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**The Re-birth of Development Policies in Central and
Eastern European States**

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Abstract

When in 1989 the Eastern bloc collapsed, the political and economic transformation of the former Soviet bloc in Europe took place at rapid speed. The support provided by the former Soviet bloc to 'socialist brother' countries or 'friendly regimes' throughout the developing world, quickly fell apart and in a short period of time the ideological and political motives of Central and Eastern European (CEE) states behind development policy they provided to the Third World countries disappeared. During this period, the focus of the CEE countries was on domestic system transformation, absorbing the major part of domestic resources (Vencato, 2007, p.135). However, in the early nineties Europe Agreements were signed with the states of Central and Eastern Europe. And while the agreements focused on a very wide range of issues, the accession negotiations also meant that on becoming EU members CEE states would have to adhere to all aspects of the development acquis, including the Cotonou Agreement, and in particular contribute to the European Development Fund (EDF) (Hewitt and Whiteman, 2004, p. 146). The ten CEE states - Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia - have upon accession to the European Union (EU) made a commitment to contribute to EU Development Co-operation Policy, and in particular to meet specific targets of official development assistance (ODA) as a percentage of gross national income (GNI). They have also pledged to work towards the fulfillment of the United Nations Millennium Development Goals. In this article the state of development cooperation in these states after accession is reviewed with specific focus on the legal framework and institutions of development cooperation policy in CEE states; the aim, target and focus of bilateral, multilateral and trilateral cooperation policies; and perceptions and attitudes towards development cooperation in the CEE states. The research finds that the 10 Member States from Central and Eastern Europe that have joined the EU since 2004 have made significant improvements in their development cooperation. They either doubled or have significantly increased their ODA since accession and have demonstrated their commitment to the "acquis communautaire". Also, CEE states bring a comparative advantage in specific geographical areas as well as policy sectors. Having said that it is clear that much work still remains to be done. CEE states face problems of highly

decentralised implementation of development policy in most ministries, a lack of personnel with relevant experience and loss of institutional memory caused by high staff turnover. Conflicting geographical focus of the European Commission, the EU-15 and the new member states causes difficulties when setting aims, targets and focus of development cooperation in CEE states. Also there are serious concerns that policies are often highly influenced by security interests and political motives, and are generally weak in their effectiveness and poverty focus. Last, the research finds that there are no mechanisms in place to actively and successfully engage NGOs in CEE states' development cooperation work and that it is widely acknowledged by both officials from new member states Permanent Representation to the European Union, European Commission representatives and the civil society sector that public and political awareness levels on development cooperation in CEE states are still too low.

The re-birth of development policies in Central and Eastern European states

Introduction

This paper examines the emergence of Development Policy in the ten European Union¹ (EU) member states from Central and Eastern Europe (CEE). Within a short time span these states have had to re-orientate themselves from being recipients of aid to becoming donors. That does not mean however that the CEE states are new to the world of donors and many of the CEE states have a long history of engagement with the developing world. In fact, many see themselves as re-emerging donors trying to cope with an increasingly complex policy environment.

In this article the state of development cooperation in CEE states after accession to the EU is reviewed with specific focus on the legal framework and institutions of development cooperation policy in CEE states; the aim, targets and focus of bilateral, multilateral and trilateral cooperation policies; and perceptions and attitudes towards development cooperation in the CEE states. However, before we can review the current picture, we need to briefly examine the situation in the pre-accession and accession periods.

Development policy in the pre-accession period: 'Re'-emerging donors?

CEE) states have a long history of engagement with the developing world. Therefore, whilst development cooperation in CEE states is often classified as emerging, there are many new Member States (NMS) who perceive their status as development cooperation donor countries not as emerging but as 're'-emerging. Numerous scholars too have indicated that many of the NMS, including Czech Republic, Hungary, Poland, Slovakia and Slovenia, consider themselves today re-emerging rather than emerging donors (Bucar and Mrak, 2007; Grimm and Harmer, 2005; Hancilova, 2000). However, this situation clearly does not apply to the three Baltic States nor Romania and Bulgaria, who must be seen as emerging donors.

¹ The ten CEE states are Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia. The research excludes Malta and Cyprus who also joined the EU in 2004 due to their different historic experience.

