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Polish Development Cooperation: A Turning Point

The current Polish Development Cooperation system has been under gradual construction since 2004. Fortunately, recent reforms have raised the probability it eventually will evolve as a strong and important tool for Poland's external relations. Moreover, these positive changes are taking place at a very crucial moment in history when unprecedented turmoil in the Arab world has exposed the weaknesses of the European development policy and while Poland is holding the presidency of the EU Council. The convergence of these factors further strengthens the need for a swift finalization of improvements in its development cooperation system if Poland wants to play a more critical role internationally and prove its usefulness in assisting other countries to meet their political and economic aspirations. A development policy that is better-resourced and more balanced (geographically and thematically) would provide Poland with a credible tool of soft power and would strengthen the brand of Polish solidarity.

Maturing of Polish Aid

During the last decade, Poland went through a rapid evolution from a beneficiary of development assistance to a donor-country. The construction of a new system for development cooperation gained momentum, especially after Poland joined the EU in 2004. It has since brought significant improvements although serious challenges and problems remain, mainly in terms of the financing, organization and mechanisms of aid delivery still in place.¹

A gradual consolidation of the aid system and the Polish presidency of the EU Council reinvigorated efforts to upgrade and strengthen development cooperation capacities in

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¹ For more about the strengths and weaknesses of Polish Aid, see: Annual reports prepared by the MFA on *Poland's Development Co-operation* (www.polska.pomoc.gov.pl); for more critical reports of Polish NGOs, see Grupa Zagranica (www.grupazagranica.pl), *DAC Special Review of Poland*, Paris 2010, www.oecd.org; also, see Patryk Kugiel, *Polska współpraca na rzecz rozwoju w latach 2004–2009*, Rocznik Polskiej Polityki Zagranicznej, Warszawa 2010.

Poland, especially during the last two years. Among the first important changes one can point to are the structural reforms at the Ministry of Foreign Affairs, which has put more weight on the development agenda. On 1 January 2010, the Department for Development Cooperation within the MFA was supplemented by the creation of the Department of the Implementation of Development Programmes, and both now constitute the Development Cooperation Branch. Accordingly, the number of staff dealing with development cooperation at the ministry has increased from less than 40 people to more than 60. Subsequently, special posts for development cooperation experts have been created in some Polish embassies. In September 2010, a new Under-Secretary of State responsible for development and economic cooperation was designated. The nomination of Krzysztof Stanowski, an official with rich experience in the NGO sector, gave an extra boost to the whole process.

Apart from structural reforms, increased activities can be also observed in the legislative domain and in the programming of aid. After nearly 10 years of deliberations, the long-awaited proposals for a new Act on Development Cooperation finally were put into the public consultation process in the spring of 2010. The draft project was adopted by the Council of Ministers on 19 July 2011, and submitted to parliament, which still has a chance to be voted on before the end of the current term later this year. The new law introduces an official definition of “development cooperation,” describes the forms and rules for aid delivery and determines the responsibilities of the minister of foreign affairs in development cooperation and sets up an advisory Program Council for Development Cooperation. Among the greatest achievements of the new Act are provisions that will allow for the multiannual financing, planning and implementation of development projects. Although the authors of the legislation eventually gave up the idea to establish a separate Polish Development Agency, they foresaw the creation of the more flexible Polish Foundation for International Cooperation and Development (the equivalent of the National Endowment for Democracy) as the main public institution focused on the support of democratic transformations. The proposed law stresses the importance of the stronger coordination and coherence of aid, introduces strategic planning, proposes rules for the evaluation of projects and sets up an architecture that, generally speaking, could improve the overall management and effectiveness of aid.

At the beginning of 2011 and in line with the proposed legislation, the MFA initiated work on the first-ever Multiannual Program of Polish Development Cooperation for the years 2012–2016, to replace an outdated development strategy from 2003. The ongoing process of consultations envisions dialogue with NGOs, government institutions and parliamentarians as well as study visits to beneficiary countries. This will lead to a historic reformulation of the mission and vision of Polish aid as well as a resetting of priority sectors and partner countries. Country Strategy Papers for the chosen priority partners will then follow suit. As the drafting process is highly advanced with the main strategic documents nearing their final versions, the new program should be made public by the fall of this year. Together with the new legislation on development cooperation, the program could revolutionize the quality and ways in which Polish assistance is delivered.

