Research Article

Grzegorz Mazur*, Jakub Banach

V4 & Development Co-operation Policy

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Abstract: The accession of the Visegrad Group (V4) countries to the European Union has triggered their active participation in assistance to less developed countries. Since joining the EU, the analyzed countries have developed ODA legislation and an institutional framework and increased financing in development co-operation. Being a member of the EU and DAC, all V4 countries also have their legal and financial obligations in the area of development co-operation. The shared experience of those countries in creating and implementing their development policy gives reason to investigate their aid systems, development policy challenges and implementation of their commitments as a group of donors. The aims of the paper are to identify main development trends of the V4 countries' development policies as well as to investigate the implementation of their development commitments taken at a global and EU level. This has allowed to define the main challenges for V4 countries in delivering efficient development assistance to other developing countries in the future, such as improvements in institutional systems, transparent and clearly defined legislation as well as substantial increase of financing transferred by V4 to ODA.

Keywords: V4, Visegrad Group, ODA, Official Development Assistance, development co-operation, development policy

1 Introduction

At the beginning of the 1990s, the countries of Central and Eastern Europe entered a multidimensional process of transformation from a communist system to a free market economy and democracy. The economic and political reforms initiated at that time were mainly aimed at the liberalization of the economy, privatization of state-owned enterprises and the gradual liberalization of trade flows as well as building the fundamental rules of a democratic system. Four of those countries¹ - the Czech Republic, Hungary, Poland and Slovakia – formed in 1991 a political alliance, creating the so called Visegrad Group (hereinafter referred to as the V4/V4 countries) for the purpose of advancing regional co-operation between the Parties and strengthening common efforts in further integration with the European Community (EC).

The transformation of the V4 economies and political systems had been strongly supported by the European Community (EC) and correlated with the gradual economic integration with the EC. Starting from the beginning of the 1990s V4 countries had become important beneficiaries of European funds addressed to Central and Eastern European (CEE) countries willing to join the EC in future (mainly Phare²; since the end of 1990s also SAPARD³ and ISPA⁴). The aims of those programmes were to facilitate transformation and assist the candidate countries in the preparation for accession. Transformation efforts were finally crowned on the 1st of May 2004 when the V4 members and six⁵ other

¹ Originally the group was formed by three countries (Czechoslovakia, Hungary and Poland), but after the dissolution of Czechoslovakia (1993), the Czech Republic and Slovakia became full and independent members of V4.

² Poland and Hungary: Assistance for Restructuring their Economies

³ Special Accession Programme for Agriculture and Rural Development

⁴ Instrument for Structural Policies for Pre-Accession

⁵ The “Eastern Enlargement” (2004) included 8 countries from Central and Eastern Europe (Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Slovakia, Slovenia) as well as Cyprus and Malta.

***Corresponding author: Grzegorz Mazur**, Department of European Studies, Institute of International Business and Economics, Poznań University of Economics and Business, Poznań, Poland, E-mail: grzegorz.mazur@ue.poznan.pl

Jakub Banach, Department of European Studies, Institute of International Business and Economics, Poznań University of Economics and Business, Poznań, Poland

countries joined the European Community. The membership of those countries in the EC/EU has induced full and active participation in all EU policies, including the EU's assistance to less developed countries. This was also a moment when acceding countries from Central and Eastern Europe became active donors and participants of the EU's Development Co-operation Policy.

Although V4 countries had some experience in delivering development assistance to other countries before the 1990s, this co-operation had a rather ideological character and was addressed to those developing countries that shared and supported communist ideology. In this regard the historical pre-1990s experience could not be utilized as the foundations for modern development co-operation policy for the 21st century. The collapse of communist political and economic system had led to a drastic reduction of the assistance from the V4. Moreover, the V4 countries – being in difficult social and economic situations in the late 1980s or early 1990s - became to some extent 'competitors' for other developing countries in applying for development assistance from the developed world, including from most of the European Community and its member states.

The success of the transformation and dynamic growth of the V4 economies meant that in the mid-1990s those countries started to deliver – in the beginning on a limited scale – development assistance to other developing countries. However, more integrated actions in creating coherent and comprehensive frameworks for development co-operation had been initiated at the end of the 1990s and were strongly related to the V4's preparations for membership in the European Union. The process of integration with the EU required from those countries many new commitments in the area of development cooperation, including legal, organizational and financial aspects.