It would appear easy to divide new Member States in Central and Eastern Europe into Visegrad 5, the Baltic States and the 2007 enlargement states (see Vencato, 2007). However, following Krichewsky (2003) we argue that with the exception of Bulgaria and Romania, who are still in the early stages of establishing a development and humanitarian assistance policy, the NMS can be grouped according to how they responded to the challenge of creating a development policy.

The first group consists of those countries seen to be “slow starters”; Hungary, Latvia, Lithuania and Slovenia. In Latvia and Lithuania, the government is the initiator. In these cases the risk exists that development policy becomes a merely rhetorical exercise without civil society support, because non-governmental development organisations (NGDOs) do not exist yet and are promoted neither by the government nor by the EU. Unlike the other countries in this group, Hungary has had an important development policy before 1989, which means it can benefit from experience and contacts which remained after the break-down of the communist regime. In this regard Hungary is closer to countries such as Slovakia and the Czech Republic, who, with the assistance of UNDP, have tried to reflect on lessons learnt in the past before designing new structures. Slovenia for its part is characterized by the fact that almost all its assistance policy towards third countries is executed in the framework of the Stability Pact for South Eastern Europe. It has only recently begun to set up administrative capacities and a legal framework for a development policy directed towards other countries than the Balkans.

The second group of countries is composed of those which have already set up basic administrative and legal structures as a foundation to their development policy, even if these structures are still being improved and increased, and which have begun to deliver assistance in the framework of this policy. This is the case for the Czech Republic, Estonia, Poland and Slovakia, although the Czech Republic and Slovakia are the only ones to make references to this period in the process of establishing a renewed development policy (Bucar et al, 2007). To give a fuller picture of how the past policy has the potential to impact upon the policy today, this paper briefly examines the case of Czech Development Assistance.

Czech development and humanitarian policy has been identified as ‘both new and re-emerging at the same time’ (Interview, 2007). Jaroslav Olsa describes the long tradition of contacts between the historical Czech lands (Bohemia, Moravia and Silesia) and the territories and lands that are now ACP countries (Olsa, 2003). The independent Czechoslovak Republic established in 1918 was among the most industrialised countries in the world and the government soon realized that its support and efforts to promote foreign relations was crucial to the success of Czech companies (Olsa, 2003). A decade after its independence, Czechoslovakia already had more than 90 diplomatic and consular missions around the world, including consulates in Africa, Asia and the Americas and it became an active member of the League of Nations (Olsa, 2003).

When Czechoslovakia and the other CEE countries became part of the socialist Eastern bloc of countries led by the Soviet Union, everything changed. As many of the countries of Eastern Europe rebuilt themselves in the aftermath of war, they anticipated overproduction and wanted to find markets in newly born independent states. But soon ideology overshadowed this trade interest and Eastern bloc involvement in the developing world largely followed political ties (Olsa, 2003). And so it was that during the pre-transition period, the countries part of the Council for Mutual Economic Assistance (CMEA)² and the other states of the former Soviet bloc were namely significant providers of development assistance to the developing countries ‘on the road to socialism (Bucar & Mrak 2007; Vencato, 2007). In her short study of Czech humanitarian assistance Hancilova states that during the four decades of Communist rule in Czechoslovakia, the state regularly provided developmental and humanitarian assistance to friendly regimes (2000). She continues to say that, as with all government functions, this aid was tightly controlled by the Communist Party apparatus and managed according to its political and ideological dictates, with no accountability to common citizens for whom "donations" to aid initiatives were often mandatory (Hancilova, 2000, p.1).

During the period of communist rule, the former Soviet bloc thus provided support to “socialist brother” countries or “friendly regimes” throughout the developing world (Grimm and Harmer, 2005, p.8), with much of that aid characterized by a ‘strong and

² CMEA Countries: Bulgaria, Cuba, Czechoslovakia, German DR, Hungary, Mongolia, Poland, Romania, USSR and Viet Nam.

strategic orientation, concentrating on political allies and friendly countries which were pursuing socialist goals' (Carbone, 2004, p. 244). Slovenia, being part of the highly influential non-aligned SFR Yugoslavia, provided assistance to fellow non-aligned countries. Development assistance efforts of all these countries in the pre-1990s period were primarily driven on the ideological or political basis (Bucar & Mrak 2007).

