

Annex C: Perspectives from Ukraine on Polish development co-operation

Poland's development co-operation is centrally managed with limited physical presence and direct implementation in partner countries. To get a perspective on how Poland delivers its development co-operation in its priority countries, the peer review team – made up of examiners from Austria and Portugal and OECD secretariat – conducted a review of Polish co-operation in Ukraine. This involved conference calls and face-to-face meetings with Ukraine's Minister for Development and other Ukrainian officials, Poland's Ambassador and staff to Ukraine, and representatives of the Solidarity Fund responsible for implementing aid projects. To deepen the field perspective, phone interviews were also organised with two Development Assistance Committee (DAC) members who work closely with Poland in Ukraine, and development counsellors in Poland's embassies to Georgia and Moldova.

Poland's policies, strategies and aid allocations to Ukraine

Poland's co-operation with Ukraine builds on shared history, culture, and interdependence and solidarity between neighbours

Ukraine is an important neighbour and partner for Poland. Development co-operation has come to complement the political partnership between Ukraine and Poland which began in 1991, when Poland recognised Ukraine's independence (MFA, 2010). Polish co-operation with Ukraine – and other Eastern Partnership countries – is underpinned by its belief in the strong links between the promotion of democracy and support for social and economic transformation. Poland believes that external aid – not only financial, but also practical assistance supporting the development of democratic institutions – can be an important supporter for transformation (MFA, 2011a).

Ukraine aims to become a democratic and flourishing economy and to succeed in the task of EU integration. In doing so, it can benefit from Poland's national and regional development experience in transforming its own economy and society and in joining the EU. A common political history, long-standing social interaction between the countries, and a shared border and language (Russian) give Poland a good insight into the local context, culture and systems and ease communication between the two countries. Their similar starting points – evolving from a Soviet-style administrative system – mean that Poland's experience in decentralisation and reform of the public administration is particularly valuable to Ukraine. Ukraine values highly the support Poland offers on local government reform, education and public financial systems and custom procedures. This support comes in the form of study tours, training to civil servants in co-operation with the National School of Public Administration, advice and twinning projects.

Poland is responding to requests of the Government of Ukraine and capitalises on its comparative advantage and transition expertise

Poland has been providing official development assistance (ODA) to Ukraine since 2005, one year after it joined the EU. Ukraine has been a priority country for Poland since its first Multiannual Development Cooperation Programme 2012-2015. This programme outlined Poland's development co-operation with Ukraine around three main priorities: 1) public security and border management; 2) regional development and capacity building (of public and local administration); and 3) small and medium-sized enterprises and job-creation (MFA, 2011b). Since the onset of Ukraine's recent crisis in 2014, Poland has stepped up its co-operation. Poland is responding to explicit requests for support from Ukraine's Prime Minister, notably to support its decentralisation reform and internally displaced people. Poland's more strategic and long-term engagement was declared by President Andrzej Duda during his first state visit to Ukraine in December 2015.

A significant new feature of this bilateral partnership with Ukraine is that it is Poland's first experience of preparing development co-operation that meets the specific requests of its partner government. A memorandum of understanding details the long-term partnership between the two governments. This experience can serve as a model for Poland's bilateral government co-operation with other partner countries.

Poland's development co-operation in Ukraine is mainly implemented in three regions – Lviv, Vinnytsia and Rivne (Western Ukraine) – and Kiev. Co-operation in Eastern Ukraine is limited, since partnerships with local authorities are weaker and because of the limited presence of Polish NGOs (MFA, 2015a).

Ukraine is the largest recipient of Poland's grant aid

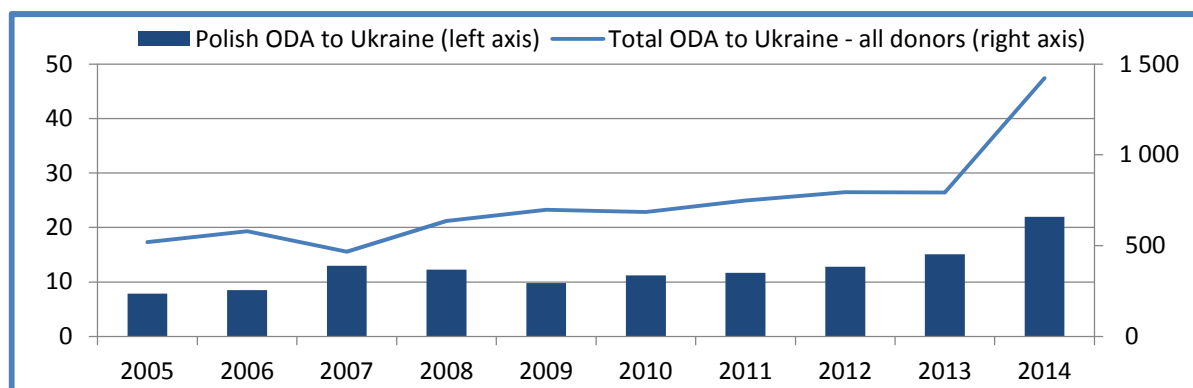
Polish bilateral ODA to Ukraine has been increasing since 2009 (Figure C.1) and reached an all-time high of USD 21.95 million USD in 2014 (representing 21% of Polish bilateral ODA). In 2013-14 Ukraine was the third largest recipient of Polish aid after Angola and Belarus (Table A.4, Annex A).

