Executive summary

This report assesses progress made since Poland's first OECD DAC peer review in 2017, highlighting successes and challenges and providing recommendations for the future. It was prepared with reviewers from New Zealand and Sweden with support from the OECD Secretariat.

Poland's legal and policy framework establish a clear ambition for its development and humanitarian assistance. Poland's 2021-2030 multiannual programme is aligned with the 2030 Agenda and was adopted at a whole-of-government level by the Council of Ministers. While in principle it is owned across government, in practice, political support for development co-operation is a challenge and has presented a difficult context for Poland to deliver on its reform ambitions since 2017.

Poland's official development assistance (ODA) has not kept pace with its strong economic trajectory and continues to comprise a large share of in-donor costs, as well as loans that are tied to Polish businesses. Total ODA increased from 0.13% to 0.15% of GNI over 2017 to 2021. In responding to urgent needs, Poland mobilised additional funding in 2022 with ODA exceptionally increasing to 0.51% of GNI. Maintaining this momentum to meet Poland's commitment to allocate 0.33% of GNI as ODA by 2030 will require a sustained effort and a clear road map. In doing so, increasing the share of ODA that is delivered to partner countries and that is untied will be important, as recommended in 2017.

Poland's impressive whole-of-society response to the impacts of Russia's war of aggression in Ukraine demonstrated flexibility and an ability to mobilise different actors in times of need. A range of government ministries and actors were mobilised in Poland's response including the Polish development bank, BGK. A wider range of actors are also increasingly engaging in the delivery of Polish ODA. Poland's Solidarity Fund has been adaptive in responding to recent crises, growing substantially in the past three years in both budget and personnel, primarily through increased funding from external partners and different parts of the Polish government.

Making the most of this flexibility while equipping the MFA with the mandate and ability to steer an evolving development co-operation system is now an important challenge. The MFA's Department of Development Cooperation (DDC) remains responsible for steering Polish development co-operation, but its mandate and capacity to do so need reaffirming. Empowering DDC with the necessary capabilities to build effective working relationships, supported by clear roles and responsibilities and backed up by political leadership, will be an important first step.

Making more effective use of the Development Co-operation Policy Council would strengthen policy formulation, co-ordination and strategic oversight. Political debate on development co-operation in Poland is limited and there is scope for the Policy Council to play a much greater role in providing advice, supporting co-ordination and in driving demand for results and oversight. Enhancing transparency and allocating time to discuss results, practice and policy would strengthen the Council's ability to provide solid recommendations to the government. Including all key actors in the Council would ensure the Council can drive co-ordination, engage in productive discussions on challenges and opportunities for Polish co-operation, and support more strategic direction across the government.

Greater co-ordination across ministries would also increase coherence between policy goals. Poland's policy documents commit to policy coherence for development and identify a set of priority areas. Publishing line ministry reporting on policy coherence priorities and subsequent discussions would help to track progress and enable more informed public debate to help Poland work through difficult issues. Ensuring that Poland's international policy stances do not impede agreements of strategic importance for sustainable development and developing countries would also ensure greater coherence across government and with Poland's development co-operation efforts.

As pointed out in 2017, the ongoing reliance on annual projects to programme bilateral ODA is administratively burdensome and limits Poland's ability to plan strategically in line with partner country priorities. The late announcement of calls for proposals and slow decision making have led to late disbursement of funds by the MFA in recent years. The range of very small projects managed under different instruments also risks duplication and incoherence. This fragmentation and annual programming is hampering Poland's ability to co-ordinate with others in partner countries and to deliver on commitments to partner country ownership. Prioritising a more strategic, sustainable approach to programming bilateral ODA based on multi-year planning and budgeting, with fewer, but bigger projects will be important.

Clearer, whole-of-government objectives in each partner country would better guide programming. Increasing the geographic and thematic focus of ODA allocations, as recommended in Poland's last peer review, would enhance quality and impact. Poland should also be careful not to dilute its added value by increasing the number of thematic priorities. Using consultations with partner governments as the starting point for formulating rolling country plans that capture all of Poland's engagement in a country and align with Poland's comparative advantage will be an important next step. Having an established system of performance monitoring, evaluation and reporting is a key criterion for DAC membership and critical for effective bilateral co-operation.

Investing in improved project management capabilities would enhance quality and effectiveness. This should focus on strengthening the MFA's systems to manage for risk and mainstream gender equality and climate and environment. Building on learning from other DAC members, greater collaboration across Polish actors would also ensure that future efforts to strengthen the Solidarity Fund's systems driven by its EU pillar assessment can contribute to improved practice and knowledge across all Polish Aid.

