

# GREECE

Development Assistance Committee (DAC)  
PEER REVIEW 2011



ORGANISATION FOR ECONOMIC CO-OPERATION AND  
DEVELOPMENT



### **The Peer Review Process**

The DAC conducts periodic reviews of the individual development co-operation efforts of DAC members. The policies and programmes of each member are critically examined approximately once every four or five years. Five members are examined annually. The OECD's Development Co-operation Directorate provides analytical support and is responsible for developing and maintaining the conceptual framework within which the Peer Reviews are undertaken.

The Peer Review is prepared by a team, consisting of representatives of the Secretariat working with officials from two DAC members who are designated as "examiners". The country under review provides a memorandum setting out the main developments in its policies and programmes. Then the Secretariat and the examiners visit the capital to interview officials, parliamentarians, as well as civil society and NGO representatives of the donor country to obtain a first-hand insight into current issues surrounding the development co-operation efforts of the member concerned. Field visits assess how members are implementing the major DAC policies, principles and concerns, and review operations in recipient countries, particularly with regard to poverty reduction, sustainability, gender equality and other aspects of participatory development, and local aid co-ordination.

The Secretariat then prepares a draft report on the member's development co-operation which is the basis for the DAC review meeting at the OECD. At this meeting senior officials from the member under review respond to questions formulated by the Secretariat in association with the examiners.

This review contains the Main Findings and Recommendations of the Development Assistance Committee and the report of the Secretariat. It was prepared with examiners from Belgium and Portugal for the Peer Review of Greece on 8 November 2011.

In order to achieve its aims the OECD has set up a number of specialised committees. One of these is the Development Assistance Committee, whose members have agreed to secure an expansion of aggregate volume of resources made available to developing countries and to improve their effectiveness. To this end, members periodically review together both the amount and the nature of their contributions to aid programmes, bilateral and multilateral, and consult each other on all other relevant aspects of their development assistance policies.

The members of the Development Assistance Committee are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Korea, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom, the United States and the European Union.

### Greece's aid at a glance

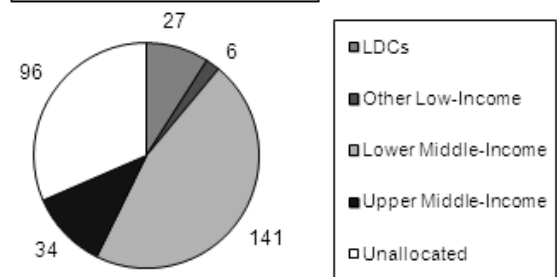
#### GREECE

Gross Bilateral ODA, 2008-09 average, unless otherwise shown

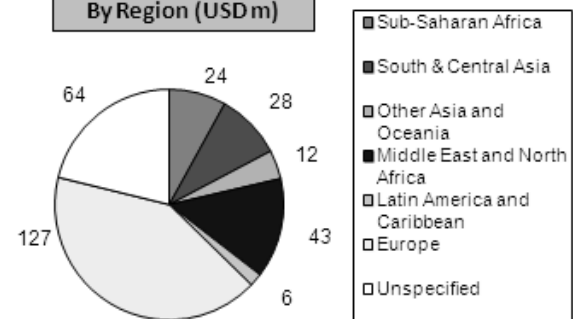
Net ODA	2008	2009	Change 2008/09
Current (USD m)	703	607	-13.6%
Constant (2008 USD m)	703	618	-12.1%
In Euro (million)	488	436	-10.5%
ODA/GNI	0.21%	0.19%	
Bilateral share	44%	49%	

Top Ten Recipients of Gross ODA (USD million)	
1 Albania	63
2 Serbia	19
3 Kosovo	16
4 Afghanistan	14
5 Egypt	14
6 Palestinian Adm. Areas	9
7 Turkey	6
8 Syria	5
9 Bosnia and Herzegovina	5
10 China	4
Memo: Share of gross bilateral ODA	
Top 5 recipients	41%
Top 10 recipients	51%
Top 20 recipients	61%

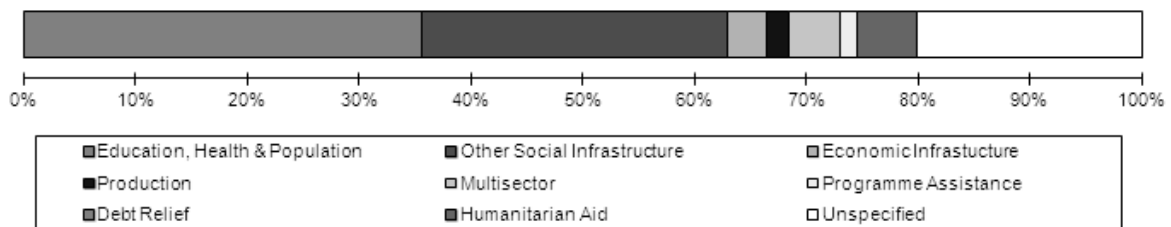
By Income Group (USD m)



By Region (USD m)



By Sector



## *Table of contents*

<b>Acronyms .....</b>	<b>7</b>
<b>The DAC’s main findings and recommendations.....</b>	<b>9</b>
<b>Secretariat Report .....</b>	<b>19</b>
<b>Chapter 1 Strategic orientations .....</b>	<b>19</b>
A good time for reform .....	19
Essential drivers of successful reform.....	20
How can this peer review help? .....	20
Modernising Greek development co-operation.....	21
Co-ordinating a complex set of institutional players .....	23
Transforming the five-year programme into a whole-of-government strategy .....	23
Suggestions for improving the draft five-year programme .....	24
Prioritise sectors and countries where Greece can add value .....	24
Being more strategic about multilateral engagement.....	26
Building public support and a constituency for development co-operation .....	27
Future considerations .....	29
<b>Chapter 2 Development beyond aid.....</b>	<b>31</b>
Making policies coherent with development objectives .....	31
Strengthen political commitment and public awareness .....	32
Give policy co-ordination committees clear mandates and responsibilities .....	33
Enhance the administration’s capacity to monitor, analyse and report .....	33
Learn from domestic policy priorities that take development into account .....	34
Future considerations.....	36
<b>Chapter 3 ODA volumes, channels and allocations .....</b>	<b>37</b>
Official development assistance in summary.....	37
The need for more transparent, strategic and coherent budgeting.....	38
Increase aid predictability through planning and programming.....	39
Greece’s bilateral ODA: limited aid for projects and programmes .....	40
Geographic allocations: a continued focus on south-east Europe .....	40
Sector allocations: scholarships and imputed student costs .....	41
The increasing importance of gender equality, environment and climate change .....	41
Greece’s multilateral ODA .....	42
Aid to and through NGOs: the need for rationalisation .....	43
Future considerations .....	43
<b>Chapter 4 Organisation and management.....</b>	<b>45</b>
Immediate priorities for making the aid system more unified .....	45
Pragmatic actions to make DG Hellenic Aid fit for purpose .....	46
Rationalise and simplify the organisational set up .....	47
Create a new business model .....	49
Prioritise, plan and resource a politically-backed evaluation policy .....	51
Give staff clear priorities, evaluate staff performance and build development expertise .....	51

Co-operate with NGOs through strategic partnerships .....	52
Future considerations.....	54
<b>Chapter 5 Aid effectiveness and results .....</b>	<b>55</b>
Greece is committed but not set-up to implement Paris and Accra .....	55
Integrating Paris and Accra into policy documents.....	55
The Paris Declaration monitoring survey: indications of low scores for Greece.....	56
Greece tests new more effective ways of delivering aid but this is not systematic .....	56
Channel more aid through joint programmes and international organisations.....	57
Provide more strategic and relevant technical co-operation.....	58
Untie aid further .....	59
Future considerations.....	60
<b>Chapter 6 Humanitarian assistance .....</b>	<b>61</b>
Consultation is key to ensuring wide buy-in to the new humanitarian framework .....	61
Building strategic partnerships should now be a priority .....	63
Maximising impact of the humanitarian budget will require clearer allocation criteria.....	64
Refine delivery procedures and mechanisms so they are fit for purpose.....	65
Future considerations.....	66
<b>Annex A Progress since the 2006 DAC peer review recommendations .....</b>	<b>69</b>
<b>Annex B OECD/DAC standard suite of tables.....</b>	<b>75</b>
<b>Description of key terms .....</b>	<b>83</b>
<b>Bibliography.....</b>	<b>85</b>
<b>Tables</b>	
Table 1. Greece's priority regions and countries according to the draft 5-year programme.....	26
Table 2. The building blocks for policy coherence for development in Greece, 2006 - 2011 .....	32
Table B.1. Total financial flows.....	75
Table B.2. ODA by main categories .....	76
Table B.3. Bilateral ODA allocable by region and income group .....	77
Table B.4. Main recipients of bilateral ODA .....	78
Table B.5. Bilateral ODA by major purposes .....	79
Table B.6. Comparative aid performance .....	80
<b>Figures</b>	
Figure 1. State budget allocated to DG Hellenic Aid 2007-2010, USD million.....	37
Figure 2. Share of bilateral aid disbursed by Greek Ministries, 2007 - 2009 (%) .....	39
Figure 3. Top 20 recipients of Greek humanitarian assistance 2006-2010.....	63
Figure B.1. Net ODA from DAC countries in 2009 .....	81
<b>Boxes</b>	
Box 1. Good practice: Greece's lead role in MED EUWI.....	17
Box 2. Key points of the draft law, "International Issues of International Development Co-operation and Humanitarian Aid" .....	22
Box 3. Managing Greece's immigration challenge with an eye on development .....	34
Box 4. Current organigramme of DG Hellenic Aid.....	48
Box 5. Good practice example: Greece's lead role in MED EUWI .....	57
Box 6. Humanitarian preparedness and response through Greece's civil protection mechanism.....	62

## Acronyms

AAA	Accra Agenda for Action
BSEC	Organisation of the Black Sea Economic Co-operation
CERF	Central Emergency Response Fund
DAC	Development Assistance Committee
DESDAP	Inter-ministerial Committee for Co-ordination of International Development Policy
EC	European Commission
ECB	European Central Bank
EU	European Union
EOSDOS	Inter-Ministerial Committee for the Organisation and Co-ordination of International Economic Relations
FYROM	The Former Yugoslav Republic of Macedonia
GNI	Gross national income
HIPC	Highly indebted poor countries
HiPERB	Hellenic Plan for the Economic Reconstruction of the Balkans
IMF	International Monetary Fund
JHET-SDRU	Joint Hellenic Turkish – Standby Disaster Response Unit
LDCs	Least developed countries
MEECC	Ministry of Environment, Energy and Climate Change
MDGs	Millennium Development Goals
NATO	North Atlantic Treaty Organisation
NGO	Non governmental organisation
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
OSCE	Organization for Security and Co-operation in Europe
SME	Small and medium size enterprise
UN	United Nations
UNDP	United Nations Development Programme
UNWRA	United Nations Relief and Works Agency
USAID	United States Agency for International Development

### Signs used

EUR	Euro
USD	United States Dollar
-	(Nil)

### Notes on data used

Slight discrepancies are due to rounding.