Poland was the eighth largest bilateral donor in Ukraine in 2013-14, after the European Union, the United States, Canada, Germany, Japan, Sweden and Switzerland. Within the context of a worsening security situation and growing tensions in the eastern part of the territory, total ODA to Ukraine from all donors nearly doubled between 2013 and 2014 (from USD 792 million to USD 1.4 billion).

The 2014 revolution in Ukraine created momentum for donors to offer their support to democratic and economic reform. The Ukrainian Government has established a donor council to improve co-ordination among the increasing number of donors working in Ukraine, and to avoid duplication through an action plan with immediate priorities, though this is still work in progress. According to interviews carried out by the peer review team, donors are asking the government for a clearer picture on where their support is needed.

Figure C.1 Poland's bilateral ODA disbursements to Ukraine, 2005-2014

Gross disbursements, USD million, 2014 constant prices



Source: OECD (2016), "Geographical distribution of financial flows: Flows to developing countries", *OECD International Development Statistics* (database), <http://dx.doi.org/10.1787/data-00566-en> (accessed on 22 August 2016)

Poland uses a mix of aid modalities in Ukraine

Poland's development co-operation activities support the process of political and socio-economic transformation in Ukraine and are implemented in collaboration with the Polish Embassy in Kiev, Polish NGOs, Polish central and local government administration bodies and the Solidarity Fund. Poland supports the development projects of Ukraine's central government bodies, NGOs, local authorities, universities, and scholarships (MFA, 2015a).

Polish projects are financed through the MFA's calls for proposals directed to Polish NGOs, central administration entities, public and non-public universities and research units. The Polish Embassy in Kiev also finances projects under the Small Grants Fund. This fund is a useful tool for the embassy to transfer money directly to local partners (NGOs, local authorities, public institutions) and therefore to finance projects initiated at the local level. The embassy tries to reach vulnerable people in need of support. However, the small budget for these grants limits their potential impact. In addition, the timeframe for implementing annual projects can be as short as six months if there are delays in approving them in headquarters. While there is an appetite to design modular projects over two to three years, the embassy's local partners will need training to be able to design and manage such projects.

Scholarships and imputed student costs account for more than half of Polish aid to Ukraine

According to the DAC Creditor Reporting System (CRS), imputed student costs, project-type interventions (carried out mostly by Polish NGOs) and scholarships represented the biggest share of Polish bilateral aid to Ukraine in 2014 (respectively 48%, 25% and 18%). According to Poland's Development Cooperation Department, every year an average of 130 Ukrainian nationals receive scholarships financed by Polish aid (MFA, 2015a). Interviews carried out by the peer review team on this subject revealed that Ukraine finds scholarship co-operation with Poland valuable, smooth and efficient, although communication with Poland's Ministry of Science and Higher Education can falter due to staff turnover.

Humanitarian aid focuses mainly on internally displaced people

Polish humanitarian assistance to Ukraine has mainly been providing support to internally displaced persons (IDPs) through Polish NGOs and multilateral organisations. Through its partnership with the United Nations Development Programme (UNDP), Poland is linking its humanitarian aid with supporting IDPs to build their entrepreneurship capacities, thus mixing humanitarian, development aid and economic development.

Poland is a valuable partner for local government reform

Poland is a key partner in supporting local government reform in Ukraine. Polish government administration activities in this area are co-ordinated by the office of a Government Plenipotentiary for Supporting Reforms in Ukraine, established by the Polish Council of Ministers in March 2015 (MFA, 2015b). This support is managed and implemented by the Solidarity Fund in the framework of a 2014 memorandum of understanding between the Polish MFA and Ukraine's Ministry of Regional Development, Construction, and Communal Living.

The Solidarity Fund, in collaboration with the MFA, organises a range of activities to support local government reform in Ukraine. These activities include: the constitution of a team of experts to provide advisory services for draft legislation and institutional arrangements on the reform; organisation of seminars, internships and study tours; and project implementation (MFA, 2015a).

