; and (2) new credit lines. These increases are unlikely to raise significantly the ODA/GNI ratio which has ranged between 0.08% and 0.10% over the past decade. While the special reserve budget for bilateral co-operation increased from PLN 100 million to PLN 130 million between 2015 and 2016 (from about USD 26.5 million to USD 34.5 million), this fund accounts for about 6% of total gross ODA. The increase is too small to affect the ODA/GNI ratio.

Public and political support will be crucial to give the government legitimacy to allocate more resources to meet its aid target. Both government and civil society have an opportunity to build support for increasing aid: a 2015 survey found that 65% of Polish people support development co-operation for least developed countries, and there is growing political awareness of the need to address the development-related causes of global problems affecting Poland – including economic migration and climate change.

Multilateral aid accounts for a high share of total gross ODA: 78% in 2014 (USD 370 million). It mainly consists of assessed contributions to the EU (91.6% of multilateral aid). Poland's small earmarked contributions support activities in geographical areas that Poland cannot reach bilaterally. However, with core and earmarked contributions of USD 21 million (in 2014) spread across 28 UN funds and agencies there is scope, as identified in the 2016-2020 programme, for Poland to rationalise its allocations for greater impact and synergies with its bilateral cooperation.

At USD 104 million, Poland's bilateral aid accounted for one-fifth of its total ODA in 2014. Allocations reflect priorities to a certain extent. In 2014, about half of bilateral ODA went to agriculture, 16% to

post-secondary education (reflecting the scholarships) while government and civil society received 10% of bilateral aid. In addition, 47% was allocated to the European region and 41% to sub-Saharan Africa. The focus on Belarus and Ukraine is evident in their relatively large allocations (USD 21 million and USD 19 million in 2013-14 – 34% of bilateral allocable aid, combined).

A closer look at the data shows that the recipients of bilateral aid are not always priority countries. China was, for example, among the top recipients of Polish aid (mostly loans) in 2013-14. In addition, time lags between lending commitments and disbursements can affect the final allocation of bilateral aid. For example, Angola, which was a priority country when it signed loan agreements with Poland (in 2006 and 2010) but which ceased to be a priority country in 2011, was the main recipient of Polish aid in 2013-14, receiving 22% of gross bilateral ODA.

Poland has committed to increase funding for least developed countries (LDCs) to reach 50% of its total ODA. Meeting this target will be a challenge. While bilateral net disbursements to LDCs were relatively high in 2014 (at 49.5%, explained partly by a tied aid credit to Ethiopia), funding for LDCs represented just 28.8% of total net ODA (or 0.02% of Poland's GNI). In addition, priority countries such as Myanmar, Senegal and Tanzania are not yet top 10 recipients. In 2013-14 Tanzania was among the top 20 recipients of Poland's bilateral aid but received less than USD 1 million; aid to Myanmar and Senegal was negligible.

To achieve its target for least developed countries, Poland will need to enlarge its budget envelope for bilateral aid, reallocate aid to its geographic priorities, and be open to working with new partners with knowledge and experience in these countries.

### Recommendation

- 3.1** As it increases ODA to meet its commitments Poland should allocate more resources to the bilateral budget.
- 3.2** Poland should focus its bilateral aid, including loans and scholarships, on priority countries and themes.
- 3.3** Poland should allocate its multilateral contributions in a strategic, whole-of-government way to support implementation of its development co-operation priorities.

## Main findings

Poland has sound institutional foundations for its development co-operation. It continues to strengthen its structures and systems on the basis of experience and the roles and responsibilities outlined in the 2011 act. It is a significant achievement since joining the DAC in 2013 that the Ministry of Foreign Affairs – and its Department of Development Cooperation – is now recognised as the institutional leader on strategic priorities and for co-ordinating the system.

The Ministry of Foreign Affairs is effective in using the multiannual programming process and annual planning to co-ordinate Polish aid. By getting cross-government engagement in annual planning and statistical reporting, the Ministry of Foreign Affairs has achieved a good degree of ownership for the strategic objectives of the Multiannual Development Cooperation Programme.