From a more theoretical perspective, Vencato's thesis on the development policies of CEE states classifies the main development theory in the post-second world war period, which evolved under the Soviet regime, as the theory of the non-capitalist path to development. According to Vencato, the theory of the "non-capitalist" path to development was initiated during the 1950s as a theoretical justification for Khrushchev's policy supporting revolutionary nationalist movements in the Third World (Vencato, 2007, p.115). The theory was mainly characterized by two components: the political independence and the economic liberalisation. Reflecting the logic of bipolar confrontation, the theory mainly supported the independence movements in Third World countries, advocating independence from their former colonialist powers (mainly Western Europe and North-America) and their economic liberalisation from capitalism and imperialism. Economic liberalisation would expect also the developing countries to accept the economic aid of the soviet bloc countries (Vencato, 2007, p.116).

Transition period

With the collapse of the Eastern bloc in 1989, the political and economic transformation of the former Soviet bloc in Europe took place at rapid speed (Grimm and Harmer, 2005). Regime change and revolutions, transformations of states and secessions from larger entities took place throughout Central and Eastern Europe. Political systems and economies were fundamentally and rapidly changed; so was the position of an entire region in the international system (Grimm and Harmer, 2005). By the time the Soviet bloc collapsed, the ideological and political motives behind the development policy to the Third World countries disappeared. During the first half of the 1990s, the focus of the CEE countries was on domestic system transformation, which absorbed the major part of the domestic resources (Vencato, 2007, p.135). This transition period undergone by all CEE states saw their

engagement with the developing world and any aid programmes dramatically reduced (Carbone, 2007, p. 47).

One of the factors that forced these countries to start creating an outward looking approach again, with development cooperation as part of that, was accession of the CEE countries to major international donor organisations such as the World Bank, the International Monetary fund, and the WTO during the '90s. The other major factor was of course the possibility of future membership to the European Union that evolved with the end of the Cold War.

European integration and accession negotiations

The Copenhagen European Council in 1993 formally recognised the possibility for CEE countries, which had by then required the status of associated countries to the EC, to apply for EU membership. To this end, the Council identified some main criteria, which were considered essential for obtaining the Union membership. Included in these was the ability to take on the obligations of membership (Council of the European Union 1993). The Essen European Council in 1994 made the commitment undertaken at the Copenhagen European Council operational and sketched a roadmap for the membership of the CEE countries, presenting accession as a feasible objective.

The negotiation talks were centered around thirty-one negotiation chapters, embodying the *acquis communautaire* that forms the accumulated body of legislation of the European Community on specific policy areas. The candidate countries were expected to adopt and implement each of the chapters. Chapter 26 was devoted to the area of External Relations, wherein development policy was comprised (Vencato, 2007, p.140). The Task Force for Accession Negotiations focused on the capacity of the accession countries to apply the rules of the Cotonou Agreement (especially the preferential trade system) and to contribute to the next European Development Fund (EDF) (Krichewsky, 2003).

The way development cooperation policy has been incorporated in the accession agenda has often been heavily criticized. It is argued that some new Member States'

governments were not clear about the Union's expectations regarding development policy (Grimm and Harder, 2005). Indeed some NGOs alleged that development was treated as the 32nd chapter³ of the accession process, and that low priority was given to the development cooperation. On the attention given to development cooperation policy during accession negotiations, one interviewee argued that 'the Commission should inform NMS at an early stage and get them thinking about development cooperation'. Responding to this, DG Development said that the Commission did have development on the accession agenda, but that considering the many essential political topics and policies that are discussed during accession negotiations, one cannot expect development cooperation to receive unproportional amounts of attention. Indeed it is argue that in many countries development drops down the accession agenda because development is simply not crucial for the success of accession. Therefore the Commission demands only minimal administrative structures and human resources for development cooperation in new Member States (Interview, 2007). This is very effectively summed up in the 2002 Trialog policy paper in which it is clearly stated that 'development cooperation constitutes neither a priority for the EU nor for the accession countries in the pre-accession strategies', and therefore "accession countries have not received official directives regarding development cooperation, consequently, their role in EC Development Cooperation remains unspecified. Which, in turn, leaves future Member States uninformed of the implementation capacities and financial contributions that are expected of them' (Trialog, 2002, p.7).