The Solidarity Fund has established an implementation unit within the Ukrainian Ministry of Regional Development, Construction, and Communal Living which supports the local government reform in Ukraine. This unit reports and exchanges information with the Polish Embassy and the Department of Development Cooperation in the MFA, and links with Poland's aid implementation partners, journalists, civil society, and other donors working on decentralisation in Ukraine.¹ According to the Solidarity Fund, Poland's support has been critical to Ukraine's progress in carrying out a very complex fiscal decentralisation and the reform of its local administration. For example, 847 small communities have been consolidated into 172 larger communities and local tax receipts have increased.

The Polish MFA also supports a three-year (2014-16) joint Polish-Canadian Democracy Support Programme (with a budget of approximately USD 4.1 million for 2015-2017). This is implemented by the Solidarity Fund, and aims to support pro-democratic changes in Ukraine, in particular strengthening local democracy and independence of local media through co-operation between Polish and Ukrainian public institutions and civil society.

In addition, the Solidarity Fund has signed a memorandum of understanding with Switzerland to co-finance study tours to Poland (for Ukrainian journalists, representatives of local government and parliament) to learn best practices on decentralisation. This project (known as DESPRO) receives very positive feedback from partners and beneficiaries.

Partnerships, results and accountability

Partners at all levels in Ukraine value Poland's deep knowledge of the country and its targeted support

Thanks to the shared political and historical background that facilitates understanding between the two countries, Poland has established a good dialogue with the central and local authorities in Ukraine and responds to local need. One of the outcomes of this dialogue has been the signature of a memorandum of understanding with Ukraine's Ministry of Development in 2014.

Poland partners indirectly with local NGOs through Polish NGOs participating in calls for proposals managed by the MFA. It also engages directly with local NGOs through the embassy's small grant scheme. According to interviews, Ukrainian NGOs sometimes feel overlooked by bigger donors, and so appreciate the quality of the personal contact with Polish actors, who pay more attention to local needs.

The Polish Embassy in Kiev is active in regular donor co-ordination meetings (once a month or every two months). Poland is actively engaged in co-ordinating regional reform as one of the lead donors. Discussions with the Ukrainian Government are held in thematic donor groups, and while the functioning of the co-ordination mechanism has not been optimal in the past, it has improved in recent months. International partners appreciate Poland's role as an emerging donor and in advocacy with the Ukrainian government, thanks to the strong ties between the two countries.

Poland defines the results expected and measureable indicators for some of its activities in Ukraine

The 2016 Development Cooperation Plan presents broad development results for the three focus areas of development co-operation with Ukraine (good governance, human capital, and entrepreneurship and the private sector; MFA, 2015c). In addition, the plan introduces for the first time results expected – although not quantified – and proposed measurement indicators for its support to internally displaced persons in three provinces (Kharkiv, Zaporozhye and Dnipropetrovsk; MFA, 2015c). The expected results concern two sectors: 1) human capital (easier access to social services and health care infrastructure and closer social integration of internally displaced persons); and 2) entrepreneurship and the private sector (entrepreneurship built among internally displaced persons).

Monitoring largely assesses financial and operational outputs

Project managers from Warsaw, in co-operation with the embassy, monitor the activities of projects financed through the Polish Aid Call for Proposals. Activities are monitored directly by the embassy for the Small Grant Scheme. Monitoring is based on field visits and reports drafted by beneficiaries. However, monitoring is still largely based on checking financial and operational outputs. The short timeframe (one year) for projects is also a constraint in monitoring for development results.

Monitoring of the results of the Polish-Canadian programme is carried out by the Solidarity Fund based on its logical framework, as well as reports, surveys and visits. Canada has also commissioned an evaluation of the programme.

Organisation and management

The Polish Embassy is active in policy dialogue and overseeing the programme

The Polish Embassy in Kiev supports the Department of Development Cooperation in co-ordinating Polish development assistance to Ukraine. The embassy has 18 staff (including local attachés), including one full-time development counsellor. The development counsellor fulfils a range of functions, which include engaging with the government to identify and discuss needs and priorities; consulting on the multiannual development programme; participating in co-ordination meetings with other development partners; managing and monitoring the Small Grant Scheme; participating in monitoring the projects of Polish NGOs; and supporting implementing partners and connecting them with the government.

The part-time development counsellor is struggling to deliver the many daily tasks, deal with all projects and assess results. The embassy in Kiev relies on the help of other colleagues working in five Polish consulates in Ukraine (Kharkiv, Lviv, Lutsk, Odessa and Vinnytsia).

Notes

1. Especially Canada and Switzerland, with which the Solidarity Fund has a multi-annual agreement, but also the EU, Germany, Sweden and the US.

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