### Exchange rates (EUR per USD):

2007	2008	2009	2010
0.7305	0.6933	0.7181	0.7550





## The DAC's main findings and recommendations

### Overall framework for development co-operation

#### *A good time for reform but Greece needs to ensure reform is implemented*

**Key findings:** Greece lacks a modern legal and strategic framework to create a sound basis for its development cooperation, reduce fragmentation and increase the effectiveness of its aid. To address this, Greece has prepared new legislation and a five-year programme. These draft documents need to be further refined to ensure that the reform is specific, effective and follows international best practice. Greece will need to secure broad cross-government and cross-party ownership and political backing to ensure approval, implementation and sustainability for the projected legislative, institutional and programmatic reforms.

**Recommendation:** To build a sound basis for a new, effective aid system and programme, Greece should:

- Secure broad backing and ownership of the reform of Greek development co-operation by consulting across the administration and with government, parliament and civil society. This should help the approval and implementation of the reform.
- Include the recommendations of this peer review in the draft legislation and five-year programme to ensure a strong and sound basis for the reform and its implementation.
- Ensure that the reform is adopted and effectively implemented.

The reform proposals for development co-operation are outlined in (i) a draft law to modernise the legal framework and overall objectives of Greek development co-operation; and (ii) a draft presidential decree to modernise the organisation and administration of the General Directorate for International Development Co-operation (referred to here as DG Hellenic Aid) in the Ministry of Foreign Affairs (MFA). DG Hellenic Aid is also preparing a five-year programme for development co-operation (2011-2015) to guide the planning and implementation of its development co-operation policies and commitments. The five-year programme will be approved after the new legislation comes into force. The timing of the 2011 peer review is recognised by Greece as an opportunity to integrate the recommendations of the review into the draft documents. The proposed reform, once it is implemented, should also address most of the 2006 peer review recommendations. It is crucial that, once adopted, the legislation and policy are put into practice and bring about needed changes to making Greek development aid more effective.

To be implemented successfully, the reform of Greek development co-operation must be debated and endorsed across the administration and at the highest political level (*i.e.* parliament and the Council of Ministers). It is crucial that all development actors have ownership of the reform. Cross-government and cross-party political backing are the best

guarantee of stable political and legislative support for the reform and the development programme in the long term. To help achieve this, it is important to have sustained political support at high level to ensure the reform is passed, provide accountability and win support from government, parliament, other actors and the public.

***Ensuring that law and policy apply to all entities involved in Greek development co-operation***

**Key findings:** Greece’s development co-operation involves several ministries and development actors which appear not co-ordinate their action. While the draft law and the five-year programme seek to create a coherent and unified development co-operation system and policy, they do not completely ensure that all institutional players are obliged to work within the new common framework or are accountable for following the vision and policy. This must be addressed if all Greek aid is to be coherent, efficient and effective.

**Recommendation:** To achieve a unified, coherent and effective development co-operation system and programme, Greece should:

- Apply the principles and policy priorities outlined in the new law and draft programme to all actors of Greek development co-operation – *i.e.* activities financed through the Ministry of Foreign Affairs’ (MFA) development budgets and through the separate budget lines of other ministries - and make all institutional players accountable.
- Formalise the proposed new inter-ministerial committee for co-ordinating international development policy; make membership by key line ministries mandatory, and outline rules of procedure and accountability mechanisms.
- Make the five-year programme, to be approved by the Council of Ministers, the binding government-wide medium-term strategy for development co-operation planning and implementation.
- Ensure that all relevant ministries are engaged in the finalisation and monitoring of the current draft five-year programme through the inter-ministerial committee, under DG Hellenic Aid’s leadership. Engage all relevant ministries and development actors early in the process of designing future five-year programmes.
- Ensure that DG Hellenic Aid has the authority and capacity to take the lead in aid policy making, co-ordination, planning, implementation, monitoring and evaluation.

The current inter-ministerial committee for organising and co-ordinating international economic relations (EOSDOS) is the main forum for co-ordinating development co-operation and promoting coherence and synergies among the development activities of the various official players. However, it falls short of achieving this, as its membership is not formalised and meetings concentrate on information sharing. The DAC therefore supports the plans to upgrade and strengthen this committee in the draft law to make it a strong co-ordinating body for all of Greece’s development co-operation. The new committee should meet regularly at both technical and political levels to design a common programme with clear priorities and objectives, define the best channels for aid, monitor the development programme regularly to ensure it is being implemented and is achieving the expected results, and serve as a forum for common accountability for development results.

The MFA, through DG Hellenic Aid, has the legal mandate for development co-operation policy making, strategy, planning, implementation, monitoring and evaluation. However, it does not have authority or influence over other activities financed by about 14 Greek ministries through their own budget lines. Although the draft law aims to strengthen DG Hellenic Aid's role in all aspects of Greek development co-operation (article 10), it does not give it the authority to ensure that other line ministries pursue the same policies and objectives. The law ought to: (i) apply to all ODA activities, including those of line ministries and other public entities allocating resources to development co-operation; (ii) require these entities to be transparent and accountable for their contribution to development results; and (iii) clarify that DG Hellenic Aid is responsible overall for the aid programme.

According to DG Hellenic Aid, the five-year programme, as currently drafted, will provide the strategic framework for delivering aid and contributing to the MDGs. It is important that all Greek parties that provide official development assistance are involved in the design of the five-year programme and use it as the basis for their planning and reporting to make Greek development aid more predictable, effective and efficient. Having the programme approved by the Council of Ministers should ensure that the five-year programme is binding on all public development actors. Clear responsibilities within ministries need to be established for monitoring implementation.

The five-year programme should be a practical, common tool that sets out the objectives and the concrete ways of delivering aid by identifying priority sectors and countries, the best channels for implementation among the different development actors (institutional, multilateral or civil society), and mechanisms for monitoring progress and measuring impact.

### **Promoting development beyond aid**

**Key findings:** *Greece is already bound by its EU commitments on policy coherence for development. However, none of the building blocks for policy coherence (political commitment, co-ordination mechanisms, monitoring systems) are in place and the draft law and five-year programme do not specify clearly the objectives and mechanisms for ensuring that policies across all Greece's government departments are coherent with development goals.*

**Recommendation:** To ensure that all government policies support, or at least do not undermine development objectives, Greece should:

- Make a clear commitment in the law and five-year programme to ensuring that domestic and international policies are coherent with its overall development goals. Outline clear priorities for coherence for development based on the EU programme, as well as steps for achieving these priorities.
- Ensure that the new law clearly mandates the inter-ministerial committee to scrutinise domestic, foreign and EU policy proposals for their impact on development and to monitor and report on the impact of incoherence in Greek policies on developing countries.
- Reinforce DG Hellenic Aid's role and capacity to support the inter-ministerial committee, and to promote and build awareness of policy coherence for development across the administration, parliament and Greek society.

Given that many policy decisions affecting global development are taken in Brussels, Greece – like other EU member countries – emphasises the need for EU policies that are coherent with development goals. Greece can build on its efforts and reporting on EU policy coherence for development commitments. Greece intends to place greater

emphasis on policy coherence for development in its five-year programme. Although the draft law mandates the inter-ministerial committee to examine non-development policies for their coherence with development objectives, Greece should make a clear commitment to policy coherence for development in the draft law and five-year programme. The policy coherence work done on immigration, environment and climate offers a good model for the type of government-wide mechanisms Greece needs to put in place as part of its current efforts to reform development co-operation.

Greece needs to put in place the three building blocks for policy coherence: (i) political commitment for policy coherence; (ii) policy coherence co-ordination mechanisms; and (iii) monitoring, analysis and reporting systems for policy coherence. A first inter-ministerial discussion on setting a framework for policy coherence for development has taken place. As in other DAC member countries it is important to build understanding among policy makers of the concept of policy coherence for development. The minister in charge of development co-operation and DG Hellenic Aid can raise awareness within the MFA, line ministries and parliament. Given DG Hellenic Aid’s limited human resources, Greece should explore what practical avenues exist for enhancing the administration’s policy coherence monitoring and analytical capacity.

## Aid volume and allocation

### *Maximising the value of Greece’s aid through strategic budgeting and programming*

**Key findings:** *Development expenditure of all development actors is hard to identify in the state budget, thus making the visibility, planning and monitoring of ODA difficult. By putting in place mechanisms for strategic budgeting and programming in its proposed reform Greece aims to lay sound foundations for managing and using resources effectively. The allocation of aid resources needs to be strategic and predictable, in line with the new development policy, and put greater emphasis on development results.*

**Recommendation:** To allocate its aid resources strategically, and to maximise the overall value of these flows, Greece should:

- Move to programmatic aid budgeting through multi-year planning, with indicative budgets proposed annually by the inter-ministerial committee.
- Identify all ODA expenditures, including those from line ministries’ budgets, in the state budget.
- Ensure that all development aid is planned and disbursed in the framework of the five-year programme, and responds to identified expected results.

Greece is a relatively small DAC donor which faces severe challenges in meeting international aid commitments. Its official development assistance (ODA) thus amounted to USD 508 million in 2010 – a ratio of ODA to gross national income (GNI) of 0.17%. Greece did not meet its international aid commitment of giving 0.5% of its GNI as aid in 2010. In light of the state of its public finances, Greece is unlikely to meet the 2015 target of 0.7%. However, the DAC encourages Greece to continue reforming its development co-operation system so that current aid resources are programmed and managed efficiently and effectively, delivering quality assistance and building sound systems for delivering an increased aid budget when the economy recovers.

Greece’s annual aid budget, which at present is planned and disbursed by several ministries, needs to be strategic and better planned. Between 2007 and 2009 less than one-fifth of Greece’s bilateral aid was allocated by the MFA/DG Hellenic Aid.

Development aid expenditures by line ministries are usually only calculated at the end of the financial year when they submit statistical reports to DG Hellenic Aid. There is scope for increasing the predictability, management and visibility of Greece's aid budget, especially through strategic planning and programming and by allowing DG Hellenic Aid to oversee a greater share of the development assistance budget through the inter-ministerial committee. The five-year programme should be a tool for common budget planning and setting of expected results. In the context of the general reform of Greece's budget procedures, it would be helpful if the aid disbursed by line ministries was clearly identified in the state budget. MFA plans to identify all development aid expenditures in the state budget, as well as projected multilateral contributions by line ministries for the duration of the five-year programme. This is a necessary step. Like other DAC members, DG Hellenic Aid should be able to commit to multi-year projects or programmes, with a caveat indicating that they are subject to annual appropriations in the state budget.

***Focusing and rationalising: larger programmes, fewer priority countries***

**Key findings:** *Greece's aid is allocated to many beneficiary countries, through many implementing partners, and to many small projects, including a large number of scholarships. This reduces the impact and focus of Greek development aid. Greece can improve on that by allocating a larger share of its aid budget directly to a limited number of partners, priority countries and programmes, in line with aid effectiveness principles.*

**Recommendation:** To focus its aid and make it more effective, Greece should:

- Concentrate its bilateral aid on a limited number of priority countries, based on strategy papers commonly agreed with the partner country. It should also reduce the number of projects it funds in these countries, so it can increase the funding allocated to a few strategic programmes.
- Evaluate whether and how a scholarships programme can contribute to strengthening capacity building in developing countries.
- Rationalise the aid channeled through multilateral agencies and NGOs by supporting fewer partners and larger programmes.
- Limiting the range of sectors and sub-sectors that Greece will support, being clear how they relate to the overall policy priorities and Greece's comparative advantages in development co-operation.