Being a member of the European Union, all V4 countries have their legal and financial obligations in the area of development co-operation. 2015 was a milestone for achieving Millennium Development Goals as well as agreed financial commitments. Moreover, in the context of the migration crisis in the European Union, governments and many politicians from the V4, having refused to participate in the EU's immigrants' allocation system, emphasized the importance of supporting development 'at home' and declared strong engagement in development co-operation policy. In this context it is of paramount importance to investigate the implementation of previous official commitments and political declarations.

The aims of the paper are to identify the main development trends and characteristics of the V4 countries' development policies as well as to investigate the implementation of the V4 countries' commitments within the EU development co-operation policy. This in turn will allow us to define main challenges for V4 countries in delivering efficient development assistance in the future.

The analysis presented in the paper consists of two general parts. The first section is dedicated to legal and institutional aspects of development assistance delivered by V4 countries. In this part authors present a legal perspective of the development policies in the analyzed countries with a short focus on the most current programmes, strategies and acts. Moreover, in this section the authors have also identified the main institutional adaptations implemented in the V4 countries to carry out effective development policy and pointed out – on the basis of the most recent DAC policy reviews for individual countries – the main challenges for the analyzed group in further improvements of their development policies. The second section is based on a statistical analysis of the ODA financial flows from the V4 countries in years 2004-2018/19. Authors, using the most available recent statistics, have identified the main trends in the V4's ODA. This has been interpreted in the context of ODA delivered by other EU/DAC donors and has enabled the authors to assess the level of implementation of commitments made by the analyzed countries.

2 Literature review

Since the V4 countries only joined the EU in 2004, they are still some of the youngest participants of the European Development System. Regarding their previously mentioned common communistic past and shared experiences in their economic and political transformation, they are often perceived as less developed and experienced aid donors comparing to 'old' EU members. Thus, the V4 countries' role in the global development aid system is still rather modest.

The shared experience of the analysed countries in creating and implementing their development policy has inspired the authors to investigate their aid systems, development policy challenges and implementation of their commitments as a group of donors. Although there are many papers and studies related to national aid systems of

individual members of the group (see below), the authors decided to analyse generally systems of all V4 countries using as the background development policies of other EU and DAC donors.

The topic and the concept of analysing development policies of new EU member states has been already present in literature over the last few years and the authors consider them as a valuable and important background for this paper. At the same time, it is highly desirable and important to develop further most current analysis of the aid systems of the analysed countries and investigate their current policy commitments. This is of paramount importance regarding the V4 government's political declarations in the context of global and EU development challenges.

Szent-Ivanyi and Tetenyi (2008) grounding on path dependency theory argue that the communist background not only influenced the V4's development policies in the past, but it has also implicated some differences from western donors in modern development assistance. They point out three main areas, where path dependency is visible in development systems of the V4 group. The first issue is the selection of aid recipients. When V4 countries were under Soviet influence, the vast majority of their aid was channelled to allied communist regimes and dictatorships, developing countries with socialist-oriented governments, or states that declared themselves as not-aligned but were of strategic importance to the Soviet bloc (Mazur 2009). This is reflected in the contemporary choice of the V4's aid recipients, as a large amount of its development assistance has been addressed to the Commonwealth of Independent States and South-Eastern Europe (mainly former Yugoslavia). Another aspect of the V4 development system highly affected by the group's socialist past is the level of aid and its structure. Szent-Ivanyi and Tetenyi (2008) indicated that V4 countries did not comply with global trends in development assistance such as increasing coordination within donors and the rules of partnership and programme's ownership which emphasize recipients' engagement. The last factor being affected by the V4 countries' past is a role of non-state actors in development programmes and the public perspective on it. Although regulations on NGO's functioning in V4 group are very similar to those in Western European countries, they do not work as efficiently as their western counterparties. It is a result of a long absence of NGOs in V4 countries during the soviet era.

The Visegrad fund (2011) indicates other problems in V4 development assistance. Despite the group's declaration that poverty reduction is its primary objective in development assistance strategy, the least developed countries (LDC) have been insufficiently represented in the V4 priority recipients' countries. Main actions of the V4 group concentrate on sharing the transition experience with other Eastern European countries (Mazur 2009). As a result, the main group of countries receiving the V4 development aid have been medium income countries (the factor was also visible in individual V4 members' systems). Another problem highlighted by the Fund is that the V4 development systems have been shaped more by the internal group's experience rather than the needs of potential aid recipients - low income and least developed countries, hence the V4's engagement in the Eastern Partnership project.