Development cooperation since accession

The 10 CEE states have upon accession to the EU made a commitment to contribute to the EU Development Co-operation Policy, and in particular to meet specific targets of official development assistance (ODA). Recognising the difference between new and old member states' development cooperation, differentiated targets were put in place between old and new EU states; that of increasing their ODA to 0.17% GDP by 2010 and 0.33% of GDP by 2015. New Member States have also pledged to work towards the fulfillment of the United Nations Millennium Development Goals. In the

³ The relevance of this is that 31 chapters were negotiated.

following the state of development cooperation in CEE states after accession is reviewed: the legal framework and institutions; its bilateral, multilateral and trilateral cooperation; and perceptions and attitudes towards development cooperation in the CEE states.

Legal framework and institutions of development cooperation

Only shortly after accession, the new European member states were criticized for lacking proper institutional and legal structures for development policy (Schmidt, 2004). Experience of traditional donors clearly indicates that a well designed policy framework is a necessary precondition for successful implementation of a country's development assistance (Bucar and Mrak, 2007, p.16). Reflected in official development cooperation reports, but also when talking to officials either in the Commission or in the NMS Permanent Representations to the EU, it is clear that one of the most active areas of work of NMS in the development cooperation in recent years has been design of appropriate policies and strategies.

Upon accession to the EU the Czech Republic, Estonia, Hungary and Slovakia all had a more or less detailed development cooperation strategy that had undergone at least one revision. Since accession many of these states have continued to revise their strategies and policies, although the Hungarian strategy has not been updated (Pasos, 2007, p.2). For the CEE states not mentioned above, compiling a detailed development strategy was more difficult (see CEC, 2006b). Slovenia and Lithuania in particular only produced a development strategy in 2006 and they still, as the Slovenes acknowledge, have 'some work ahead of them' (Adanja, 2007). Indeed, according to the PASOS report 'Slovenia has finalised neither a strategy nor resolution on development co-operation policy' (PASOS, 2007). In the case of Lithuania, the policy included recognition that there was a need to improve Lithuania's legal basis for development co-operation (PASOS, 2007). Interestingly, Poland has recently incorporated the objectives and framework of the European Development Co-operation policy into its foreign assistance document for 2007-2015.

Bulgaria and Romania only joined the European Union at the beginning of 2007. On 19 July 2007 the Council of Ministers of Bulgaria ratified a concept paper on Bulgaria's policy on participation in international cooperation development. A Council

for International Development, chaired by the Bulgarian Deputy Prime Minister and Minister of Foreign Affairs, was created by the Council of Ministers' Decree on 23 July 2007 (Pasos, 2007, p.5). In Romania a “National Strategy on Development Cooperation and Humanitarian Aid” was created in 2006 and a Council for Cooperation and Development will be established as an advisory body assisting the Ministry of Foreign Affairs (ibid). A budget for development cooperation has also been created (Hayes, 2007, p. 43).

The majority of the countries thus have an official document laying out the development cooperation principles and a development cooperation strategy, and those who do not have these documents in place have indicated that work on drafts have started or are in the process of ratification. However, what we do see is that NMS that have already adopted a special law governing ODA are more exception than rule and that this generally means that development assistance is being regulated within the framework of existing legislation (Bucar and Mrak, 2007, p.18). Another issue is the fact that only four NMS produce annual reports on Development. For example, the Slovakian Cabinet annually elaborates the National Programme of Development Assistance that outlines specific activities in each particular year (ibid). And in 2007, the Czech Republic will be the first non-DAC member to undergo peer review. The final issue is that in the EU-15 eleven states have a minister for development in cabinet; none of the NMS give their minister such a position.

Institutions

While establishing a sound legislative framework and ensuring policy coherence through decent and coherent legislative arrangements is absolutely crucial, the main issue brought up during interviews was another, more practical, one. It referred to the institutional and administrative structure of development cooperation in CEE states. This was also noted by the “Consequences of Enlargement for Development Policy” report by DG Development which highlighted lack of progress in developing adequate institutional frameworks within the NMS. Initially, many states adopted the model of a Directorate within the Ministry of Foreign Affairs. According to CONCORD, the European NGO confederation for relief and development, this model should be seen as a welcome intermediary stage in the development of independent Ministries

for Development (CONCORD, 2004). However, no NMS have a separate ministry as yet - although it must be said that this model is rare amongst old member states too.