Currently only a small proportion of Greece's total ODA, mainly the budget that is managed by DG Hellenic Aid, can be used to finance bilateral programmes and projects (12% of bilateral aid and 6% of ODA in 2009). Most of Greece's bilateral aid is spent on technical co-operation - imputed student costs, scholarships – and refugee costs. The MFA's decision to suspend new scholarships is an opportunity to evaluate the impact and relevance of any future scholarship programme. Other ministries extending similar scholarships should also review and evaluate their programmes. While the share of Greece's development aid is not likely to increase in the near future, DG Hellenic Aid can maximise the value of its existing resources by focusing on fewer priority countries (ideally no more than ten, based on the experience of other similar sized donors) and supporting larger programmes and joint programmes with other donors, rather than small stand-alone projects. Country strategy papers should be practical tools, based on priority countries' own development strategies, and outline a common programme to meet those needs, based on where Greece's aid can have the most impact, thus ensuring ownership, predictability and effectiveness.

Greece lacks a strategic approach to engaging with its multilateral partners. To address this, Greece needs to define a multilateral policy and strategic frameworks for planning and implementing focused aid that achieves results. A large part of multilateral aid goes to the EU, and the remaining multilateral aid is spread over a number of agencies. Greece should assess the comparative advantage of the various multilateral actors, based on multi-donor assessments as much as possible, and select a few to support in a strategic and programmatic way.

DG Hellenic Aid is currently clearing a backlog of 200 NGO projects. It needs to learn lessons from this process to assess how it has worked with NGOs in the past and what development results have been achieved through this channel. Greece has drafted an NGO policy which includes stricter criteria for selecting partner NGOs. Aid allocations to NGOs should reflect clear objectives outlined in the new NGO policy and could be based on results-oriented multi-annual partnerships with a few trusted NGOs rather than through the general calls for proposal approach.

### **Organisation and management: the need for thorough review and reform**

#### ***Making DG Hellenic Aid fit for purpose***

**Key findings:** *The current organisation of DG Hellenic Aid makes it ill-suited to manage development aid effectively and to lead the enhanced Greek development aid system planned in the draft law and five-year programme. There is no evaluation function. DG Hellenic Aid needs to be restructured to allow for a more programmatic and results-based approach as well as a culture of co-operation and evaluation.*

Recommendation: To make DG Hellenic Aid fit for purpose, Greece should:

- Restructure DG Hellenic Aid to make it simpler and flatter, with fewer directorates and larger teams focusing on key functions such as policy, programming and corporate processes.
- Use a new business model for delivering aid and limit calls for proposals to specific, targeted programmes. The line ministries that are to be implementing agencies should be identified through the five-year programme and in the country strategy papers. The country strategy papers, agreed together with the partner countries, should be the basis for delivering Greece's bilateral aid.
- Create a culture of results, monitoring and evaluation, by updating and rationalising DG Hellenic Aid's procedures and creating an evaluation function following international standards.

The draft presidential decree plans to redefine DG Hellenic Aid's organisational structure so that it can deliver aid in line with the priorities of the draft law. The new structure should address the fragmentation that is found throughout the Greek administration: small general directorates, each having several sections headed by a director and with just one or two people working in them. The DG's new structure should be simpler, less hierarchical and focused on key functions, lifting barriers to co-operation. Units within the DG Hellenic Aid need to be of a critical size to be efficient and there should be a flatter management structure with fewer managers. DG Hellenic Aid is encouraged to assess the efficiency of its working procedures using an approach like workflow analysis. This will also help in building a case to put to the political leadership and parliament for rationalised bureaucratic procedures and a greater emphasis on results.

DG Hellenic Aid needs to focus on managing for results. It is aware that it needs to move away from general annual calls for proposals to a new business model based on meeting partner country priorities through a few high-impact programmes. In light of this, the draft law and presidential decree propose having regional and bilateral agreements on development co-operation as well as general and specialised calls for proposals. The DAC urges Greece to use the country strategy papers as the basis for planning and delivering its five-year programme in priority countries. These country strategy papers should be prepared in consultation with priority countries and build on country analyses by the recipient country or other donors. They should include all official Greek development activities, have multi-annual indicative budget plans, identify the most appropriate channels (including line ministries) and make full use of a range of aid delivery approaches. The five-year programme should establish the line ministries' role as strategic partners. Under these partnerships, the implementation of specific activities should be covered by country strategies and should not require the line ministry to go through a call for proposals. Greece should also consider a clear delegation of authority to embassies in priority countries for implementing projects and programmes.

The draft law and presidential decree provide for a much-needed evaluation function. When outlining the role and responsibilities of this function, Greece should draw on international good practice (following DAC guidelines) and on the experience of other DAC donors. Once the function is established, it should promote a culture of learning, monitoring and evaluating throughout the aid system.

To make the system more coherent, DG Hellenic Aid is encouraged to take the initiative in continuing to develop a culture of collaboration and trust among key institutional players and relevant NGOs. This will require backing from the MFA political leadership and senior management. Recent decisions taken at DG Hellenic Aid show that it can change how it manages aid and can achieve results through pragmatic measures by the inter-ministerial committee (e.g. multilateral mapping) and within DG Hellenic Aid (e.g. stopping calls for proposals in 2009, 2010 and 2011).

### ***Establishing a cadre of development professionals in DG Hellenic Aid***

**Key findings:** *DG Hellenic Aid finds it difficult to acquire and retain a cadre of development professionals in a system that is not geared for such staff management. Recruiting specialist staff is not currently a viable option, given budget constraints. For DG Hellenic Aid to play a leading role in Greek development co-operation and ensure high quality aid, it is crucial that it maintains a professional staff with expertise in and knowledge of development co-operation issues. DG Hellenic Aid therefore needs to identify ways to ensure a more strategic human resources management.*

Recommendation: To improve development co-operation capacity and expertise despite DG Hellenic Aid's constrained context, Greece should:

- Promote development co-operation as a career path, and allow staff with an interest and competence in development to have longer-term assignments at DG Hellenic Aid and be posted to embassies in priority countries which are implementing projects and programmes.
- Invest in regular staff training on key aspects of managing development co-operation, in line with international best practice. Use training already provided by other donors, organise exchanges of staff with line ministries and other donors and use outside expertise (i.e. from civil society) where possible.
- Recruit staff to DG Hellenic Aid based on clear development competencies and specific job descriptions.

The MFA and DG Hellenic Aid need to manage human resources more strategically, build a cadre of development professionals and create a culture of staff performance evaluation. The constraints of the general civil service structure and diplomatic careers make it difficult – but not impossible – to attract, create and retain tailored expertise in development co-operation in DG Hellenic Aid. The DG should define job descriptions and staffing requirements to guide and influence the MFA’s personnel decisions at headquarters and in priority country embassies. This will ensure that staff with development co-operation expertise remain in the development system for as long as possible. In-house training should be organised, and wherever possible partnerships for exchanging knowledge and expertise should be sought outside DG Hellenic Aid – with line ministries, civil society or other donors.

### More effective aid and achieving results

#### *Delivering more aid according to aid effectiveness principles*

**Key findings:** *Greece faces challenges in implementing its commitments to delivering more effective aid as it lacks a co-ordinated and systematic approach to the implementation of its international commitments. However, there is scope for learning from successful initiatives, such as the Mediterranean component of the EU Water Initiative.*

**Recommendation:** To deliver on its commitments to deliver aid following the principles of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, Greece should:

- Use the five-year programme as the basis for implementing the Paris and Accra principles and collaborate with line ministries in identifying common objectives and for monitoring progress.
- Employ a range of different ways to implement activities, including programme-based approaches and co-ordinated arrangements with other donors.
- Promote a culture of results orientation by planning, implementing and monitoring for results.
- Formulate priority country strategies in consultation with partner countries and other donors to foster ownership and alignment.

Staff from across the administration seem to be aware of Greece’s commitment to make aid more effective, but there is no strategic approach to allow all actors to implement these commitments. The changes proposed in the draft law, presidential decree and five-year programme are underpinned by the aid effectiveness principles of ownership, alignment, harmonisation, results and mutual accountability. The sooner Greece approves the new institutional and strategic framework, the sooner it can start in earnest to implement the Paris and Accra commitments. Clear guidance is needed on how to formulate country strategies in a way that achieves partner country ownership, donor harmonisation through consultation, and alignment through implementation.

Greece has made efforts since the last peer review to make its aid more effective by contributing to pooled funds and trust funds and through silent partnerships. Its role as the lead country for the Mediterranean Component of the European Water Initiative (MED EUWI) shows that Greece is capable of supporting long-term comprehensive



programmes which build institutional capacities in line with international good practice and which use a small aid budget to catalyse development (Box 1). It is also positive that article 6 of the draft law states that bilateral co-operation can be provided as budget support, through co-financing or delegated co-operation. Greece should systematically look for opportunities for working with other donors in delivering its development aid, especially given the limitations of its own human and financial resources.

### Box 1. Good practice: Greece's lead role in MED EUWI

The Mediterranean component of the EU Water Initiative (MED EUWI) aims to help developing countries to meet the water-related Millennium Development Goals (MDGs) and World Summit on Sustainable Development (Johannesburg) targets. The Government of Greece (Ministry of Environment, Energy and Climate Change and the Ministry of Foreign Affairs) has taken the lead in MED EUWI since it was launched in 2003. MED EUWI has several strengths and is achieving results. This programme offers a good model of how Greece can contribute to the MDGs and provide development co-operation in line with good practice for effective aid through:

- **Comparative advantage:** Greece adds value to its small budgetary contribution (EUR 100 000 per year with additional project financing from DG Hellenic Aid's budget) by providing demand-driven, relevant technical expertise in the Mediterranean region. Political support for this co-operation is easily won and sustained in Greece because good water management is a shared concern for all Mediterranean countries. However, DG Hellenic Aid should include project financing related to MED EUWI in the overall programme rather than processing project proposals through the annual call for proposals.
- **Predictability:** Greece has been committed to MED EUWI over the long-term (since 2003 and is involved in activities running up to 2017 (e.g. Egypt's National Water Resources Plan 2017).
- **Mutual accountability:** For example, Greece's contribution to the MED EUWI Egypt Dialogue is included in a protocol signed by Greece and Egypt during the Bilateral Ministerial Committee on Economic and Technical Co-operation in 2006.

## Towards better humanitarian donorship

### *Ensuring a strategic and widely-owned humanitarian framework*

**Key findings:** Greece does not yet have an overall clear definition of its humanitarian goals; however, it is developing a new humanitarian framework. This provides a much-needed opportunity to narrow and deepen Greece's humanitarian strategy, and back it up with an effective law that will support constructive humanitarian programming into the future.

**Recommendation:** To promote more coherent and strategic programming, Greece should finalise its legal framework and cross-government strategic plan for humanitarian assistance. This will also require:

- Stronger links with overall Greek development priorities and a better reflection of Greece's comparative advantage.
- Continued formal legal recognition of the Good Humanitarian Donorship principles.
- Coherence with Greek development programmes, country strategies and operations.