Another feature that emerges from analysing the V4's development aid is that in spite of increasing amount of development assistance from the Visegrad Group, the majority of aid has been still channelled multilaterally, especially through the European Union (Vegh 2012; Mazur 2015; Chmiel 2018). Moreover, it should also be mentioned that the level of education on development aid and social awareness of that topic is on a low level in V4 countries compared to other European states (Chmiel 2018). Thus, the governments find these aspects of their global engagement politically less attractive. However, there might have been a change in rhetoric concerning development aid in Visegrad Group, as a result of the migration crisis in Europe. Facing the necessity of hosting refugees from conflict torn Syria, the V4 governments declared an increase in their assistance to African states (Chmiel 2018).

Kopiński (2012) argues that V4 development assistance should be channelled to the LDCs with the most desperate needs, instead of being an instrument of foreign policy. In his paper he also addressed major discrepancies between declarations concerning V4 development assistance and reality, especially when it comes to aid for Africa. The most crucial charge addressed by the author is consistent with previous findings; that the lion's share of the development aid is directed to neighbouring countries or countries politically relevant (Afghanistan), which is not geographically coincident with what EU describes as 'development of tomorrow' (Kopiński 2012).

In the paper by Kugiel (2012), the author addressed drawbacks of the V4's development policies. Many of them are similar with those presented above such as limited internalisation of development aid or instrumentalization of foreign aid. The author also indicates one major shortcoming of V4 development policies which is the lack of cooperation. There is an indication for a need for change in that area and it has been reflected by the V4's engagement in the Eastern Partnership (EP) project.

Additional to the above-mentioned studies, there are also papers analysing individually national systems of many new EU member states, including the V4 countries. Here should be mentioned the papers describing Czech (Drażkiewicz 2008; Krylova, Syrovatka, Oprsal 2012; Majerova 2012), Polish (Drażkiewicz 2008; Paterek 2013; Bagiński 2013; Mazur 2018), Slovenian (Bucar 2012) or Hungarian (Paragi, 2010, as cited in Szent-Ivanyi, 2012; Szent-Ivanyi 2012) aid systems. Although those papers in their content refer mostly to national systems, specific countries' experience and challenges, it should be noted that those studies have been also very valuable in finding common (for V4 countries) trends and shortcomings of development systems that occur in all analysed countries. In this context it should be mentioned that all V4 countries in their development systems face problems such as the fragmentation of delivered aid, lack of transparency in development policy actions as well as territorial and sectoral widespread and non-sufficient governmental coordination.

3 Results and Discussion

3.1 Legal and institutional perspective

Although the V4 countries initiated development co-operation actions in the pre-accession period, joining the European Union in 2004 triggered further development-related commitments in legal, institutional and financial aspects. The first years of their membership in the EU witnessed the V4's efforts in further development of key strategic documents (acts on development co-operation actions as well as multiannual strategies) that allowed those countries to engage comprehensively and coherently in the EU's development activities.

The **Czech Republic** adopted the Act on Development Cooperation and Humanitarian Aid in 2010. This strategic legislation was followed by the Development Cooperation Strategy of the Czech Republic for 2010-2017 defining forms and modalities of the development assistance, key geographic and sectoral priorities. Subsequently the document was replaced in 2017 by the Development Cooperation Strategy of the Czech Republic for the period 2018 – 2030 that set the main goals, priorities and principles of the Czech development cooperation in line with the Agenda 2030 for Sustainable Development. According to the strategy, the Czech development co-operation actions focus on five thematic priorities: building stable and democratic institutions, sustainable management of natural resources, economic transformation and growth, agriculture and rural development, and inclusive social development. The new strategy also defined priority countries selected for bilateral development cooperation (*Strategy 2018-2030*).

Hungary adopted its first strategic document on international development cooperation before joining the European Union in 2001 (Szent-Iványi 2012) and it took more than a decade for elaborating a renewed strategy approved in 2014 (International Development Cooperation Strategy and Strategic Concept for International Humanitarian Aid of Hungary 2014-2020). The strategy prioritized Hungarian development assistance into three general sectors: 1) institutional development (promoting and consolidating democracy and rules of law, sharing the experience of transformation and integration processes; good governance, institutional capacity building of administration, strengthening civil society); 2) green growth, environmental and climate protection (rural and urban development, food security, sustainable resource management and climate change adaptation); as well as 3) human development (education, health, culture, equal opportunities, protection of minorities and vulnerable groups, social institution development, scientific cooperation) (*Strategy 2014-2020*). The document defined also priority partners for bilateral development co-operation during the period to which the strategy applies (Table 3).