While the highly decentralized implementation of development policy in most CEE state ministries was recognized as an issue, lack of personnel with relevant experience and loss of institutional memory caused by high staff turnover were identified as major issues stopping CEE countries' development cooperation policies from improving. The 2006 EU Donor Atlas highlights the fact that active staff numbers range from 5 in Latvia to 30 in the Czech Republic. To put that into context Luxembourg has 103 active staff (see CEC, 2006b). However, since publication of the EU Donor Atlas, Lithuania has increased its total staff numbers from 3 to 14 (Interview, 2007).

Officials in Brussels all indicated that low numbers of staff working on development and especially the loss of— already very short - institutional memory due to high staff turnover is a huge issue. The Slovakian permanent representation indicated that 'it is difficult to keep continuity as the government changes and staff changes frequently', whilst the Slovenian representation said that 'staff turnover is a problem. There are 10 people working on development and only two thirds of them have more than 3 years experience. There is a serious lack of institutional memory and capacity'. When asked what their particular country was doing to solve this issue the answers seemed to be along the lines of accepting the situation as a reality. Two country representatives in particular responded to this issue indicating a clear willingness to act upon this issue; Lithuania and Latvia. 'Lithuania is trying to deal with this by putting in place half staff diplomats and half civil servants, so that some sort of institutional memory can be established through the civil servants and the problem can be overcome', whilst it was noted that 'the loss of institutional memory is a serious issue in Latvia and that is why we would be very interested in having a national development agency that would not have these issues of rotating diplomats'. But although the institutional framework for development cooperation in new Member States is still very fragile, one must remind that it is only less than since half a decade that these states started implementing development cooperation policies.

Priorities, aid targets and geographical focus

In 2002, still before EU accession, the 10 NMS provided ODA equivalent to no more than 0.03% of their collective GNI (Bucar and Mrak, 2007, p. 9). Already in 2006, this share increased to a level of just above 0.1% of GNI for the group as a whole (Hayes, 2007, p.16). But in spite of the increase in development assistance due to the contributions made by NMS to the EU budget, it seems that the achievement of the set goal of 0.17% of GNI by 2010 and 0.33% of GNI by 2015 will be difficult.

It is important to note that there are a few issues that make reaching aid targets not as straightforward as it might seem. For example, Hungary's development cooperation appropriation has been substantially affected by the recent budget rationalisation of the government, depleting its potential total from approximately €4m in 2003-04 to €1m in 2007 (PASOS, 2007, p.3). On another note it was mentioned several times, but most explicitly by the Estonian representation to the EU, that it was particularly hard for CEE states to meet their aid targets as the rapid growth of their economies means that while total amounts of ODA keep growing every year, percentages are not. The Estonians also stated that an issue that causes major problems is the fact that the large contribution to the EU budget that CEE states make (often more than 2/3 of their total ODA budget), is not calculated using figures of single countries' economic growth, but of the EU as a whole. However, since enlargement, the majority of the NMS with the exception of Latvia have increased their ODA, with the Czech Republic, Hungary and Slovenia all achieving 0.12% in 2006 (CEC, 2007b).

Critics argue that these figures hide the true focus of development aid, with much of the ODA figure going as contributions to multilateral agencies or to the budget of the EU (Caucik, 2007). In the case of Slovakia for example, out of the reported ODA in 2005, 30% went to debt relief to Sudan, Afghanistan, Iraq and Albania, 40% was a contribution to the common budget of the EU which can be counted as ODA, 21% as contributions to multilateral agencies and small programs of Slovak line ministries and only about 9% was allocated to bilateral ODA through Slovak entities (Caucik, 2007).

There is also concern that all CEE states, with the exception of the Slovak Republic, still tie aid to varying degrees, a practice whereby governments make giving aid conditional on the receiving countries buying goods and services from the donor country (Carbone, 2007, p. 47). For example, the Polish government only ties investment projects, whereas the Czech Republic ties investment, technical and NGO support aid (CEC, 2006). This is despite the fact that the EU has made commitments to move towards untying its aid (DG Development, 2002) and that the practice is contrary to OECD recommendations. One of the defending responses from CEE states is that tying aid helps economic development in the donor country. Therefore, the Hungarian government evaluated its tied aid initiatives very positively in 2005, particularly from the perspective of Hungarian economic interests (Hayes, 2007). Another similar response is that tied aid helps build capacity and public understanding in the donor country. The Latvian government for example justifies the fact that the majority of Latvian aid is highly tied on the basis that that 'Latvia is a newcomer in the field of development co-operation, and needs to build its own capacity and public understanding and support for development co-operation before proceeding to an open aid market' (in Hayes, 2007, p. 36). Official Commission statistics shows that half the 2004 accession states are on track for their 2010 target, as are Bulgaria and Romania (CEC, 2007b). However, of all these, only Lithuania was judged 'likely' to meet this target without inflating its aid by NGOs.