Greece is currently mapping out its future strategic focus in a new humanitarian framework. It should use this opportunity to narrow and deepen its humanitarian portfolio, ensure compliance with the Principles of Good Humanitarian Donorship, and provide humanitarian assistance in ways that support recovery and longer-term development. Wide participation of partners and cross-government consultation will be critical in ensuring that the new humanitarian framework is realistic, inclusive and widely owned.

***Making systems, procedures and partnerships fit for purpose***

**Key findings:** *Greece's systems, operational capacity and partnership processes need to be streamlined and updated if they are to support properly strategic humanitarian programming.*

**Recommendation:** To support its new humanitarian framework and deliver coherent programming, Greece should:

- Streamline procedures for working with NGOs and other donors, develop strategic partnerships with key operational actors, and deliver more flexible and predictable funding.
- Develop a coherent and transparent system for monitoring programme results and learning lessons.
- Outline clear criteria and guidelines for Greek in-kind aid.

Greece will need to strengthen its partnerships with key multilateral organisations and NGOs as it rolls out its new humanitarian framework. Future partnerships and funding should be more predictable and flexible. Streamlining funding procedures for NGO partners remains an important priority. Speeding up the approval process for emergency fundraising campaigns by Greek NGOs will boost their ability to collect and use funds from the public.

Greece intends to make a sizeable contribution to humanitarian programming under its draft legislation, and it will be critical to demonstrate clear results to the Greek taxpayer on the use of these funds. Greece recognises that its accountability procedures for humanitarian assistance are cumbersome, especially for NGOs, and need to be significantly streamlined.

In-kind aid has been the most common Greek response to sudden-onset emergencies, and Greece must now determine what role this type of aid will play in its future programme. In doing so, Greece should ensure that good practice on in-kind aid is followed.

The new cross-government co-ordination mechanism for in-kind aid could serve as a useful model for wider co-ordination on humanitarian issues. Existing civil-military co-ordination structures seem to work well.

If embassy staff are to support the new humanitarian strategy, they will need to be sufficiently trained and equipped to perform their role effectively.

## Secretariat Report

### *Chapter 1* Strategic orientations

#### **A good time for reform**

This review comes at a critical time for Greece's economy. As stated in the OECD Economic Survey of Greece (OECD, 2011i:11) Greece is in a serious recession and is taking strong action to deal with its most serious post-war economic crisis. In 2009, the fiscal deficit ballooned to over 15% of gross domestic product (GDP) reflecting uncontained spending, a collapse in tax revenues and the onset of a recession, while public debt reached 140% of GDP in 2010 (*ibid*). Greece has embarked on an ambitious adjustment programme with the financial support of the European Union, International Monetary Fund and European Central Bank (together referred to as the “troika”). This programme envisages a sizable fiscal consolidation, cuts in real wages and fundamental structural reforms, both in the public sector and in product and labour markets. While the OECD states that the reforms carried out by Greece since 2010 are impressive, the outcome depends on a host of economic and political factors (OECD, 2011i), and “this long overdue reform programme will have long-term benefits despite the short-term costs. Greece needs to modernise its economy by adopting structural reforms that move its public sector and labour and product markets closer to international best practice. Waste of public resources must end... public services need to improve and confidence needs to be restored between the Greek citizens and their government” (*ibid*).

The peer review also coincides with an important moment for Greece's development co-operation programme, as the country plans to reform the legislative, institutional and organisational framework of its development co-operation, against the broader national backdrop of public sector reform. The peer review team welcomes the Greek Ministry of Foreign Affairs' (MFA) initiative in seizing current opportunities to re-build the foundations of Greek development co-operation. The reform proposals for development co-operation are outlined in (i) a draft law to modernise the legal framework and overall objectives of Greek development co-operation (Box 2 and MFA, 2011b); and (ii) a draft presidential decree (MFA, 2011c) to modernise the organisation and administration of the General Directorate for International Development Co-operation (referred to here as DG Hellenic Aid) in the Ministry of Foreign Affairs (Chapter 4). DG Hellenic Aid is also preparing a five-year programme for development co-operation (2011-2015) to meet global challenges and to guide the implementation of its development co-operation

policies and commitments (MFA, 2011d).<sup>1</sup> The five-year programme will be approved after the new legislation comes into force.

We see the draft law, draft presidential decree and draft five-year programme as a new and positive departure point for Greek development co-operation. Clearly these draft proposals must be approved by parliament and the government in order for Greece to move forward in turning the proposals into reality. Their adoption will be an important first step that needs to be followed by short, medium and long term measures to ensure the system delivers better results and impact in the field.

According to the Ministry of Foreign Affairs (MFA), the draft legislation will be submitted to the parliament once a review of the statistical data on flows through the NGOs is completed (in co-operation with an external accountant). This review is expected to be finalised before the end of 2011, and the dialogue with the parliament is expected to start around March 2012. The five-year programme is to be approved by the Ministerial Council once an extensive audit and control of approximately 200 development co-operation projects, approved by the DG Hellenic Aid between 2002 - 2008, is completed (in approximately 8-12 months) (Chapter 4). This will enable DG Hellenic Aid to concentrate on establishing a modern aid programme for the future, building on its own experiences and those of other donors.

### ***Essential drivers of successful reform***

#### *Transparency, efficiency and sustainability*

The emphasis placed on the principles of transparency, efficiency and sustainability by the Deputy Minister of Foreign Affairs (also in charge of development co-operation)<sup>2</sup> and his staff at DG Hellenic Aid is welcome.<sup>3</sup> These principles should be kept in mind when focusing and re-organising Greek development co-operation.

#### *Political will and support*

To be successful, the reform of Greek development co-operation must be debated and endorsed at the highest political level (parliament and the Council of Ministers). Having a political champion who carries forward the development co-operation reform and implementation, wins political support from government and parliament and provides accountability has proven beneficial in other donor systems, and can likely help Greece as well.

### ***How can this peer review help?***

The Greek authorities are looking to this DAC peer review for guidance on international best practice on which they can found a quality development co-operation programme. It is essential that the draft law, presidential decree and five-year programme

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1. It should be noted that Greece has not approved a new five-year programme for development co-operation since 2006.
  2. A new Deputy Minister of Foreign Affairs with competence for development co-operation was appointed in July 2011 following the May cabinet re-shuffle.
  3. The former Deputy Minister described his vision for Greek development co-operation as follows: “In five years’ time the development co-operation system is working towards a common goal and Greece supports a ‘healthy’ programme of bilateral and multilateral projects looking at aid as investment and achieving results.”

are reviewed by and discussed with, those separate key line ministries which have their own development co-operation activities (see Chapter 3), civil society and the public before going to parliament and the Ministerial Council. DG Hellenic Aid gave the peer review team full access to the three draft documents, has updated the team regularly on amendments to the drafts, their status and other changes regarding Greek development co-operation, and expressed its readiness to take into account the recommendations of the peer review in finalising these three draft documents. They are analysed and referred to throughout this report. The peer review team did not visit a partner country, but undertook two missions to Athens in recognition of the special and dynamic circumstances in Greece.

Several of the reform proposals outlined in the draft law, presidential decree and five-year programme reflect recommendations made in the 2006 peer review, most of which remain valid (Annex A), especially to ensure that the new strategy for development co-operation contains a clear medium-term framework outlining country and sector priorities and allocation among aid channels.

### **Modernising Greek development co-operation**

Research into development co-operation has taught us that “good legislation is transparent, clearly establishes the responsibilities of government entities involved in development co-operation, and makes them accountable. Legislation is an effective framework for establishing priorities and objectives for assistance, and can also protect the aid programme from competing interests that work against development objectives. At the same time, exhaustive legislation on development assistance can hinder efficiency, especially if laws are not updated regularly” (OECD, 2008d).

Greece needs modern and flexible legislation if its aid and development co-operation is to achieve the development objectives of its partner countries, including the Millennium Development Goals (MDGs). In creating an improved development cooperation system for Greece, the new law should provide a clear institutional framework, outline the long-term goals of Greek development co-operation and unify a fragmented development co-operation system. It should explain the roles of the different Greek development actors and their relationships, set up coordination mechanisms with clear mandates and membership and operational rules, as well as mechanisms for reporting and accountability to parliament.

In its present draft, the new law (Box 2) presents the priorities and principles of development policy, and identifies DG Hellenic Aid as the competent development and humanitarian agency. However, although the draft law aims to strengthen the MFA’s co-ordination, policy, monitoring, control and evaluation role for all aspects of Greek development co-operation through DG Hellenic Aid (article 10), it does not make provisions to ensure that other line ministries pursue the same policy and objectives. For example, while the draft law states that other line ministries are responsible for implementing, monitoring and auditing programmes financed through DG Hellenic Aid’s budget and that there will be a project financing contract with DG Hellenic Aid (article 15), no reference is made to the activities financed through other budget lines (Chapter 3). In order to modernise Greek development co-operation, the draft law ought to be amended to:

1. cover line ministries and other public entities allocating resources to development co-operation;
2. require them to be transparent and accountable for their contribution to development results;
3. clarify that these ministries and public entities should consult with DG Hellenic Aid when designing their own development co-operation projects, and consider requiring these projects to be reviewed by a programme evaluation and review committee. In practice, this could happen through the common design and implementation of the five-year programme;
4. in order for the law to remain relevant over time, it should not address specific instruments of planning or implementation such as country strategy papers.

A positive step is the proposed creation of a National Advisory Committee for Development Co-operation (draft law, article 12). Such committees can provide useful external, expert advice to the minister, can be sounding boards on developing country and global development challenges, and can act as public advocates for development policy. The law should specify the purpose and mandate of the committee, its composition and the responsibilities and terms of the members, and guide the operations of the committee in order to avoid confusion about the status of the advice it gives.

**Box 2 Key points of the draft law, “International Issues of International Development Co-operation and Humanitarian Aid”**

- **Sets out clear priorities** for development which aim to combat extreme poverty and hunger, poor health and education, including illiteracy in line with the MDGs. The three cross-cutting priorities are environment and climate change; good governance, democracy and strengthening institutions; and gender equality (article 3, para 2).
- **Recognises the good humanitarian donorship principles** (article 4 on humanitarian policy).
- **Includes sound principles:** transparency of aid flows, aid effectiveness, sustainability, and ensuring compatibility with national priorities (understood as those of partner countries); focusing on a few priority countries and sectors; partnerships with countries; effectiveness of humanitarian and development assistance; and publicity and promotion of development co-operation activities (article 3, paras 3 and 4).
- **Identifies implementing partners:** partner country governments, international organisations, other donors, Greek public sector organisations, NGOs and the private sector (article 3, para 5).
- **Makes the MFA responsible** for supervising and co-ordinating development and humanitarian actions (article 5), and DG Hellenic Aid responsible for planning and formulation of the development strategy.
- **Stipulates the purpose of the five-year programme, which is** to identify specific priority sectors, regions and countries and enhance effectiveness and planning (article 5).
- **States that strategy papers should be drafted for priority countries and regions and, in addition, allows for “regional and bilateral state agreements of development co-operation”** (article 6).

*Source:* MFA (2011b), *Draft Law, Regulation of International Issues of International Development Co-operation and Humanitarian Aid*, Ministry of Foreign Affairs, DG Hellenic Aid, Athens, translated from the Greek language, unpublished.