More important, the new activism of Poland in the development arena also is reflected at the European and global levels. The deteriorating standards of democracy in Belarus and the revolutions unfolding throughout the Arab world since January 2011 have opened a window of opportunity for Poland to prove its special credentials in supporting

other countries in their transformations towards democracy.² Having fresh and rich experiences on the successful path from an authoritarian, communist regime to a free and market-oriented democracy, Poland seems to have found a perfect “export product” in its transition, which is relevant not only for its eastern neighbours but probably also can be of interest for North African societies. This message has been repeatedly transmitted by Polish Foreign Minister Radosław Sikorski during his recent trips to Tunisia, Egypt and rebel-held Libya as well as during special missions headed by former President Lech Walesa to Tunisia and Bogdan Borusewicz, president of the Senate, to Tunisia and Egypt. Even though financial aid for North Africa is still rather limited (1.5 million PLN, or almost €0.4 million this year) Poland is eager to contribute with its unique “know-how.” In this respect, it was the Polish proposition to establish the European Endowment for Democracy that is now slowly gaining relevance and support within EU circles.

Still, it has to be underlined that the Polish voice and room to manoeuvre in the development area, both at the European and bilateral levels, will depend on the outcome of the process of reform of the national development cooperation system. The re-invigorated discussions concentrate now on a rethinking of the priority countries and sectors that could benefit the most from the comparative advantages of Poland as an emerging donor. There are two fundamental dilemmas that will impact the effectiveness and accuracy of Polish aid and will decide about the future direction of its evolution. The first is whether Poland should continue to focus its aid on its eastern neighbours or expand it to include more countries from the Global South. The second dilemma is whether Polish aid should stick to the core development aim of fighting poverty or pursue assisting democratic transitions as its main objective.

East or South?

As an EU border country, Poland naturally has tended to focus its development cooperation on its eastern neighbours. Among its seven partner countries, four are from Eastern Europe, two are in Asia (Afghanistan and the Palestinian Authority) and only one is in Africa (Angola). At the same time, Ukraine, Belarus, Moldova and Georgia are embraced by the EU’s Eastern Partnership , an initiative co-authored by Poland. This direction is utterly understandable as it is grounded not only in geographical proximity but also in similar historic experiences and numerous cultural and societal links. Additionally, the East is a major area of operations for Polish NGOs and public institutions and one in which Poles have relatively good knowledge and expertise. There also is a kind of general assumption that Poland—as a bridge between East and West—is a more preferable partner for those countries because its recent experiences are more up to date and valuable than those of the most-developed world.

Concentration on the East, however, has its own shortcomings and constraints. One argument goes that a focus on the East is taking place at the expense of the poorest in the South. For example, while European countries in 2009 received 25% of Poland’s bilateral aid, African countries received only 12%. Relevant figures for the biggest donors gathered in the Development Assistance Committee of the OECD that year were on average 3.4%, and 28%,

² See Patrycja Sasnal, *Shades of Grey: Poland’s Example for a Middle East in Transition*, PISM Strategic File #18, August 2011, www.pism.pl.

respectively, for those regions. Similarly, Poland is rather more active in middle-income countries (MIC) than in the least-developed countries (LDC), where poverty is particularly deep.

The case is further complicated by the fact that many international commitments are binding Poland to contribute more funds to the poorest in the South. Poland is a party to the Millennium Declaration of 2000 and consequently has expressed its support for the realization of the Millennium Development Goals (MDG). In 2005, together with other EU Member States, Poland obliged itself to dedicate half of the additional financing raised for development cooperation specifically to Africa. If taken literally that would mean the Polish debt to Africa amounted to 272.5 million PLN (about €70 million) in 2008, as calculated by the Polish NGO platform Grupa Zagranica.³

Furthermore, a minimal share of aid dedicated to Africa doesn't help Poland's image as an honest donor and credible partner in development. On the contrary, it can fuel opinions that Polish development cooperation is highly politicized and that priority countries simply match those deemed to be the most important partners in the foreign policy domain. Moreover the current concentration on the East implies that Poland has voluntarily resigned from the use of development aid as a useful tool to mark its presence and interest in Africa—a continent that could emerge soon as a valuable global economic and political player. The underestimation of Africa looks especially astonishing in the context of public opinion polls in Poland that constantly show that more than 50% of society cites Africa as the preferable destination for Polish aid.⁴

All these arguments show that Poland may consider redirecting its development cooperation policy to include, to a larger extent, the poorest countries, especially those in Africa. While sustaining its primary concentration on the East, Poland can identify two or three countries in the South to add to the list of Polish development priority countries. Alternatively, given that the poorest people do not necessarily live in the poorest countries (but in China and India, for example), Poland may also try to prioritize support for the most vulnerable groups in middle-income countries where it already is active. Perhaps crucially, what the Arab Spring made clear is that Poland cannot afford to keep focused only on a limited number of partner countries in the East but should be more flexible in its response to emerging needs in other parts of the world and make its development policy more global.

Democracy or Development?

The second major dilemma is whether development cooperation should be concentrated more on the eradication of poverty or on the strengthening of democratic institutions in developing countries. Before Poland takes on democratization as its main specialty in development cooperation, it is important to consider possible traps and flaws in this approach. There are two schools of thought that struggle to establish whether democracy is an indispensable prerequisite for economic development or rather an outcome of a certain development level.