Human resources are a significant bottleneck and need investing in as a priority. Human resource constraints are particularly acute in DDC, affecting its ability to deliver on much-needed reforms and bringing real risks for the quality of Poland's co-operation. Focusing on how the MFA can become more attractive to retain skilled and qualified staff, investing in training, buying in additional skills where needed and strengthening development capabilities in embassies would support more effective partnerships.

The European Union remains Poland's primary multilateral channel, but more can be done to prioritise development in its political engagement. Poland's 2025 Presidency of the Council of the European Union comes at a strategic moment, and Poland has an important opportunity to build on the response to Russia's war in Ukraine to raise awareness and show leadership. Stepping up co-ordination with other EU Member States in partner countries would also better enable Poland to leverage its presence and added value.

Fully harnessing the strengths of civil society organisations (CSOs) requires a longer-term approach to funding and partnering. While Poland's policies recognise the key role that civil society plays in Polish Aid, partnerships are constrained by declining funding, predictability and trust. Moving towards core funding and a partnership model that does not rely on annual calls for proposals would be in line with good practice. More systematic and comprehensive dialogue would help to rebuild trust and support more effective working partnerships. There is also potential to better mobilise civil society to raise awareness of the relevance of development co-operation across Polish society and at a political level.

The <u>Development Co-operation Profile of Poland</u> provides additional information on Poland's co-operation. Polish practices to inspire other DAC members and development actors are described on the learning platform, <u>Development Co-operation TIPs</u> - <u>Tools Insights Practices</u>.

The DAC's recommendations to Poland

- 1. To increase public support for and political commitment to Polish Aid, Poland should invest in development education and foster debate in Parliament and society on how development co-operation contributes to Poland's policy goals.
- 2. To strengthen policy formulation, co-ordination and strategic oversight, Poland should make use of the Development Co-operation Policy Council to drive substantive discussions, including through more inclusive membership and transparent processes.
- 3. As recommended in 2017 and recognising Poland's economic growth since joining the DAC and its commitment to allocating 0.33% of gross national income as ODA by 2030, Poland should set clear targets to build its ODA volume over the next 7 years and commit to this in budget planning.
- 4. To maximise the contributions of all actors in the Polish development co-operation system, supported by more effective working level co-operation and communication:
 - Poland should reaffirm the MFA's capacity and mandate to set policy and steer all Polish development co-operation, and better recognise the contribution of development co-operation to Polish foreign policy including through greater analysis and knowledge sharing across the MFA;
 - b. all ministries should align their ODA activities to the commitments and priorities articulated in the multiannual programme and respond to the MFA's direction;
 - c. the Solidarity Fund should strengthen its capabilities and systems for implementing development co-operation effectively to deliver a professional, flexible and country-led approach; and
 - d. BGK should work with the MFA to bring a development lens to its growing engagement in partner countries.
- 5. To build an effective workforce, the MFA should prioritise merit-based hiring and allocate resources to strengthen development capability, including among senior officials and embassy staff.
- 6. To make the most of recent learning from the response to Russia's war of aggression in Ukraine and build a modern, flexible crisis response system, Poland should specify leadership and improve co-ordination across its humanitarian, development and peace engagement, and enable more strategic partnerships through multi-year funding.
- 7. To achieve greater efficiency and impact in its bilateral ODA and as recommended in 2017, Poland should take a more programmatic approach, including by:
 - a. focusing its bilateral ODA budget on a narrow set of priority countries and themes and ensure that allocations match these priorities;
 - b. developing clear whole-of-government objectives for each priority partner country based on consultation with partner country stakeholders and in co-ordination with other providers; and
 - c. significantly reducing the number of calls for proposals to enable more substantial and sustainable projects, including phasing out those managed in MFA headquarters.
- 8. To more effectively manage bilateral ODA, the MFA should:
 - a. develop guidance for the whole Polish system on managing for risk and integrating the environment and gender equality into all projects, drawing on DAC guidance and learning;
 - b. reinstate an evaluation function; and
 - c. put in place a simple approach for assessing if ODA allocations are contributing to the agreed objectives, building understanding among staff and at senior levels to generate demand for quality results information.

- Poland should draw on its development co-operation experience to inform its political efforts in Brussels including in the lead up to its upcoming EU Presidency and clarify how Polish Aid will benefit from future EU delegated co-operation, ensuring systems and capacities are in place to do so.
- 10. To better reflect the important role of civil society in policy making and to deliver on Poland's commitment to support civil society organisations working in development, Poland should:
 - a. address barriers to providing core and longer-term funding to civil society organisations;
 - b. undertake systematic and meaningful consultations with civil society; and
 - c. together with civil society, establish a vision for civil society's role in Polish development co-operation, including as actors in their own right.



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