## Co-ordinating a complex set of institutional players

Since 2000, the inter-ministerial committee for international economic relations (EOSDOS), chaired by the Minister of Foreign Affairs, co-ordinates development policy, and most of the line ministries participate in the inter-ministerial committee. Approximately 14 Greek ministries are involved in development co-operation, which they finance through their own budget lines. The main institutional players in terms of official development assistance volume, both bilateral and multilateral, are the ministries of economy and finance; foreign affairs; national defence; national education and religions; and the interior (Chapter 3). Having so many ministries involved and managing separate aid activities makes co-ordination and the achievement of more integrated policies rather difficult. In addition, each line ministry has primary authority over its own budget line.

Enhancing the role of the inter-ministerial committee as proposed in the draft law as well as adopting a common five year development co-operation and assistance programme (2011-2015) is crucial for co-ordinated development co-operation. The draft law (article 9) upgrades the current inter-ministerial committee (EOSDOS) and renames it as the Inter-ministerial Committee for Co-ordination of International Development Policy (DESDAP). According to the draft law, DESDAP would be responsible for planning and approving national development co-operation policy and strategy (five-year programme), and would be convened by the Minister of Foreign Affairs twice a year for exchanging information between all public sector bodies implementing development co-operation policy. It is important that membership of DESDAP is formalised by the law and participation mandatory. By formalizing membership, Greece will give a stronger mandate to line ministries to actively participate in policy and strategy and be accountable for applying the strategy to their own expenditures on development co-operation. The peer review team agrees with the proposal in the draft law that the formal members of the committee should meet regularly at the political and technical levels. It will also be important, whether by law or presidential decree, for the committee to have a clear mandate for its members, rules of procedure, accountability mechanisms and deadlines for action.

By law,<sup>4</sup> the Ministry of Foreign Affairs – through DG Hellenic Aid – is, and is expected to continue to be, the competent body for development co-operation strategy, planning, implementation, monitoring and evaluation. There is ample scope for DG Hellenic Aid to play a stronger role in leading co-ordination and ensuring a common culture of co-ordination, co-operation and information sharing. It should continue to strengthen this role while waiting for the reform proposals to be approved and after that also.

## Transforming the five-year programme into a whole-of-government strategy

According to DG Hellenic Aid, Greece's draft five-year programme (2011-2015) for development co-operation will provide the strategic framework for delivering aid and contributing to the MDGs. The peer review team believes the five-year programme has the potential to become a government-wide strategy for development and humanitarian assistance. Greece's memorandum to the DAC states that "all Greek parties involved in providing aid should use the five-year programme as the basis for their planning and reporting on progress." (MFA, 2011d). However, these parties, understood as government

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4. Law 2731/1999 and Presidential Decree 224/2000.

departments, need to own the programme if they are to use it as intended. DG Hellenic Aid should ensure that there is a wide consultation process with other ministries, civil society organisations and the public on policy where all interested parties can provide input. Also, the new law needs to stipulate that the programme will be approved by the Council of Ministers. A parliamentary debate could prove valuable in helping raise awareness of the strategy and possibly parliamentary support to implement it.

### ***Suggestions for improving the draft five-year programme***

To use the five-year programme to make Greek development co-operation unified and predictable for partners over the medium-term and guide aid allocations so that they are focused on getting results, Greece will need to ensure that:

- (i) there is broad ownership of the development strategy among all ministries. In order to ensure that, the future inter-ministerial committee (DESDAP) should hold political and technical consultations before preparing the five-year programme on development co-operation. DESDAP should use its regular meetings throughout the programme's implementation to foster accountability through monitoring and evaluating results. Through consultation, common ground should be found on the strategic priorities for the programme, how the priorities will be achieved and monitored, and how results will be reported. DG Hellenic Aid can learn from other DAC donors who have invested significantly in getting broad ownership of their strategies.<sup>5</sup>
- (ii) The programme should include a chapter on the role and contribution of line ministries in its implementation.

As stated in the OECD Economic Review of Greece “the key to success will be implementation” (OECD, 2011i:8). Greece must therefore ensure that it gives clarity to staff and partners on how programming will adapt to the new strategy and identify goals for results. MFA and other government departments will need to decide which aid channels – bilateral or multilateral – will be most effective for achieving the objectives of the five-year programme; whether aid should be re-allocated from non-priority themes and countries and how; and consider the division of labour among other donors in its partner countries. Greece also needs to analyse the obstacles to implementing the programme successfully and how it will manage these risks. In addition, and as stated in the economic review of Greece (OECD, 2011:13), the government should establish clear responsibilities in ministries for monitoring implementation more closely on the basis of objective indicators. The inter-ministerial committee should follow-up and take decisions on implementation of the programme. An annual action plan for implementation might be helpful in this respect.

### ***Prioritise sectors and countries where Greece can add value***

According to the draft five-year programme, Greece's development co-operation will narrow down into fewer countries and themes, focusing on where it can add value. This is positive and responds to DAC recommendations. The comparative advantages outlined in the draft programme should help Greece decide where to focus its co-operation and build on its expertise. The comparative advantages Greece intends to build on are development

5. For example, Ireland's 2006 *White Paper on Irish Aid* (see OECD, 2009 and [www.irishaid.gov.ie/whitepaper](http://www.irishaid.gov.ie/whitepaper)) and Denmark's 2010 strategy for development co-operation (see OECD, 2011a).



experience; traditional bonds and shared history with neighbouring regions such as the Balkans, Black Sea and North Africa and Middle East; business experience in renewable energy, water resource management, tourism and culture; and expertise in Mediterranean-specific environmental challenges.

Strategic, clear and consistent priorities should drive development co-operation. The priorities outlined in the draft five-year programme are similar to the priorities in operation in 2006 when the last peer review was conducted. These are poverty and hunger, health and education, along with three horizontal priorities (environment and climate change, good governance and gender equality).

Greece will need, once the law is approved, to specify how it will achieve the broad overall objectives that should be outlined in the law. The five year programme should be the instrument for translating these objectives into priorities in terms of countries and sectors and specify implementation. The current draft five-year programme does this to a certain extent, referring, in particular, to the clustering of sectors and sub-sectors as vertical priorities under (i) infrastructure and social services (education, and health care services with an emphasis on immigration – notably new types of partnerships and joint actions between countries of origin and transit (Chapter 2); (ii) economic infrastructure and services, notably improving the business climate, developing entrepreneurship and small and medium enterprises, trade and tourism); and (iii) strengthening the productive sectors at the local level (agriculture, small business, cultural activities). The five year programme should make clear how these priorities relate to the overall objectives in the law and whether there is a hierarchy of the priorities. The peer review team urges Greece to avoid covering a wide range of sectors and sub-sectors in order to retain efficiency gains in key sectors, focus where it can add value, align to partner country demands and to division of labour among donors.

#### *Focusing on a few priority countries with clear objectives*

In line with past peer review recommendations (Annex A), Greece plans to reduce radically the number of its priority countries and increase support to these countries (Table 1). Greece intends to use three criteria to identify priority partner countries. These are similar to those of other DAC members: (i) the quality of bilateral relations between the partner country and Greece (*e.g.*, degree of co-operation occurring over the preceding decade, whether there is a Greek diplomatic mission in the country and political and economic relations between the two countries); (ii) the partner country's need for development assistance (poverty, economic and social development); and (iii) the partner country's readiness/interest in a partnership and its effort in using aid efficiently. Greece should concentrate on a more limited number of priority partner countries than the five-year programme currently suggests, likely no more than ten, looking at the example of other donors of similar size such as Portugal (6 priority countries), Luxembourg (10 priority countries) or Ireland (9 priority countries).

The concentration on a limited number of priority countries is a good step forward, and the planned use of country strategy papers will help to increase focus (see also Chapters 3 and 4). Greece distinguishes between priority countries with which it will prepare strategy papers and those countries for which there will be no strategy papers (Table 1). In this latter group of countries Greece intends to:

1. consider new projects/programmes when relevant and develop partnerships with other donors and international or regional programmes. The risk with this approach is that Greece will continue to have a fragmented aid portfolio and will remain a very small donor in several countries (Chapter 3);
2. complete the bilateral or multilateral programmes already underway. Greece will need to plan how it will close projects and cease operations in a planned, transparent and sustainable manner (see Heldgaar, 2008).

**Table 1. Greece's priority regions and countries according to the draft five-year programme**

Priority region and country	Strategic objective and rationale for supporting the region/country
<b>Sub-Saharan Africa</b> Ethiopia*, DR Congo*	<ul style="list-style-type: none"> <li>• Promote peace, stability and security.</li> <li>• International community prioritises this region and Greece should also be present.</li> </ul>
<b>Countries of the Black Sea and Middle East</b> Georgia*, Armenia*, Moldova* Palestinian administered areas*	<ul style="list-style-type: none"> <li>• Promote peace, stability and security.</li> <li>• Geographical location. Safety and welfare in Greece are closely linked to stability and economic prosperity in this region.</li> <li>• SE Europe has been a strategic priority for Greece since the early 1990s.</li> <li>• Strengthen co-operation between the countries.</li> <li>• As a gateway country, Greece is an important asset to implementing Euro-Mediterranean co-operation and EU neighbourhood policy.</li> <li>• Gradually reduce illegal immigration through co-operation with neighbouring regions.</li> </ul>
<b>Middle East and North Africa</b> Egypt, Lebanon	<ul style="list-style-type: none"> <li>• Complete ongoing activities.</li> </ul>
<b>Countries of the black Sea through the Organisation of the Black Sea Economic Co-operation (BSEC)</b>	<ul style="list-style-type: none"> <li>• Support BSEC's programmes through the Greek Development Fund based in this organisation.</li> </ul>
<b>Balkans</b> Albania, Bosnia and Herzegovina, Serbia, Montenegro, the Former Yugoslav Republic of Macedonia, Bulgaria (EU member state), Romania (EU member state)	<ul style="list-style-type: none"> <li>• Continue to implement the Balkan (HiPERB) programme.</li> <li>• Strengthen local capacity for EU accession/pre-accession in synergy with the EU.</li> </ul>
<b>Other</b> Afghanistan, Iraq Central Asia	<ul style="list-style-type: none"> <li>• <b>Afghanistan and Iraq:</b> promote good governance and democratic institutions in partnership with other donors. Complete existing activities in Afghanistan. Explore new partnerships with donors in Iraq.</li> <li>• <b>Central Asia:</b> Pilot selected development and democratisation actions.</li> </ul>

Source: Draft five-year programme 2011-2015 (MFA, 2011d).

Note: \* = countries for which a strategy paper will be prepared.

## Being more strategic about multilateral engagement

Greece has recognised the need, as recommended in the 2006 peer review (OECD, 2006), to develop a multilateral co-operation policy which focuses on fewer multilateral

partners – those who share its strategic priorities for development. According to Greece's *Memorandum* (MFA, 2011a), the objective for multilateral assistance between 2011 and 2015 is to decrease fragmentation and amplify Greece's voice in a selected number of agencies. Achieving this good objective will be a big task for DG Hellenic Aid as responsibility for Greece's multilateral budget is scattered across several line ministries and current flows to multilateral organisations are not driven by a strategy. Conscious that the new multilateral policy must be built on reliable information on the various types of multilateral support Greece provides, DG Hellenic Aid is leading a collaborative mapping exercise with line ministries. DG Hellenic Aid has also started discussions on multilateral aid with other ministries. These are positive and important steps towards rationalising Greece's future multilateral flows.