³ "Polska pomoc zagraniczna 2008," *Raport Grupa Zagranica*, Warszawa 2009, www.zagranica.org.pl.

⁴ *Polacy o pomocy rozwojowej*, Wyniki badania TNS OBOP dla Ministerstwa Spraw Zagranicznych, Warszawa 2010.

Some researchers, such as Amartya Sen, have pointed to a positive causal relationship between democracy and development, while others, such as Adam Przeworski, have been more reluctant to admit that this link exists.⁵ African scholar Dambisa Moyo in a recent critique went so far as to say that “the uncomfortable truth is that far from being a prerequisite for economic growth, democracy can hamper development.”⁶ Similar observations are offered by British economist Paul Collier who showed that in the least-developed countries (“the bottom billion”), democracy does not enhance internal peace but “on the contrary seems to increase proneness to political violence” and instability,⁷ which are conditions that certainly are not favourable to economic growth.

Some examples of working democracies such as India or Brazil do not necessarily prove there is only one way to the economic uplifting of nations. Actually, the notion of a positive link between democracy and development (the modernization theory) was a dominant perspective, especially in the '90s as a result of the optimism that evolved out of the victory of liberal capitalism over communism in the Cold War and proclaimed famously by Francis Fukuyama as the “end of history.” Soon, however, along with such examples as the fast economic growth of China or the failures in building up democracy in Iraq and Afghanistan, the initial optimism has faded. It seems that today we too often simply confuse democracy with economic well-being. The uncomfortable truth, however, is that both weak and poor democracies, such as those in Benin, Jamaica or Mali, and strong and prosperous autocracies, such as China, Qatar or Singapore, do exist in the real world.

The belief that democracy is an indispensable ingredient for development or that political freedom inadvertently leads to economic wealth are not yet firmly grounded in scientific evidence and, as such, should be pursued with the utmost care. Democracy shouldn't be treated as a panacea for every problem. The concept of democracy can be tied as much to its perceived positive impact as to one's ideology and system of values. The risk is that by promoting development through democracy beneficiaries can view it as an instrument for the realization of a donor's foreign policy aims, and, as such, resent it. It is crucial to take note of such constraints when the global attitude is again shifting in favour of democratization.

The pursuit of the promotion of democracy in development cooperation also poses crucial challenges for all other elements of a country's external relations. It is becoming more evident that in order to make the promotion of democracy efficient and effective, a state's foreign policy has to be coherent, uncompromised and principled on all fields. A state cannot convincingly champion democracy and human rights while doing business with autocratic regimes that deny basic rights to their own citizens. Lessons from the Arab Spring and the failures of inconsistent U.S. and EU policies should serve as warnings in this regard.

Similarly, the promotion of democracy cannot be used for the achievement of other political interests, as was proved by the ill-conceived American intervention in Iraq in 2003. Before moving forward with such a policy, it is important to ponder whether a donor-

⁵ See: Amartya Sen, *Development as Freedom*, Oxford, 1999; A. Przeworski (Ed.), *Democracy and Development: Political Institutions and Well-Being in the World 1950-1990*, Cambridge, 2000.

⁶ Dambisa Moyo, *Dead Aid: Why Aid Is Not Working And How There Is A Better Way For Africa*, New York, 2009, p. 42.

⁷ Paul Collier, *Wars, Guns and Votes: Democracy in Dangerous Places*, London 2010, p. 48.

country can apply the same standards and benchmarks in its relations with Libya or Belarus as it does with China or Saudi Arabia. If it cannot, then such a policy would be seen as both hypocritical and ineffective in the end. A values-based and idealistic foreign policy is no doubt highly appreciated, but at the same time can be much more difficult to pursue than a pragmatic and realistic policy and is thus less common.

Given these concerns, it is apparent that serious discussion and a rethinking of the role of democratization in development policy is still needed. It is true that the dilemma between development and democracy does not have to be a “zero-sum game” and that there is a way to combine both. Surely, one can foster the reduction of poverty through support for democratic institutions, civil society and good governance in beneficiary countries. Linking democracy and development together effectively might indeed be a Polish specialty in international development cooperation. The simple fact is that by democracy alone, one is not likely to feed his or her family. Democracy must be strictly linked to economic development and, in the end, lead to a betterment in the standard of living of its beneficiaries.