Poland is still in the early stages of developing a whole-of-government approach in partner countries. Its recent success in scaling up its programme in Ukraine, which responds to demands from the Ukrainian Government, shows that it can adapt its tools and innovate to meet partner country demands, work more flexibly, and capitalise on cross-government expertise in a co-ordinated way. Poland's growing emphasis on economic diplomacy, including through development co-operation, gives it an opportunity to develop strategic whole-of-government approaches more systematically in partner countries.

The Department of Development Cooperation's set-up reflects its responsibilities and the current project-based business model. The department works closely with embassies and the part-time development counsellors in partner countries, who engage in policy dialogue, manage small grants and conduct some monitoring. Nevertheless, achieving the optimal organisational set-up, systems, procedures and key capabilities for delivering aid remains an issue for Poland. In particular, the Ministry of Foreign Affairs recognises that it needs to adapt its business model in order to deliver Polish aid in a more efficient, flexible, timely and innovative way that responds to partners' expressed needs. Key challenges it needs to address include:

- the high administrative costs of managing five annual calls for proposals, annual project contracting, monitoring and reporting
- the limited time for staff to plan, programme and develop new tools and instruments (e.g. project management guidelines) required to increase efficiency and potential impact
- constraints in the calls for proposal to working with a broad range of partners as these are issued only to Polish entities.

Human resource management is evolving at the Ministry of Foreign Affairs, which is looking to introduce some specialisation in the diplomatic corps. Since 2011, the Ministry of Foreign Affairs has built up its development co-operation capacity with more experienced staff working in the department. However, acquiring and retaining the right expertise in the right place for the right length of time is a significant concern for the department, especially keeping diplomatic staff in more technical posts. The ministry should consider including development co-operation as a specialisation given its growing policy relevance, generally limited experience of the ministry's staff in development co-operation, and the need for more technical expertise in the Department of Development Cooperation.

The department has limited resources to recruit expertise. However, recent experience of seconding an expert from the Ministry of Agriculture to support the programme in Moldova is a good example of capitalising on relevant technical expertise from within the system. Development training is also limited in the Ministry of Foreign Affairs at present.

## Recommendations

- 4.1** To strengthen and make more efficient its business model and free up staff time for other strategic activities, the Ministry of Foreign Affairs should rationalise the overall number of channels for the special budget reserve and streamline calls for proposals.
- 4.2** Poland should make greater effort to bring different parts of the aid system together and draw on technical capacity throughout the system.

## Main findings

Poland's 2016-2020 Multiannual Development Cooperation Programme contains an explicit priority to deliver aid in line with the commitments it agreed to in Busan. These include more transparent and less fragmented aid and enabling greater partner country ownership. The Ministry of Foreign Affairs plans to engage in more systematic strategic dialogue and planning with partner governments – as it does in Ukraine. These are the right objectives and can drive reforms needed to aid programming and budgeting.

Partners value the experience, knowledge and people-to-people link that Poland offers. Poland also adds value and gains visibility through joint approaches with other donors, as shown by its engagement in EU joint analysis in Moldova.

Poland delivers aid in fragile states such as Ukraine. While it does not have specific guidance for addressing conflict and fragility through its development co-operation, by channelling its support mainly through the multilateral channel, it increases the overall coherence of aid in these contexts.

The Ministry of Foreign Affairs' growing experience with delivering the special budget reserve – through the calls-for-proposals, an annual contract with the Solidarity Fund and the small grants scheme – helps it to identify ways to improve the quality and impact of this part of bilateral aid. There is less emphasis, at present, on ensuring that loans and scholarships are delivered in line with Busan as they are outside the remit of the MFA.

The ministry's immediate priority is to make a solid case to the rest of the government for updating the overall business model for delivering Polish aid. In particular, the MFA would like to engage more actively in strategic dialogue and planning with partner governments to respond better to local needs and priorities. Poland is not starting from scratch: its more strategic, demand-driven co-operation with Ukraine is an example on which to build.