Greece states that the strength of multilateral aid is the specialised knowledge and experience of relevant organisations and their global network (MFA, 2010d). Under current budget constraints in Greece the share of total aid that is multilateral is likely to increase because most of these contributions cannot be cut easily. DG Hellenic Aid also states that it plans to channel more of its bilateral aid through multilateral organisations to support regional programmes and projects in countries where Greece has no embassy, taking advantage of their technical capacity and adding value to its aid by contributing to multilateral programmes which complement its strategic priorities. In doing so, Greece should ensure that this aid is not overly earmarked for specific, isolated projects and programmes. The five-year programme should set provisions for strategic, multi-annual partnership agreements with selected multilateral organisations.

### **Building public support and a constituency for development co-operation**

In a 2010 survey of the Greek public, 90% of respondents said it was either very important or important to help people in developing countries (Eurobarometer Special Survey 352, 2010). This is slightly above the average level of support in EU countries (89%). However, Greek public support for aid was lower than in 2009, with more people stating in 2010 that the EU should reduce aid levels despite commitments made to increase levels.<sup>6</sup> At the same time, one Greek NGO successfully managed to mobilise people in its 2010 public campaigns on food security and education.<sup>7</sup> Greece's public awareness-raising activities should target this segment of the interested public.

Public and political backing for development co-operation is the best guarantee of political and legislative support for the development programme and its reform (OECD, 2009). It is therefore essential that DG Hellenic Aid explain and win public and political support for its vision, strategy and planned reform. It also needs to address public scepticism about the effectiveness of development co-operation, as well as public perceptions, like in other DAC countries, that aid might be wasted due to corruption. A positive sign is that article 21 (para 2) of the draft law stipulates that DG Hellenic Aid must be more transparent by making public information about projects and programmes, progress and financial reports, and data on scholarships (MFA, 2011b). However, the draft law also seems to prioritise volunteering as a tool to increase public support for

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6. Twenty percent of Greek respondents said that aid should not increase in 2010 (compared to 8% in 2009); in 2010 14% said it should decrease, compared to 9% in 2009. In 2010 61% of Greek respondents either supported giving more aid than the volumes promised by the EU, or at least keeping the promise – this was a 20% decrease over 2009.
  7. For example, 88 000 citizens signed up to the 2010 campaign on Education for All by the NGO Action Aid.

development. While volunteering may build public awareness and support for development over the long term,<sup>8</sup> and is a cross-cutting government priority, establishing a volunteer programme should not be a priority for Hellenic Aid. If DG Hellenic Aid decides that it must promote volunteering, it should consider carefully how it can deliver good development results, requiring limited management resources.

### *Communication priorities*

As communication is central for public and political support, Greece needs to communicate strategically and coherently about development policy and activities, focusing on achievements and challenges. The peer review team understands that public communication about development aid needs to be sensitive to the current context in Greece, and that in the immediate term such communication could focus on assuring the public that Greece is addressing past problems and working to establish a quality aid system. In the meantime, DG Hellenic Aid could prepare a communication strategy, based on good practice, to be implemented gradually as the situation evolves. Such a strategy should:

- (i) Build on the government-wide transparency initiative – [opengov.gr](http://opengov.gr) – as well as the website of DG Hellenic Aid, by providing up-to-date information on the Internet about projects and programmes, including stories from the field.
- (ii) Improve the annual report on development co-operation as a tool for transparency and to stimulate debate in parliament, by making the report more comprehensive, interesting and focused on results. At present the report focuses on inputs and process and does little to explain the vision, rationale and impacts of development co-operation.
- (iii) Ensure that there is communication by the MFA on development cooperation as a pillar of Greek foreign policy, including to parliament. More extensive information, with a direct electronic link to Hellenic Aid's website, should be available on the MFA's website.
- (iv) Establish, as planned, an informal public awareness-raising advisory board comprised of communication, media and advocacy professionals who are interested in development issues and willing to volunteer their time. Learn from successful awareness-raising efforts of other line ministries (on issues such as climate change) and NGOs and build joint awareness-raising campaigns. When budget constraints allow, buy in professional communication expertise.
- (v) When the time is right, commission a public opinion research on what Greek citizens know and think about the developing world in order to inform the communication strategy. The survey should investigate where and how people access information about development and what they would like to know more about experience from other DAC members shows that passive communication material such as DVDs and publications have less impact on public opinion than activities which directly engage people.<sup>9</sup>

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8. It will take time to establish such a programme; volunteers will then need to spend time in developing countries before being able to share their experiences back in Greece.

9. The informal network of DAC development communicators (DevCom) exchange experiences, share good practices, engage in peer learning and shape thinking on how effectively to raise public awareness and support for development co-operation  
[http://www.oecd.org/about/0,3347,en\\_2649\\_34101\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/about/0,3347,en_2649_34101_1_1_1_1_1,00.html).

## Future considerations

- Approve new, flexible legislation for development co-operation which outlines the vision and overall policy framework for development co-operation, and ensure multi-party support to give a long-term sustainable basis to the five-year programme.
- Ensure that all relevant institutional players are bound to the development co-operation policy and its priorities, through the law and the five-year programme.
- The Ministry of Foreign Affairs, through DESDAP and DG Hellenic Aid, should lead in the implementation of the law, presidential decree and five-year programme, in collaboration with line ministries. Setting objective indicators and deadlines for monitoring will help drive the process forward.
- The aid program should focus on a limited number of priority countries. Greece should be careful that aid allocations to non-priority countries do not undermine this effort to focus the programme.
- Complete and publish the mapping of multilateral financing provided by all government departments as the first step towards rationalising multilateral aid. The five-year programme should outline Greece's priorities for multilateral co-operation.
- DG Hellenic Aid needs a medium-term, professional communication strategy to address public opinion and build support for Greece's new vision and priorities. As soon as financial constraints allow, the strategy should be backed by a budget. The strategy should contain clear messages focusing on results, target different audiences and use modern and effective communication tools. DG Hellenic Aid could learn from other donors by participating in the informal network of DAC development communicators.



## *Chapter 2*

### Development beyond aid

As an OECD and an EU member, Greece is committed to making all its government policies coherent with its development objectives. This chapter looks at how Greece ensures that its domestic and international policies support – or at least do not undermine – partner countries’ development efforts. Greece’s efforts to make its development co-operation policies more coherent (which is a different topic, see below) are dealt with in Chapters 1, 3 and 4.

#### Making policies coherent with development objectives

Greece is bound by the 2005 European Consensus on Development, which states that policies must be coherent and not undermine one another. The consensus relates to 12 policy areas, five of which have been prioritised by the EU.<sup>10</sup> As part of its commitment, Greece completes the biennial questionnaire conducted by the European Commission, which aims to measure members’ progress against the policy areas.<sup>11</sup> It has also signed up to the *OECD Ministerial Declaration on Policy Coherence for Development* (OECD, 2008a) and the *OECD Recommendation of the Council on Good Institutional Practices in Promoting Policy Coherence for Development* (OECD, 2010b). As part of current efforts to reform Greek development co-operation, the authorities state that Greece will place greater emphasis on policy coherence in political statements, in the five-year programme and in the inter-ministerial committee. In a notable step, a June 2011 meeting of the current inter-ministerial committee (EOSDOS) discussed setting a framework for policy coherence for development. In addition, like other EU member countries, Greece emphasises promoting coherence for development in EU policy, given that many policy decisions affecting global development are taken in Brussels.

To make progress towards policy coherence, Greece needs to put the following building blocks in place (Table 2). These are in line with the OECD’s 2010 Recommendation (OECD, 2010b):

- A. **Political commitment and policy statements** that specify policy objectives and determine which objectives take priority if they are incompatible. Greece also needs to publish plans for making progress on policy coherence for development and raise public awareness of government commitments supporting policy coherence for development.

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10. The 12 sectors are: trade, environment and climate change, security, agriculture, bilateral fisheries agreements, social policies (employment), migration, research/innovation, information technologies, transport and energy. The five EU priority areas are: climate change, global food security, migration, intellectual property rights and security. See: [http://ec.europa.eu/europeaid/what/development-policies/policy-coherence/index\\_en.htm](http://ec.europa.eu/europeaid/what/development-policies/policy-coherence/index_en.htm)

11. The most recent questionnaire was conducted in 2011 but the results are not yet published. See: [http://ec.europa.eu/europeaid/infopoint/publications/development/43b\\_fr.htm](http://ec.europa.eu/europeaid/infopoint/publications/development/43b_fr.htm)

- B. **Policy co-ordination mechanisms** that can resolve conflicts or inconsistencies between policies and maximise synergies.
- C. **Monitoring, analysis and reporting systems** to promote effective implementation, monitoring, analysis and reporting for policy coherence for development.

**Table 2. Status of Greece’s building blocks for policy coherence for development, 2006-2011**

Building block	Status in 2011
<b>Building Block A:</b> Political commitment with clear policy statements	<ul style="list-style-type: none"> <li>• A brief reference is made to policy coherence for development in the draft five-year programme for 2011-2015, but there is no information on why and how policy coherence will be made a government objective.</li> </ul>
<b>Building Block B:</b> Policy co-ordination mechanisms that can resolve conflicts or inconsistencies between policies and maximise synergies	<ul style="list-style-type: none"> <li>• Positive signals but no such mechanism in 2011. According to the draft law, the future Inter-ministerial Committee for Co-ordination of International Development Policy (DESDAP) will have responsibility for addressing the coherence of other policy areas with development.</li> <li>• Policy coherence for development was an agenda item at the June 2011 EOSDOS meeting.</li> </ul>
<b>Building Block C:</b> Monitoring, analysis and reporting systems	<ul style="list-style-type: none"> <li>• DG Hellenic Aid does not have adequate staff resources to access and analyse information and is looking at how it will reinforce staff capacity within the present framework.</li> <li>• Provisions exist in the draft law for an upgraded monitoring, analysis and reporting system for development co-operation. The law also needs to include specific provisions for policy coherence for development.</li> </ul>

### *Strengthen political commitment and public awareness*

An important step for making progress towards the first building block is Greece’s plan to make policy coherence for development an objective of the new law, a priority of the five-year programme for development co-operation and one of the inter-ministerial committee’s responsibilities. The 2010 OECD Recommendation stresses the importance of strong political leadership to ensure coherence among development co-operation policies and domestic and EU policies. Political commitment, clearly stated and articulated at the highest political level, is an essential foundation for setting and prioritising policy objectives. In this sense, the commitment to coherent policies should emanate from the head of government and the Council of Ministers. Commitment and awareness can be stronger still if the statement on coherence for development is debated and approved by parliament (OECD, 2010b). In the case of Greece, this would happen through debate and approval of the new law and the five-year programme. The five-year program should clearly state Greece’s objectives on policy coherence for development, building on its EU commitments in that area.