The 2007 Report "Hold the Applause! EU governments risk breaking aid promises" focuses on the aid inflation of Europe's reported ODA figures and it points out that the fundamental weaknesses of CEE states ODA systems are the low aid effectiveness and the low aid quality, but most of all the low poverty focus of development cooperation. This goal of eradicating poverty is deemed paramount, as the European Consensus on Development sets out clearly (CEC, 2005). But only Hungary had an unequivocal commitment to poverty reduction (see CEC, 2006b). The original Polish ODA document did not prioritise poverty reduction but the revised Strategy for 2007-2015 does (PASOS, 2007, p.3). In contrast, in Latvia, despite the fundamental principles of development cooperation policy being in line with the MDGs, the concept of poverty reduction is slowly disappearing as a policy priority in government documents (Hayes, 2007, p.36).

Often a great division between the aims, focus and targets of bilateral and multilateral development cooperation is found. Continuing with the case of Latvia, Latvian development cooperation plans mainly cover bilateral official development aid, whereas Latvia's contribution to poverty reduction is managed via its payments to international organizations (PASOS, 2007). It is therefore useful to look at CEE states' bilateral and multilateral development cooperation separately when talking about the focus of official development assistance.

Bilateral Aid

When looking at bilateral aid, the thematic and geographical priorities set out by CEE states are quite clear. In light of the need for policy coherence and complementarity, it is argued that it makes more sense for NMS states to be active in those countries and sectors where they have a comparative advantage. These sectors include democratisation, market liberalisation, and managing transition to EU membership, especially the transition from aid recipients to donors.

The geographical focus of most CEE states' development cooperation is very strongly on the Balkans, Southern and Eastern Europe. Moldova, Ukraine, and Georgia are examples of countries where new member state donors are active (Murle, 2007). There is one major issue that immediately becomes apparent here and which is also very strongly brought forward in all interviews, which is the clash between the EU's strong focus on African, Caribbean and Pacific (ACP) countries and in particular on sub-saharan Africa and CEE States' focus on their neighbouring countries. Despite some contacts developed during the Communist era, most NMS have limited historical connections to developing countries outside the near East (Schmidt, 2004). In particular, Poland, the Czech Republic and Slovakia, seem to be less interested in the ACP countries. A common sentiment seems to be that NMS have no problems with the development acquis as such, but much more so with the geographical focus of the EU. In particular, they argue that there are more developing countries than those situated in Africa and that they would welcome EU development focus to shift away from its historically grown fix on Africa. As Danute Budreikaite MEP, stresses, 'historically the new Member States have worked very closely with neighbouring countries. Now they should also be aware that

development policy is part of their obligations and that certain international commitments must be fulfilled' (EP, 2007). To date, the bilateral development cooperation activities of the NMS towards ACP countries have been very limited. (PASOS, 2007). Having said that, recent revisions to ODA policies in the Czech Republic and Poland have seen them prioritise Zambia and Tanzania respectively, and along with Bulgaria, both also prioritise Angola (Trialog, 2007).

The number of priority countries range from 3 in Latvia to 8 in Czech Republic, despite the Czech government deciding to narrow down the territorial focus of development cooperation considerably (Czech MFA, 2004). This creates problems in itself in relation to the concentration principle. Estonia, Latvia and Lithuania are spreading 5, 8, 9 \$US million to 4, 3 and 6 countries respectively, where as Hungary spends \$55m in 5 countries and Poland \$118m in 6. In Slovakia and Slovenia, \$28m and \$31m are spent in 7 and 6 states. To be counted as substantial, aid activities usually require 5 million USD annually (Murle, 2007). In response the Slovak Republic has adopted policies that limit the number of sectors they are active in to three per partner country (Murle, 2007), whilst Bulgaria has committed itself to no more than two sectors per partner country (PASOS, 2007).