In the case of **Poland**, the Strategy for Poland's Development Co-Operation was adopted by the Polish government in 2003. The vision and priorities of development co-operation were based on principles of democracy, good governance, respect for human rights and solidarity. Moreover, the country – as other members of the V4 group - considered its own experience in economic, social and political transformation as a comparative advantage in its development co-operation. In reference to legal framework in 2011 the Polish Parliament adopted the Development Cooperation Act being a fundamental guide and tool for the Polish development co-operation actions and aid programmes. In the aftermath of the Act of 2011, Poland prepared for the first time the Multiannual Development Co-operation Programme (MDCP) 2012-2015 that included a stronger geographic and thematic focus of the country's development co-operation. The second MDCP was adopted for 2016-2020. The multiannual programme 2016-2020 defined six following thematic

priorities: good governance, democracy and human rights, human capital, entrepreneurship and private sector, sustainable agriculture and rural development as well as environmental protection (Mazur 2018). In addition, the MDCP indicated also - by cutting in half the number - priority partners (from 20 to 10⁶). The reduction of the priority partners has been argued by the need for higher geographic concentration (OECD 2017a).

Slovakia governed its development assistance in the first years of the membership in the EU by the Act on Development Assistance adopted in 2007. It has been replaced by the new Act on Official Development Cooperation (Act No. 392/2015 Coll.) in 2015. The act has established legal and institutional framework as well as long term goals, modalities and instruments of Slovak development cooperation. At the operational level the policy has been implemented by Medium-Term Strategies, of which the latest 4th version has been adopted for 2019-2023 (Medium-Term Strategy for Development Cooperation of the Slovak Republic for 2019 – 2023). The latest strategy defined thematic and territorial priorities of the Slovak Development Co-operation policy in the context of Agenda 2030.

Development of legal framework for development co-operation policy in the V4 has also been accompanied by necessary adjustments in institutional framework and capacity which is essential for effective implementation of the policy, its objectives and priorities. Although some strategic decisions were made in this area already during the accession process to the EU, further improvements and adjustments have been undertaken by the V4 in the years following their membership in the EU. In all analyzed countries the key implementing and coordinating role has been settled within the ministries of foreign affairs (MFA). Moreover, two of the V4 – namely the Czech Republic and Slovakia – have decided to settle special development agencies (respectively the Czech Development Agency (CRA) (2008) and the Slovak Agency for International Development Co-operation - SAIDC (2007)) that have a central role in the system of foreign development cooperation and are responsible for the implementation of the policy and managing development projects. Although the coordinating role within the institutional framework have been entrusted to MFAs, in all V4 countries most funds for development co-operation are provided by the ministries of finance (from ca. 51% for Poland to ca. 63% for Slovakia, 2017; OECD 2020a). This results strongly from the fact that a large part of the V4's development assistance is implemented by multilateral channels (foremostly contributions to the EU's development budget). In Hungary a relevant part of ODA is also governed by the Office of Immigration and Nationality (17.8%, 2017), in Czech Republic and Slovakia by the Ministries of Interior (10.7% and 3.5% respectively, 2017) and in Poland by the Ministry of Science and Higher Education (11.2%, 2017) in the form of scholarships for foreign students (OECD 2020a).

Since joining the EU in 2004 all V4 countries have adopted strategic legislation and continued to strengthen their institutional systems to deliver quality development co-operation. The growing engagement of those countries into development cooperation have also resulted in the joining by all of them to the OECD Development Assistance Committee that brings together many of the world's largest aid donors (the Czech Republic, Poland and Slovakia joined the DAC in 2013 and Hungary in 2016) (OECD 2016a). This has been a milestone in the V4's development policies and the membership in the DAC has illustrated the progress made by those countries to strengthen their strategic framework and institutional capacities in development assistance. Although joining the DAC has proven that those countries have undertaken efforts and developed appropriate strategies, policies and institutional frameworks enabling them to deliver quality development co-operation programmes, DAC reviews for the analyzed countries have delivered a list of recommendations for further improvements of development co-operation systems. Even though all countries have their own systems, modalities and experience in development co-operation, there are still some general challenges that must be met by all of them to a greater or lesser extent.