### *Clearly define policy coherence for development and build awareness*

Experience from other DAC member peer reviews shows that policy makers can find the concept of policy coherence for development hard to grasp. This is also evident in Greece, where staff of DG Hellenic Aid and other government departments tend to think of policy coherence for development as implying a coherent development co-operation policy. While this is necessary (see Chapter 1), it is not the same as ensuring that all



policy areas work in a coherent manner to support development objectives in developing countries.

The Greek authorities and political leadership need, therefore, to invest in building awareness across the administration, as well as in parliament and among the public. The new presidential decree and five-year programme state the intention to give DG Hellenic Aid an official mandate to promote and build awareness of policy coherence for development. As it waits for this formal mandate, DG Hellenic Aid can play an informal role in raising awareness within the MFA and in line ministries by:<sup>12</sup>

- disseminating international agreements on coherence, and demonstrating their relevance to Greece; and
- using seminars, newsletters and the website to distribute OECD, EU, international think tank and NGO analysis on policy coherence for development.

This task will need to be assigned to one of the directorates at DG Hellenic Aid.

#### *Work with parliamentary committees to promote coherence*

The more parliamentarians know about the impact of policy incoherence on development countries, the better they can play an important role in making policies more coherent for development. For example, parliament can stipulate that new legislation must be screened for its coherence with development objectives and it can question the executive about coherence. DG Hellenic Aid can help build such awareness on policy coherence for development.

#### *Give policy co-ordination committees clear mandates and responsibilities*

Most OECD countries have established some central co-ordination mechanisms to ensure policy coherence. Such a central oversight body for policy making could also help ensure policy coherence for development. In this way, new policies and legislation are reviewed by inter-ministerial co-ordination bodies for their coherence with development before they reach the central level. Having a minister with responsibility for development co-operation can also help to ensure that policies take development into account (OECD, 2010b). While the mandate of the Greek inter-ministerial committee is currently focused on making government-wide development co-operation activities coherent, it is positive that, according to the draft law, the new inter-ministerial committee (DESDAP) will promote coherent policies for development, including by examining non-development policies for their coherence with development objectives. To enable this, other ministries should be required to share their policies/laws with the inter-ministerial committee for review.

#### *Enhance the administration's capacity to monitor, analyse and report*

As co-ordinator of Greece's positions within the European Union, the MFA and DG Hellenic Aid are in a good position to screen EU policies for their coherence with development. However, to date MFA does not have the mandate nor the capacity to achieve this. In addition, DG Hellenic Aid is not in a position to monitor wider policies for their development dimension; neither the draft law, the draft presidential decree, nor the draft five-year programme give DG Hellenic Aid the mandate for this role. Moreover, DG Hellenic Aid's limited human resources (Chapter 4) mean it would be difficult to fulfil such a mandate. Greece should therefore explore what practical avenues exist for enhancing the administration's monitoring and analytical capacity. One possibility could be to work with

12. Italy is taking a similar approach. See: <http://www.oecd.org/dataoecd/54/59/44403908.pdf>

line ministries with technical expertise in sectors that are particularly relevant for coherence for development (e.g. environment, migration and agriculture), and which engage in both development co-operation and domestic policies. While these ministries may not examine the impact of sector policies through the lens of developing countries' priorities, DG Hellenic Aid could encourage them to do so. Since each ministry has a focal point on development (Chapter 4), Greece should consider giving them responsibility for examining their ministries' policies through the development lens. They could consult with other ministries and DG Hellenic Aid in particular, at technical meetings of the inter-ministerial committee and submit reports and proposals to political meetings of the committee. However, political will, backing from cabinet and parliament will be crucial for technical staff to play such a role.

#### *Reporting to the Greek parliament and the EU on coherence for development*

Greece has responded to all three questionnaires (most recently in 2011) for EU reporting on policy coherence for development (e.g. Commission of the European Communities, 2009b). There is now scope for using this to increase domestic reporting on coherence. In its response to the most recent EU questionnaire, Greece provided detailed and relevant information on two priority areas: climate change and migration. The Greek annual report on development co-operation could also be used more systematically as an awareness-raising and reporting tool on policy coherence since it is submitted to parliament. The 2008 annual report, for example, referred to progress made as regards policy coherence for development in sectors such as environment, migration and human trafficking. Greece is encouraged to sustain similar levels of reporting on policy coherence for development in all of its annual reports and to capitalise on information readily available in the EU reports. In particular, DG Hellenic Aid should use the content of the recent questionnaire in the annual report for 2011.

#### *Learn from domestic policy priorities that take development into account*

Immigration, environment and climate change are high-profile political priorities for Greece, which has made commendable progress in introducing developing country concerns into its policies in these areas. The relevant line ministries have taken steps to address EU Council decisions and directives in their policy making, including in relation to supporting developing countries (Box 3). Greek authorities could learn from these experiences and promote similar practice in other EU priority areas, such as fisheries, agriculture and food security.

#### **Box 3. Managing Greece's immigration challenge with an eye on development**

Greece's geographical location at the EU external borders means that it must manage mixed immigration flows, combat illegal immigration (notably trafficking and smuggling of human beings and organised crime) and successfully integrate immigrants into Greek society, while promoting legal immigration taking into account labour market needs. These are the main relevant political and economic challenges with which Greece struggles to deal (MFA, 2011a; OECD, 2010d). According to the OECD's *2010 International Migration Outlook*, "Immigration in Greece contributes considerably to total population growth with more than 17% of children born in Greece in 2005-2007 having foreign nationality. Estimates of the number of illegal migrants living currently in Greece vary, but 200 000 is an indicative figure for 2008 and Greece detained more than 146 000 illegal immigrants in 2008, a 30% increase over 2007" (OECD, 2010d). Greek authorities have carried out approximately 610 000 arrests of illegal immigrants in the period 2006-2010.

.../...

(Cont'd)

Moreover, even before the financial crisis, the government had difficulty finding the necessary co-financing to fully use EU funding for social integration of migrants; the current crisis makes such investments even more difficult (OECD, 2010d). Nevertheless, according to Greece's response to the 2011 EU questionnaire on coherence<sup>1</sup>, it has made some progress in promoting a balanced and comprehensive approach on the development and migration agenda. For example:

- Greece (Ministry of Interior) has signed bilateral agreements on seasonal or temporary employment, notably with Albania and Egypt (1984 and 1997 respectively). This facilitates co-operation and coherence on relevant issues such as the issuance of residence permits for temporary work, (seasonal in areas such as agriculture, temporary for fishermen).
- Under the Kallikratis Programme (law 3852/2010), the competent agencies have initiated procedures for establishing one-stop shops for immigrants in each prefectural capital. This is an initiative that is expected to (a) reduce the time required to issue residence permits and (b) introduces a residence permit as a single document that will include personal biometric data in line with the relevant EU legislation. The programme also provides for the establishment of a Council on Immigrant Integration within each municipality as an advisory body to enhance immigrants' integration into local society.
- In August 2010 the government adopted a three-year national action plan to reform the asylum system and manage migration flows. Legislation also provides for establishing a new asylum service within the Ministry of Citizen Protection and a first reception service to manage mixed migration flows more efficiently.
- The 2008 European Parliament and Council Directive 2008/115/EC “on common standards and procedures in Member states for returning illegally staying third country nationals” has been incorporated into Greek legislation under law 3907/2011.
- Presidential decree 114/2010 amended the procedures for granting asylum, guided by the principles of fairness and effectiveness and in line with the relevant EU legislation.
- Co-ordination among law enforcement agencies and the judiciary, awareness raising campaigns, relations with international organisations and countries of origin and transit are producing results: prosecutions increased by 65% in 2009/10 and convictions by 52%. The MFA has a dedicated staff member working on this issue. The MFA also participates in the special inter-ministerial committee that is competent for co-ordinating migration issues.

1. Unpublished, response submitted by Greece to the peer review team.

*Sources:* Ministry of Interior, Decentralisation and E-Government (2011), *Non-paper for 2011 DAC Peer Review*; OECD (2010d), *OECD International Migration Outlook*, OECD, Paris; MFA (2011a), *Memorandum of Greece Submitted to the DAC in View of the Peer Review of Greece*, Ministry of Foreign Affairs, DG Hellenic Aid, Athens; Ministry of Foreign Affairs (2011e), *Non-paper for 2011 DAC Peer Review on the National Co-ordination Mechanism to Monitor and Combat Trafficking in Human Beings and the National Action Plan 2010-2012*.

## Future considerations

- Ensure the new law on development co-operation clarifies mandates and responsibilities across government for promoting, arbitrating on and monitoring the impact of Greek policies on development.
- A political statement on Greece's commitment to ensuring that domestic and international policies are coherent with the development objectives of partner countries could be included in the five-year programme on development co-operation which is planned to be approved by the Council of Ministers. The five-year programme should include a whole-of-government plan for making progress in priority sectors.
- Reinforce the Ministry of Foreign Affairs and DG Hellenic Aid's role as a champion for building awareness of policy coherence for development across the administration, in parliament and Greek society. DG Hellenic Aid can already now make better use of results from line ministries on policy coherence for development and relevant reports submitted to the EU to demonstrate progress in priority sectors publicly.
- Explore how best to ensure that DG Hellenic Aid has the capacity to monitor, analyse and report on the impact of Greek policies on development, for example by relying on entities outside of the government administration.

## *Chapter 3*

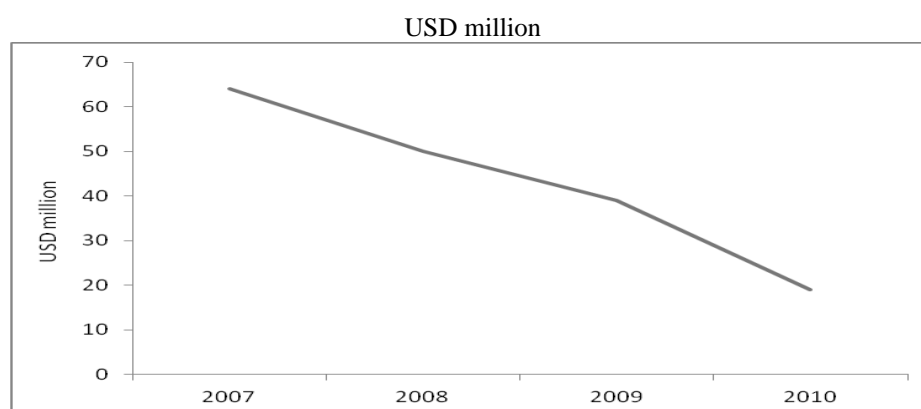
### ODA volumes, channels and allocations

#### Official development assistance in summary

Greece’s official development assistance amounted to USD 508 million in 2010 – an aid-to-gross national income ratio of 0.17%.<sup>13</sup> Greece’s 2010 aid volume decreased by 16% in real terms compared to 2009. Since joining the DAC in 1999, Greece’s highest level of ODA was 0.21% of gross national income (GNI; see Annex B, Table B.1), attained in 2008.