One potential area where the NMS could play a role is to provide aid to the so-called aid "orphans" or "marginalised countries". Some of these states such as Uzbekistan and Tajikistan are experiencing similar issues to some of the NMS (Bucar et al, 2007). NMS could also channel their development aid to several other countries in their neighbourhood or to countries that have gone through similar historic experiences as those of CEE states such as Kyrgyzstan, Kazakhstan and Tajikistan.

One area where NMS see themselves having a comparative advantage is in transition experience, offering as they do first hand experience of regulative and institutional transition process from centralised planned economy to market economy (Bucar et al, 2007). The Estonian ODA framework document states explicitly that Estonia's development cooperation focus remains directed at regions and countries facing the need for similar reforms and transition as undertaken by Estonia (Estonia MFA, 2003). Slovakia's ODA is based upon the goal of the 'transfer of Slovakia's experience and know-how' (MFA of the Slovak Republic, 2003, p.7). Indeed the

European Consensus stated that 'the EU will capitalise on new Member States' experience (such as transition management) and help strengthen the role of these countries as new donors' (CEC, 2007a). However, as developing countries and LDCs in Asia, Latin America and Africa have to face partly other kind of problems than post-communist transition countries (due to their particular environment, economic structure and history), they are seldom considered potential partners for development cooperation (Trialog, 2003, p. 34).

It should be noted that relatively few of the new member states have established bilateral programmes. According to the DAC just the Czech Republic, Hungary, Poland and the Slovak Republic had established bilateral programmes by 2005 (OECD/DAC, 2007). However, several countries envisage an expansion of bilateral aid in the future (Bucar et al, 2007). There is a tension between encouraging NMS to start up new aid programmes and the on-going aid effectiveness debate started by the Paris agenda. This agenda effectively discourages the proliferation of donors in the push for greater harmonisation behind recipients' own policies. There is also the challenge identified by the DAC peer review of whether the EU has the capacity to manage some of the aid of the Member States. A possible mechanism to solve this issue could be co-financing or delegated cooperation (OECD/DAC, 2007). In a number of cases, multilateral contributions to the European Development Fund (EDF) and international organisations are envisaged as the only channels for development cooperation with ACP countries.

Those countries that have created bilateral programmes have created problems for the coordination of external assistance, especially via the EC. There exists 'a significant disjunction between the bilateral programmes of the new EU members (...) and the approach being pursued at the EC level and by existing member states' (Granell, 2005, p. 10). The EU provides an excellent vehicle via which the NMS can build capacity in this area. Probably the only other major forum for sharing expertise is the OECD DAC, yet only four of the NMS are current OECD members (although talks have opened with Estonia and Slovenia) and none of the NMS are represented on the DAC. EU capacity building programmes are therefore vital. In particular, trilateral cooperation has been identified as a possibility for building capacity and finding synergies (Caucik, 2007). One example is a project between Latvia, Cyprus

and Ireland. Other options have been to work via the UNDP Regional Emerging Donors Initiative, which aims to facilitate cooperation between new donors, traditional donors and recipient countries. This allows new donors to play a role in the global partnership for development (MDG 8) and learn from more experienced donors (Slay, 2007). In addition, it combines the new donors' comparative advantages with the financial resources of traditional donors. According to Slay this is the 'Paris Declaration at work' (Slay, 2007). Interestingly, one of the major players in this has been the Canadian Development Agency. According to Biesemans (2007) Canada 'was more clear-sighted and more advanced than the EU on the requirements in development co-operation of the NMS' - a theme we will return to when we look at NGOs.

Last, it is also important to ensure that the new donors are inducted into the values and practices of the donor community (Maxwell and Engel et al, 2003). In particular this means ensuring all NMS are oriented toward international "best practice", with its emphasis on strengthening the general capacities of developing countries through knowledge transfer, good governance and similar practices, rather than through technical aid. Another challenge is to counter the strong lobby in the NMS who advocate using ODA for export subsidies and infrastructure projects, practices that most Western donors will no longer support (Rehbichler, 2006). DG Development argues that the NMS might not be so familiar with concepts such as donor practices' harmonisation, selectivity and performance-based allocations, the PRSP (Poverty Reduction Strategy Papers) approach and the shift away from projects to sector/budget support (DG Development, 2002).