A starting point in reformulating development policy should be the principle of “do no harm,” both in relation to beneficiaries and the donor country. Poland should act only where it is really prepared to help and shouldn’t make promises it cannot fulfil. It will need to find a way to match its own aims and values with the needs of beneficiaries and with international standards. When major global forums to which Poland is a member (UN, OECD, EU) focus on fighting poverty and the attainment of MDGs, Poland cannot go against this trend. Instead it should align its development policy with the global poverty agenda and insist that democracy is the best means for achieving this aim. As was rightly pointed out by OECD, “Poland should continue to use its comparative advantage and work in Eastern Europe but with more focus on poverty.”⁸ It could also try to employ in development cooperation a Human Rights Based Approach (HRBA), which puts an individual’s right to development and the empowering of local communities at the centre of development efforts.

At a practical level, linking democracy and development would require Poland not only to specialize in some limited and deliberately chosen sectors that are fundamental to democratic transitions (i.e., free-and-fair elections, civil society, free media, administrative reform, etc.) but also to pay more attention to traditional areas set forth in the Millennium Declaration to help the poor realize their social and economic aspirations. Indeed, Poland has vast experience in traditional development sectors such as health care, education, agriculture and water sanitation, which have not been used enough to date. Also, the Polish experience in integration with the EU and the absorption and effective use of EU funds could offer valuable lessons for other beneficiaries of EU aid. Based on its diverse experiences, Poland also could be a valuable partner in international discussions about aid effectiveness and the reform of aid architecture. The scope for assistance in core development areas is still vast and largely untapped.

Conclusions and recommendations

⁸ *DAC Special Review of Poland*, Paris 2010, p. 9.

The Polish development cooperation system is at a turning point. Eventually, Poland is about to gain a modern and useful tool of soft power that can be employed in its external relations more consciously and strategically. Ongoing reforms will decide about the shape, direction and functioning of the development cooperation system for years to come. Simultaneously, recent changes in North Africa and Eastern Europe have increased the importance of development cooperation as a powerful instrument in foreign policy to influence positive changes in the EU neighbourhood and, more broadly, in the Global South. Whether Poland is ready to stand up to these challenges and realize its broad potential in development cooperation will depend on whether the process of reforms is finalized quickly.

Poland has to dramatically increase the amount of funds spent for foreign aid. The current level of financing for development (a mere 0.09% of GNI in 2010) was the third-lowest in the EU (after Lithuania and Romania) and much below its own commitment as agreed at the EU forum in 2005 (0.17% of GNI by 2010). Doubling the funds in a short time and presenting a realistic plan for a gradual increase in financing for development to reach the recommended level of 0.33% of GNI in 2015 not only would improve the credibility of Poland among the community of donors and partner countries but also would give practical significance to its development projects. The uncomfortable truth is that it is simply impossible to realize any sound development programs without sufficient resources.

Next, it is vital to conclude work on the appropriate legal and technical mechanisms (the Act on Development Cooperation, the Multiannual Program and the Country Strategy Papers) to improve the quality and effectiveness of aid delivery. Poland cannot miss the chance to put its development system in order after years of failed efforts. If parliamentarians fail to deliver on a new law on development cooperation before the upcoming general elections, the legislation process will need to restart, which means years of further delay and a grave blow to the whole development cooperation system. In a situation when 79% of Polish society wants Poland to support the development of poorer countries,⁹ the new legislation should meet with the consensus of all political parties and become one of the priorities during the final weeks of this term of parliament.

Then there are some symbolic steps that cost little in financial or organizational terms but that could send a clear signal to the world that Poland is serious about development cooperation. Some of the propositions include the establishment of a Special Committee (or a Subcommittee) on Development Cooperation in parliament, the announcement of a timetable to join the OECD Development Aid Committee, the presence of a high-level representative of Poland (the president or prime minister) at the main international conferences on development during the EU presidency (at the UN Assembly in September and the High Level Forum on Aid Effectiveness in Busan in November), and last but not least, the professional organization of European Development Days to be held in Warsaw in mid-December

While deciding about the fundamental dilemmas of Polish aid, the solution to simply give to every purpose is the least feasible. Instead, Poland can try to strike a fine balance between different geographical directions and thematic areas of development policy. In short, it is possible to help both East and South and to act in support of both democracy and

⁹ *Polacy o pomocy rozwojowej...op. cit.*

development in third countries. Although Poland has some comparative advantages in the East, at the same time it can be a valuable donor and partner for North Africa and the poorest in the South. Since democracy is a more horizontal priority, it can be shared with any country willing to learn from the Polish experience.

Poland is in a position to offer an innovative model that links support for democracy with core development aims. The most important part is to prepare a concrete offer of assistance in transition areas, composed of a few well-funded and adequately-equipped long-term programs (such as training for civil servants, support to civil society, scholarship schemes, etc.) for a limited number of precisely defined sectors (such as administrative reform or education). It is important, however, to ensure that Polish support for democratic transitions eventually serves the social, political and economic uplifting of people in need. If Poland manages to repair old weaknesses and prepare a sound development policy during the EU presidency, it can emerge soon as a full-fledged donor and important player in the field of development cooperation.