The Ministry of Foreign Affairs has the flexibility to reallocate resources between instruments in the special reserve budget. It can take advantage of this flexibility to achieve a better match between aid modalities and partner countries' priorities and needs. It has also started to support multi-year projects, which

shows that it is trying to increase predictability. Polish NGOs welcome this approach as an improvement on the short timeframes, high administrative costs and uncertainty of annual projects. In making multi-year projects standard practice, the ministry will need to build mutual trust over resource availability and partner capacity to design and manage longer-term projects. While it cannot make financial commitments beyond one year, it could communicate 3-5 year indicative future flows to partner countries.

Poland values NGOs as implementers of development co-operation and relies heavily on Polish NGOs to deliver its bilateral aid. However, the Ministry of Foreign Affairs sets too broad a scope in the type of projects they can propose through calls for proposals. This can translate into supply-driven projects, fragmented aid, and limited country ownership.

The Ministry of Foreign Affairs recognises Poland could enhance aid quality through partnership approaches based on mutual accountability. To make partnerships successful, it will also need to develop appropriate tools and instruments. For example, more comprehensive analysis of risks and opportunities to achieving development results can inform its choice of partners and aid modalities to respond best to needs.

Finally, Poland started to report on the tying status of its ODA in 2013. The fall in the share of untied aid from 62.7% in 2013 to 10.6% in 2014 is explained by a tied aid credit to Ethiopia. This credit does not comply with the DAC Recommendation on Untying ODA. This credit also reduced the grant element of aid to LDCs to 82%, below the 90% standard in the DAC Recommendation on Terms and Conditions of Aid.

## Recommendations

- 5.1** Poland's objective to increase aid transparency, predictability, ownership and focus should shape its aid modalities and partnerships.
- 5.2** The Ministry of Foreign Affairs should communicate its vision, strategy and criteria for reforming its aid modalities to help implementing partners, such as NGOs, to work in a different way.
- 5.3** Poland should bring its ODA in line with the Revised DAC Recommendation on Untying ODA to the Least Developed Countries and Heavily Indebted Poor Countries (2014) and the DAC Recommendation on Terms and Conditions of Aid (1978).

## Main findings

Poland is taking steps to strengthen the results focus of its development co-operation. For example, from 2016, development co-operation plans list broad development results targeted for Polish aid in priority countries and territories. The 2016 plan also includes expected results and measurement indicators for some of its priority countries and territories. At the project level, results indicators must be included in logical frameworks.

Experience from other DAC members shows that success in planning and managing for development results goes hand-in-hand with having a development co-operation strategy that focuses on results and an organisational culture which values learning. The Ministry of Foreign Affairs can build on its current bottom-up approach to results by broadening its results approach to all partner countries and linking these results with overall objectives. Building staff and partners' understanding and capacity in results monitoring will also be crucial. As it takes the results agenda forward Poland can learn from and share its experience with the DAC Results Community. Given the high share of aid to bilateral loans, scholarships and multilateral co-operation (about 90% of total ODA) there is also scope to apply a results focus to these channels.

Poland places a high priority on raising public awareness and understanding of development issues in order to build a good foundation of public and political support for development co-operation. The Ministry of Foreign Affairs' global education strategy follows good practice through a multipronged approach: the ministry leverages the expertise and scope of the Ministry of National Education and NGOs to achieve global education objectives. In addition results from regular public opinion surveys feed into the strategy.

Nevertheless, Poland could step up communication about the needs and benefits of development co-operation to the general public, especially as it is gaining profile in foreign policy. The ministry's growing emphasis on results management and monitoring provides an opportunity for Poland to start communicating its results – both good and bad. This will highlight the complexity and risks associated with development activities, while being transparent and accountable.

Poland has made progress with establishing an evaluation system. It has created an evaluation unit with one dedicated member of staff within the Department of Development Cooperation. The evaluation specialist manages all evaluation planning and procedures. Since 2012 11 thematic evaluations have been conducted, covering about 200 projects and the Ministry of Foreign Affairs ensures transparency of evaluation results by publishing them on the website. Learning from evaluation is promoted through annual meetings to discuss findings with members of the Development Cooperation Policy Council.