Referring to legal aspects of development co-operation policies of V4 it has been underlined that Agenda 2030 should be strongly integrated into all strategic documents and policy priorities. All development actions and support undertaken by analyzed donors should align with the principles for aid effectiveness, the objectives of adopted strategic documents/acts and multiannual programmes as well as the previously mentioned Agenda 2030 (OECD 2016b, OECD 2017a). Another aspect that needs special attention and further improvement is the provision of transparent and clearly defined objectives and guidance for delivering on priorities of the development policy (e.g. reducing poverty, gender equality or environmental protection). This identification of principles and standards should be applied through all channels of development co-operation (OECD 2017a, OECD 2019).

V4 countries should also undertake further efforts to strengthen ownership across government and expand cross-government consultation and coordination of development co-operation policies. There is still scope to expand

⁶ The number of priority partners was expanded by 2 additional countries (Lebanon and Uganda) by the modification of MDCP in 2018.

this co-ordination and to raise awareness across governments of how different policies could and should be more development oriented. Such a policy coherence and development of common approach across government and other stakeholders is one of the key prerequisites for higher efficiency and quality development support. In consequence this should be accompanied by giving development co-operation the required weights across government and elevating development co-operation as one of the key pillars of foreign policy.

Although there are generally established institutional systems of development co-operation, some further improvements have been recommended also in this aspect. In the case of Poland, the peer review recommendations included the need for clarifying institutional roles and bringing different parts of the aid system together (OECD 2017a). In all analyzed countries it has also been underlined that the countries should provide an appropriate human resource capacity across the development co-operation system and the staff should have the skills and expertise to provide the efficient implementation of development programs. While over the last few years the staff capacities generally have increased, there are still insufficient capacities in precise areas (e.g. public procurement, cross-cutting issues). Human resource capacity gaps are still the main vulnerabilities in the V4's development cooperation systems and personnel levels and their skills should increase to ensure an appropriate quality of programmes and manage potential risks. The further expansion of human resource capacities should be accompanied by decentralization to the field, including expanding staff capacities and transferring more authority to embassies of V4 in developing countries (OECD 2017a, OECD 2019).

Another challenge for V4 countries, underlined in all issued DAC policy reviews, is the need for stronger engagement of the private sector in development co-operation. This also requires from the governments to reveal to business the potential of investing in sustainable development and partnership in development assistance, rather than only acting conventionally as aid contractors. While the private sector's interest in active participation in development co-operation is still limited, stronger synergies between business interests and development additionality should be supported by governments. This could be achieved by defining the countries' private sector partnership strategies and further debate on how business can contribute to development through their own investments. In this aspect the V4 countries should also learn from the experience of other DAC members (OECD 2016b, OECD 2017a, OECD 2019, OECD 2020a).

DAC reviews also underlined the need of further prioritization of aid programs delivered by the V4 countries. According to those recommendations, the countries should clearly define their comparative advantages (e.g. such as experience in political and economic transformation which has been already done by those donors in the past) and limit thematic priorities, giving at the same time – as mentioned above – clear guidance in specific areas (e.g. for focusing aid to reduce poverty; OECD 2017a). Moreover, the analyzed countries should also tend to geographical prioritization which is of paramount importance in the context of the limited sizes of their aid budgets (OECD 2016b, OECD 2019). Those thematic and geographical priorities should be applied to all cross-government development programs and all institutions involved in development assistance (OECD 2017a). Fragmentation and spreading delivered aid to many countries results in low synergies and lower effectiveness of development programs. This should be replaced by focusing on a few priorities and this process has been already observable in the latest strategic documents adopted by those countries.

3.2 V4's ODA volume and allocation

Since joining the EU the V4 countries have undertaken efforts not only to strengthen their institutional system and legal framework for development co-operation but also have repeatedly committed to expanding the volume of their financial support to development aid. This has been synchronized to financial declarations and commitments of main donors at the global and EU level. The EU, in the aftermath of the UN International Conference on Financing for Development (Monterrey, 2002), declared to expand ODA and to increase its development assistance to 0.7% of GNI by 2015. At the same time, in line with the commitments adopted during the Council meeting of 24 May 2005, the new EU Member States that joined the EU after 2002 – including the V4 countries – should have increased their contribution to ODA to 0.17% of their GNI in 2010 so they could achieve the ODA/GNI ratio at the level of 0.33% by 2015 (EC 2006).