Public perceptions, the role of civil society and political support

A recent Euro Barometer concluded that there appears to be a 'lack of knowledge in many NMS concerning development issues' (Eurobarometer, 2007). There are also concerns that NGO involvement in NMS' development cooperation is highly limited (Brubacher, 2003). On the other hand, low public awareness on development has a negative effect on support for development cooperation. In many CEE states this situation is compounded by a view that poverty within each state still needs resolving first and that EU funds should be used for this purpose. As Vari (2007) argues, 'the

public thinks of EU accession as an opportunity through which the drawing of EU funds can lead to the growth of the country's welfare and does not consider the external aspects of the EU's double principle of solidarity'. The problem is that 'only a few of the NMS (Czech Republic, Slovakia, Estonia and Hungary) have created structures for raising awareness on development policy themes (Rehbichler, 2006, 3). They have been assisted by the UNDP, which has set up a series of events to try and raise awareness. In particular, they organized parliamentary debates in all NMS on the International Day for the Eradication of Poverty. These events are crucial to building a constituency amongst the political elites for development.

To build the constituency amongst civil society requires NGOs. The most common and overarching problem that TRIALOG, an organisation set up to identify and strengthen development NGOs in new European member states, faces in its work is that development is understood very differently in each of the CEE states and that within the countries there is often great divisions between civil society and government. Also, TRIALOG identified one of the weaker points of civil society in NMS as campaigning. Civil society is often inexperienced and weak compared to civil society in most of the old Member States, where campaigning is such a core activity of civil society. This has of course to do with the political history of the CEE states, where NGOs activity was banned or severely curtailed. There is however, some work done on campaigning such as on the MDGs (Bulgaria last year) and on Fair Trade (see Bedoya, 2005).

There are organisational problems too for many NGOs. The NGO platforms in Bulgaria, Romania, Estonia and Lithuania are still not members of CONCORD, whilst the Hungarian platform is largely Canadian funded, instead of funded by its own government or by European funds. The stronger CEE national platforms are the Czech and the Slovak platforms. These two platforms are both mainly funded by their MFA and unlike other platforms, they are very strong in their finance, membership, and policy. The Slovenian platform, SLOGA, is very young and was the last platform to be established in the new Member States. However, it has been very successful in recent years and despite its late start, it is now further developed and stronger than a lot of other platforms. This has also to do with all the pressure, but also extra help, it has received in the light of its current EU presidency. Overall the main problem for

the new Member States' national platforms is funding, especially as external funding sources are ending.

Conclusion

This paper set out to examine the re-birth of development policy in CEE states. It has shown that these states have had to re-orientate themselves from being recipients of aid to becoming donors, despite many having a long history of engagement with the developing world. In this context, the achievements overall in many NMS have been very positive. This has been recognised by many existing donors. DfiD for example saluted the considerable achievement on the part of the 'New Member States in their commitments and efforts to deliver on such a big and complicated agenda' (Letter to the Author, 16 January 2008). Many CEE states are on track to get near their ODA targets and all have constructed appropriate institutional structures. They have identified clear priority countries, in particular the former Yugoslavian and CIS states, and sectors, especially transition, where they have a comparative advantage.

The challenge, as identified recently in a report for the European Parliament, is to 'combine well-focused priorities, based on their distinct expertise, with meeting their responsibilities to support development in less-developed countries' (PASOS, 2007, p. 33). There is also the challenge of trying to ensure all ten of the new donors approach this issue with the same vigour. Some of the new member states, to a large extent those donors that fully embraced the challenge of development cooperation before accession to the EU, are close to meeting their ODA commitments and have healthy civil society organisations. Others appear to be back tracking on ODA commitments, reluctantly setting up legal and institutional structures and doing little to encourage civil society participation. Linked to this point is the need for education. In many NMS the focus is on humanitarian aid. This aid is considered an important policy instrument in maintaining regional stability, including containing migration from the East and reducing the impact of conflict (Olsen, 2005, p. 594). There is little appetite to open a wide scale debate upon relations between the CEE states and the South, despite recent UNDP activities.

The recommendations in a recent report for the EP highlight how far there is to travel on this journey. It calls for a concerted public awareness campaign to gather political and public support for increased ODA, improving civil society and expert capacity in NMS, strengthening the co-ordination agencies in NMS and between NMS and other EU member states. These calls reflect those made back in 2002 when this subject was first discussed. Therefore despite capacity building and considerable funds from a variety of sources, we find that across the ten new donors, whilst we have witnessed the re-birth of development policy, the policy is still only in its infancy.

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