A challenge for Poland – as for other DAC members with limited resources and a relatively light system for managing aid – is ensuring that the evaluation process is impartial and independent of policy and implementation. In addition, the current evaluation set-up does not appear to have authority to commission evaluations for ODA managed outside the Ministry of Foreign Affairs. There is scope for greater clarity over the role and responsibilities of evaluation within the Polish aid system, as well as the institutional arrangements for ensuring independence.

Poland is improving transparency, especially through its increasingly comprehensive reporting to the DAC Creditor Reporting System. It also plans to modernise its technology for statistical reporting with a view to adopting the common standard for publishing timely, comprehensive and forward-looking information. These plans are heading in the right direction and should be implemented. The Ministry of Foreign Affairs could also increase transparency and promote knowledge sharing by making information currently stored in its information technology system more publicly available and promote its use.

## Recommendations

- 6.1** Poland should build a culture of working towards results and develop an approach to managing for results throughout the portfolio.
- 6.2** Building on progress with evaluation so far, Poland should guarantee the independence of evaluation from policy and programming and broaden its scope to all aid channels.

**Main findings**

Poland's humanitarian strategy is founded on international humanitarian laws, the Good Humanitarian Donorship principles and the EU Consensus on Humanitarian Aid. Its humanitarian assistance is also evolving in response to international trends in humanitarian policies and practices, as agreed at the 2016 World Humanitarian Summit. Poland is already planning to introduce multi-year projects funding into its humanitarian programming, which is in line with the Grand Bargain.

Poland's humanitarian budget has been increasing annually since 2012. While limited at USD 5.7 million (in 2015), it has become increasingly concentrated on a few priority humanitarian crises – essentially Ukraine and the Middle East. This consistent focus ensures good continuity in its engagement in complex crises. At the same time, Poland has a growing interest in increasing the scope of its humanitarian action. However, to meet this objective it also needs a corresponding budgetary increase to avoid the risk of fragmenting its assistance and reducing effectiveness.

New crisis patterns are blurring the lines between humanitarian action, development, security and migration management. The Ministry of Foreign Affairs and the Ministry of Interior already have a solid co-ordination mechanism for responding to disasters.

However, there is scope to expand cross-government co-ordination in response to other crises. Indeed, strengthening the Ministry of Foreign Affairs' co-ordinating role in humanitarian affairs across the central administration is a priority of the Multiannual Development Cooperation Programme 2016-2020. Given their high profile and the complex nature of the response, priority could be given to co-ordinating migration management and civil-military relations to ensure that Poland's assistance remains bound to humanitarian principles. Ensuring that support to a foreign military force is not labelled as humanitarian aid is also important so as to avoid creating misconceptions.

Internationally, Poland participates in global humanitarian co-ordination fora. In countries such as Ukraine, with which Poland has a strong partnership, it uses humanitarian assistance to complement its development co-operation. Poland's extensive global

diplomatic network ensures good early warning of emerging crises. When providing support in crisis contexts, Poland could become a more prominent humanitarian donor by engaging more actively with the rest of the humanitarian community in dialogue about humanitarian issues with the relevant authorities. Specific training on humanitarian issues for embassy staff could prompt more exchanges on humanitarian issues and needs assessments with partners and other donors in the field to further improve the response.

Poland's engagement with multilateral organisations is fluid, efficient and allows a flexible response. Core funding support, responses to UN appeals and contributions to the Central Emergency Response Fund (CERF) are valued by partners and allow early response when a crisis occurs. Poland could, however, improve the predictability of its support to multilateral organisations.

By contrast, a long selection process and heavy administrative procedures for bilateral humanitarian funding through Polish NGOs prevent Poland from reacting rapidly to humanitarian crises through this channel. While reporting requirements are quite light, Poland's knowledgeable humanitarian team spends too much time administering grants instead of strengthening partnerships to address complex humanitarian challenges. However, Poland's most capable humanitarian NGOs expressed some reluctance to apply for funding due to heavy and difficult procedures.

**Recommendations**

- 7.1** Poland should avoid spreading its humanitarian aid too thinly by focusing on a few priorities where it can play a valuable role during a humanitarian and crisis response.
- 7.2** Poland should explore ways of forming strategic partnerships with Polish NGOs, for example to enable a timely response.

Access the full report

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