These specific commitments to scale up ODA by 2015 have failed in most cases and only a few donors delivered fully on their commitments (in 2015 only 5 of EU countries – Denmark, Luxembourg, the Netherlands, Sweden and the United Kingdom exceeded the ODA target of 0.7% of GNI (OECD 2016c)). Although Official Development Assistance

Table 1: Official Development Assistance of V4 countries in 2004-2018 (millions USD).

Source: OECD 2020b

transferred to developing countries from DAC donors has continued to grow in the last decade, with some decrease in 2012 due to the financial crisis in the eurozone, most of the DAC and EU donors have not reached the adopted commitments. This also strongly refers to the V4 countries that have been far from reaching their targets of 0.17% and 0.33% of GNI in 2010 and 2015 respectively. All mentioned commitments/targets have been repeatedly adopted in the context of Agenda 2030. Many DAC members, including EU countries, have agreed to reach the target of 0.7% of GNI by 2030 (newer EU Member States, including the analyzed V4 countries, have agreed to scale up their ODA to 0.33% by 2030), however very few have a clear plan for doing so (OECD 2017b).

In the analyzed timeframe 2004-2019 total Official Development Assistance of V4 increased almost fivefold – from 324 m USD in 2004 to almost 1.5 bn USD in 2019 (Table 1). The strongest increase of ODA was recorded in Poland, where financial assistance to developing countries increased from only 118 m USD when the country joined the EU to 707 m USD in 2019. The lowest progress of expanding financial sources to ODA was observed in the Czech Republic, where total ODA has only tripled since 2004.

This positive trend of growing financing dedicated to ODA in nominal values should be confronted with a rather gloomy picture in relative engagement in providing development aid. In over 15 years of membership in the European Union the V4 countries increased their ODA/GNI ratio only slightly and all of them are still short of their initial commitments (Table 2). Poland, which recorded the lowest ratio of all the V4 countries, has increased its ODA/GNI from 0.05% in 2004 to only 0.12% in 2019. Slovakia and Hungary have scaled up their relative spending to ODA from 0.07% in 2004 to 0.12% and 0.22% respectively in 2019. Hungary recorded the highest ratio from all V4 in 2018-2019 due to an overall increase in its aid programme (one of the highest from all DAC countries), while for most of the analyzed period the country's ODA/GNI ratio was at similar levels to other V4 countries. The lowest progress has been observed in the case of the Czech Republic, where development assistance in relation to GNI has been rather stable (from 0.11% in 2004 to only 0.13% in 2019).

Those relative values of ODA to GNI in the V4 countries have been far from the commitments adopted in 2005 and repeated in 2015 in the context of the Agenda 2030. Although over last 15 years we have witnessed the increase of ODA spending in the V4 countries, those rises have been largely determined by V4's increases in EU contributions, which are indexed to the size of their economies, and to a lesser extent have resulted from overall plans for scaling up ODA. Achieving the target of ODA at the level of 0.33% GNI would require a substantial increase in spending on Official Development Assistance – to ca. 3.6 bn EUR for all V4 countries (as of 2019). Although the last few years have brought some growth in ODA allocations by V4 countries, those increases have not been adequate to affect the ODA/GNI ratio significantly (except Hungary that improved the ratio in 2018-2019 due to an increase in bilateral assistance) and have not been enough to track the analysed donors to achieve the declared targets. Meeting the targets requires strong public and political support for allocating more resources to ODA and – on a technical basis - overall plans for scaling up the development assistance to meet the international commitments. Although there is a growing political awareness of

Table 2: Official Development Assistance as percentage of gross national income in V4, DAC and DAC-EU countries in 2004-2019 (%).

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Czech Rep.	0.11	0.11	0.12	0.11	0.12	0.12	0.13	0.12	0.12	0.11	0.11	0.12	0.14	0.15	0.13	0.13
Hungary	0.07	0.11	0.13	0.08	0.08	0.10	0.09	0.11	0.10	0.10	0.11	0.13	0.17	0.11	0.21	0.22
Poland	0.05	0.07	0.09	0.10	0.08	0.09	0.08	0.08	0.09	0.10	0.09	0.10	0.15	0.13	0.14	0.12
Slovakia	0.07	..	0.10	0.09	0.10	0.09	0.09	0.09	0.09	0.09	0.09	0.10	0.12	0.13	0.13	0.12
DAC EU	0.34	0.42	0.42	0.38	0.41	0.42	0.44	0.42	0.40	0.42	0.42	0.47	0.51	0.50	0.48	0.47
DAC TOTAL	0.25	0.32	0.30	0.27	0.30	0.31	0.31	0.31	0.28	0.30	0.30	0.30	0.32	0.31	0.31	0.30

Source: OECD 2020b

the need to address development-related problems and challenges (e.g. growing economic immigration), V4 countries lack the transparent plans on expanding financial resources. The problems of those countries in meeting the declared commitments are coincident with the general decreasing relative levels of European ODA (in 2018 only 6 EU countries met the target of 0.7% ODA/GNI; CEU 2019) and some predictions provide that if the genuine aid (exc. inflated aid) increases at the current rate, the declared target of ODA/GNI at 0.7% will not be met after the middle of this century (Concord 2018).

The insufficient resources to ODA allocated by the V4 countries should also be considered in the context of the ODA delivery channels utilized by those countries. Contrary to most of the EU's biggest donors and other DAC members, development assistance from the V4 is mostly channeled on a multilateral basis and only ca. 1/3 of ODA had been allocated in 2004-2018 through bilateral aid programs (Graph 1). The vast majority of multilateral aid allocated by the V4 countries consisted of mandatory contributions to the EU's budget and development funds as well as other international organizations (Graph 2). The high proportion of multilateral aid channels in development assistance of the analyzed countries has mostly resulted from their smaller experience (compared to other DAC donors or 'old' EU member states) in delivering aid and still developing ODA policies and systems. Although the high utilization of multilateral aid channels may bring some positive aspects, such as higher coherence of the development assistance delivered by all donors, and allows the development of strategic approaches and global strategies, should not lead to the neglect and under-financing of bilateral aid programmes. In this context the need of scaling-up financing of development assistance by the V4 countries requires strengthening their engagement in bilateral channels of delivering aid to developing countries.

Some characteristic trends of V4's ODA - in comparison to general DAC ODA - may also be noticed on the geographical distribution of aid delivered by those countries. From graph 3 it can be deduced that the V4 in their development assistance tend to focus primarily on countries/beneficiaries located mostly in the EU's neighborhood. Still, an important share of ODA is transferred to other European countries located in the Balkans and Eastern Europe. This trend has also been remarkable when the lists of geographical priority partners for V4 ODA are considered (Table 3). European and Asian countries absorb the lion's share of ODA transferred by the analyzed group. The second characteristic which is common for V4 countries (except Slovakia) is the lower (than by other major ODA donors), involvement in assistance addressed to African countries. Although some Sub-Saharan African countries are among declared geographical priority partners, the share of ODA transferred to the African continent has been clearly lower than in other DAC donors.

This trend has also been convergent with another tendency of the V4's ODA, namely a low share of bilateral aid transferred to the least developed countries (LDC). In accordance with international commitments by DAC countries, reiterated in the 2030 Agenda for Sustainable Development, 0.15-0.20% of donors' GNI should be provided to the LDCs (in parallel to a commitment to provide 0.7% of GNI in ODA to developing countries) (UN 2020). The needs of the poorest and most vulnerable countries have also been highlighted and reiterated in the 2015 Addis Ababa Action Agenda (UN 2016). In this context the performance of the V4's development assistance seems to be disappointing. Although the assistance transferred to the LDCs from V4 countries have strongly fluctuated over the analyzed period (Graph 4) and

Graph 1: Multilateral vs. bilateral aid channels (2004-2018).

Source: Calculations on OECD 2020b

Graph 2: Multilateral channels of ODA (2004-2018).

Source: OECD 2020b

Graph 3: Geographical distribution of ODA by world's regions in 2004-2017 (%).

Source: OECD 2020b

Graph 4: ODA to LDC as percentage of total bilateral ODA (2004-2018).

Source: Calculations on OECD 2020b

in some years it was recorded at high levels (e.g. Poland), the general tendency has shown the low importance of LDCs in the bilateral ODA financing of the V4 countries. In 2017 the share of the V4's ODA addressed to the LDCs was in the range of 6% (Poland) to 16% (Czech Republic). The analyzed donors were also among the DAC countries with the lowest ratio of ODA to LDCs as a percentage of donor's GNI (UN 2018). Although the needs of the LDCs have been already complied to and highlighted in the latest up-dated development strategies of V4 countries, the special position of the LDCs in ODA systems of all donors should be clearly addressed in future actions and programmes.

The geographical orientation of V4's ODA have also determined to a certain extent the main sectors of support. Since the moment when V4 governments started to advance their development assistance and create a coherent development policy, those countries have considered their own experience of economic and political transformation as a comparative advantage in their development co-operation. Especially that the large portion of their ODA have been transferred to the Balkan and Eastern European countries that share some similar challenges and future strategic goals (e.g. the membership of the EU) and have been looking to learn from V4's experience in this area.

As stated in graph 5, in 2017 the vast majority of V4 ODA was transferred to social infrastructure and services, with the biggest transfers within the sector of education as well as government and civil society. This reflects an important position of post-secondary education scholarships within the V4's bilateral aid. At the same time the analyzed countries transferred relatively less (compared to other DAC donors) to economic infrastructure and sectors in beneficiary countries.

Table 3: Geographical Priority Partners for V4 ODA.

	Czech Republic (2018-2030) ⁷	Hungary (2014-2020) ⁸	Poland (2016-2020) ⁹	Slovakia (2019-2023) ¹⁰
Afghanistan		x		
Belarus			x	
Bosnia & Herzegovina	x	X		
Cambodia	x	X		
Ethiopia	x		X	
Fyrom		x		
Georgia	x		X	X
Iraq		x		
Kenya			X	X
Kosovo		x		
Kyrgyzstan		x		
Laos		x		
Lebanon			X	
Moldova	x	x	X	X
Mongolia		x		
Montenegro		x		
Myanmar			X	
Palestine		x	X	
Senegal			X	
Serbia		x		
Tanzania			X	
Uganda			X	
Ukraine		x	X	
Vietnam				
Yemen		x		
Zambia	x			

⁷ Government Resolution No. 631 of 11 July 2016. The resolution also incorporated another category of “Specific Countries” which need development support in a post-conflict stabilization and reconstruction processes. The Resolution indicated as specific countries: Afghanistan, Palestine, Ukraine, and Syria (the list of specific countries may be amended and supplemented by government resolutions)

⁸ International Development Cooperation Strategy and Strategic Concept for International Humanitarian Aid of Hungary 2014-2020 (partner countries indicated in 2014 in the Strategy)

⁹ Multiannual Development Cooperation Programme 2016-2020

¹⁰ Beside the “Programme Partners” indicated in the table, in the Medium-Term Strategy for Development Cooperation of the Slovak Republic for 2019 – 2023 it has been emphasized the need of a stronger regional approach and the continuation of Slovak development assistance to the following regions: the Western Balkans, EU Eastern Partnership countries, East Sub-Saharan Africa and the Middle East

Graph 5: Official Development Assistance by sectors (2017).

Source: OECD 2020b

4 Conclusions

The development policy of the V4 countries have been strongly shaped by the process of their integration with the European Union. The preparatory process and the membership of the analyzed countries in the EU have made a substantial contribution to the creation of the mechanisms and legal framework of their development assistance. Although V4 countries have achieved some progress in coherence of their development policies with other EU/DAC donors, such as strategic goals or adopted commitments, the countries of the Visegrad Group share in some respects their own unique experience as well as similar challenges in further development of their aid programmes and strategies.

In order to enhance the efficiency of the V4 countries' development assistance they need to improve their institutional framework, such as stronger ownership across governments and coordination of development policies, higher inter-institutional coherence, expansion of human resource capacities or stronger engagement of the private sector in development co-operation. This should be accompanied by further developments of legislation that would provide transparent and clearly defined objectives and guidance for delivering on priorities of the development policy and would reply to the need of further prioritization of V4's aid programs. The development of co-operation strategies also needs to strongly and clearly address the Agenda 2030 and its goals.

Undoubtedly the biggest challenge for the V4's development co-operation is to increase financial transfers to their ODA. Although those countries have increased their nominal ODA in the analyzed timeframe, the relative growth in financing development assistance has been moderate. All countries are still far behind the levels of ODA delivered by other DAC/EU donors as well as their own declared commitments to increase Official Development Assistance as a percentage of GNI. This aspect should be especially confronted with political declarations of V4 governments to increase development assistance as a response to the immigration crisis. All V4 countries face the challenge of scaling up their ODA in the forthcoming years and this process should be clearly indicated in their development programmes and strategies. The increase of financing to development co-operation should also be accompanied and reinforced by the development of bilateral channels of the V4's ODA as well as stronger development assistance address to the least developed countries.

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