Past trends in Greece’s aid volume, cuts in the state budget allocation to development (basically DG Hellenic Aid’s budget) since 2007 (Figure 1) and planned further reductions of funds due to the current economic and fiscal crisis mean that Greece could not meet its international aid commitment of giving 0.5% of its GNI as aid by 2010 and that it is very unlikely to meet the 2015 target of 0.7%. As stated in the OECD Economic Survey of Greece, “a gradual recovery is expected for Greece but the outlook is subject to important, mostly downside risks (OECD, 2011i:29). In addition, the objective of Greece’s medium-term budget plan for 2012-15 is to reduce the public deficit to almost 1% of GDP in 2015. Achieving this will require continued expenditure cuts (OECD, 2011i:83). Given the serious state of Greece’s public finances, the peer review team does not think it is realistic to expect Greece to increase its aid budget in the short-term. Instead, we encourage Greece to reform its development co-operation system and organisation following the suggestions made throughout this report so that aid resources are managed more efficiently and effectively and to build a new attitude to development co-operation, informed by international best practice, throughout the administration.

**Figure 1. State budget allocated to DG Hellenic Aid, 2007-2010**



Source: DG Hellenic Aid

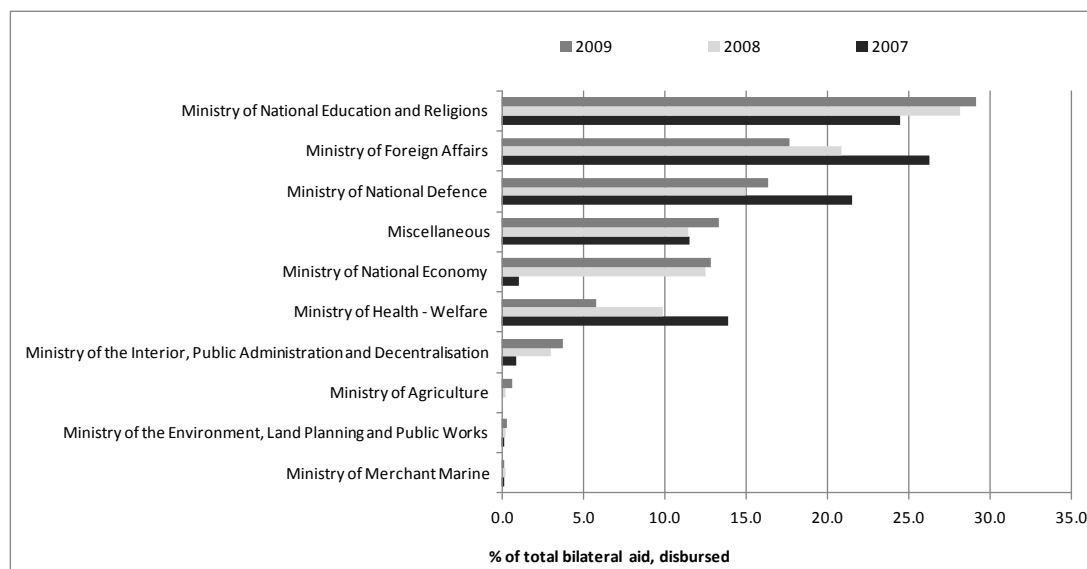
### *The need for more transparent, strategic and coherent budgeting*

Greece's aid budgeting for development (through DG Hellenic Aid and other government departments) needs to be better planned as well as more strategic and identifiable in the state budget, thereby enhancing the transparency of Greece's official development assistance. Aid budgeting reflects the general state of budgeting in Greece as outlined in the OECD report *Budgeting in Greece* (OECD, 2008c). The report recommended Greece to make the budget a more modern strategic policy document through the use of programme budgeting.<sup>14</sup> Several of the budgeting challenges outlined in *Budgeting in Greece* have a direct impact on how the aid budget is managed. These challenges need to be addressed if Greece is to have a unified and strategic aid budget which reflects policy priorities and contains multi-year estimates so that a medium-term perspective can be maintained. It is positive, therefore, that the authorities have started to reform the fiscal framework: the 2011 budget is following new procedures and the budget is now part of a detailed medium-term framework covering all government activities (OECD, 2011i:76). As part of this process, the MFA should implement the planned pilot project to identify development aid expenditures, including those of other ministries, in the state budget.

DAC data show that Greece's aid is institutionally dispersed (Figure 2) (see also Chapters 1 and 4). Between 2007 and 2009 less than one-fifth of Greece's bilateral aid was allocated by the Ministry of Foreign Affairs, which itself has several sources for financing development projects. Despite being responsible for development co-operation, DG Hellenic Aid manages a decreasing share of the aid budget. Moreover, DG Hellenic Aid's budget is the only state budget line dedicated to development co-operation. The remaining four-fifths of bilateral aid are channelled by other government departments through their international co-operation budgets. Each ministry's contribution to ODA is calculated at the end of the financial year; according to the Greek authorities, some contributions such as refugee and imputed student costs are impossible to plan at the start of the financial year but other project-type expenditures could be planned. Greek aid would be more visible and transparent if each ministry's contribution were captured under the development co-operation section of the state budget in an easily identifiable sub-item line.

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14. According to the OECD, all aspects of Greece's budgeting – formulation, approval, execution, accounting, audit and accountability – need to be updated. However, the first priority is to introduce a programme budget where expenditures are classified by output areas. A programme budget typically includes a line item set towards a policy goal; a qualitative description of the activities and their relations to the goals, but not necessarily in the budget documentation; some kind of measurements that are reported on but not necessarily in the budget documentation; and less input detail in the appropriations (OECD, 2008c).

**Figure 2. Bilateral aid allocated by Greek ministries, 2007-2009**

Source: DAC Creditor Reporting System.

While the Ministry of Economy and Finance is responsible for creating a new national budgeting system, DG Hellenic Aid can, nevertheless, play its role as co-ordinator of development co-operation to introduce a strategic framework under which all government departments can plan their aid allocations. This will help make clear each ministries' development actions. For example, once the five-year programme is approved, the Minister for Foreign Affairs and Deputy Minister, with support from DG Hellenic Aid, should convene a start-of-year meeting of the inter-ministerial committee to share plans on aid expenditures for the year to come. A positive spill-over from this exercise could be more strategic resource allocations, increased synergies and larger programmes (see also Chapter 4). The mapping of multilateral support which is already underway (Chapter 1) should result in clearer, strategic multilateral allocations.

### ***Increase aid predictability through planning and programming***

Strict budgetary procedures under Greece's economic adjustment programme with the troika (Chapter 1)<sup>15</sup> and the absence of programme budgeting with multi-year estimates limit the predictability of Greece's aid. At the same time, there is scope for increasing the predictability of Greece's aid, especially through more strategic planning and programming and by allowing DG Hellenic Aid to oversee a greater share of the development assistance budget. However, the creation of a fund or special account for development as proposed in articles 29 and 31 of the draft law may not in its own right increase predictability (MFA, 2011b). The OECD's Governance Directorate and Greece's Ministry of Economy and Finance consider that special accounts should be abolished in Greece because they reduce transparency, weaken the annual budget as the main policy document for the government and reduce the roles of the government and parliament in making policy judgements (OECD, 2008c). Therefore DG Hellenic Aid needs to examine other ways to introduce and reinforce multi-annual planning. This would increase

15. These include monthly commitments and disbursements from the Ministry of Economy and Finance to all ministries.

predictability and, while the planning is multi-annual, could stipulate that implementation is subject to funds being made available through annual budget appropriations. Also, the peer review team considers that DG Hellenic Aid should be able to approve multi-year projects or programmes, with a caveat indicating that they are subject to annual appropriations in the state budget. Belgium, Luxemburg, Portugal and many other DAC members do this. This would make Greece a more attractive and reliable partner in sector-wide and programme-based approaches. Furthermore, DG Hellenic Aid could organise regular technical level meetings of the inter-ministerial committee to review budget plans and disbursements.

### **Greece's bilateral ODA: limited aid for projects and programmes**

Greece's gross bilateral ODA was USD 302 million in 2009 – 49% of total aid disbursements (Annex B, Table B.2.). Technical co-operation (mainly imputed student costs and scholarships) accounted for an increasing share of bilateral aid between 2005 and 2009 (37% of bilateral aid and 20% of total aid in 2005; 64% of bilateral aid and 31% of total aid in 2009). Total DAC technical co-operation represented 13% in 2009. At USD 36 million, project and programme aid accounted for just 6% of total ODA in 2009, or 12% of bilateral aid. Most projects are financed by DG Hellenic Aid's budget. Since further reductions in DG Hellenic Aid's budget are foreseen, it is unlikely that the share of project and programme aid will increase in the near future.

As proposed in the draft law, Greece needs to focus on supporting fewer but larger projects and programmes. This would increase the potential impact of Greek aid and reduce the transaction costs of lots of small stand-alone projects. As part of this effort, DG Hellenic Aid should strive to reach the ceiling of EUR 500 000 for joint programmes with international organisations as suggested in the draft presidential decree, and consider increasing the ceiling if possible. It should also participate in programme based approaches with other donors in priority countries. In 2009, the median volume of the 973 activities financed by Greece was USD 42 000, while the most frequently occurring value was USD 139 000. Financing projects through calls for proposals and a high number of scholarships contribute to this dispersion: in 2010 DG Hellenic Aid financed 462 scholarships, with a budget of USD 3.7 million (Greek data).

### ***Geographic allocations: a continued focus on south-east Europe***

Fifty-two percent of Greece's bilateral ODA was allocated in the European region in 2009, which comprises the Balkans. Countries in Greece's neighbouring Balkan region are the main recipients of Greek bilateral aid. This reflects the priority Greece gives to this region. Greece increased its bilateral allocations to Africa between 2006 and 2009 (from 12% to 20% - the DAC average in 2009 was 42%); however there has been no increase in the share of aid for least developed countries, which has hovered around 15% since 2005; 74% of bilateral aid went to the lower middle-income group of developing countries (Annex B, Table B.3).

In 2008 and 2009 Albania was the largest recipient of aid – with an average of 21% of gross bilateral ODA – followed by Serbia (6%), and Kosovo (5%). The main expenditures attributed to Albania in 2009 were imputed student costs for Albanian students in Greece (USD 40 million) and the Balkans (HiPERB) programme, which allocated USD 6.6 million for a road infrastructure project (DAC data). The top African recipients in 2008/09 (average) were Egypt (USD 14 million), Ethiopia (USD 3 million), Sudan (USD 3 million) and Nigeria and the Democratic Republic of Congo (each



receiving USD 2 million). Greece's main aid recipients in the Middle East in the same period were the Palestinian Administered Areas<sup>16</sup>, mainly through humanitarian assistance (see Annex B, Table B.4.).

Greece is a relatively small donor in its priority countries (Chapter I, Table 1 and Annex B, Table B.4.). Its weight would increase were it to concentrate the allocation of aid for projects and programmes to priority countries. Greece needs to increase the share of bilateral aid allocated directly to these countries. Greece could also concentrate its aid further in priority countries by awarding scholarships to students from those countries for studies that build capacity in the sectors prioritised by the partner government.

### ***Sector allocations: scholarships and imputed student costs***

DAC statistics on Greece's bilateral aid by sector in 2008/09 show that the largest share (65% or USD 194 million) went to social infrastructure and services. Education was the most significant sub-sector (31%), followed by government and civil society (19% or USD 55 million) with the bulk of this aid allocated to conflict, peace and security, notably in Kosovo in 2009 (USD 30.5 million). The most notable changes in Greece's sector allocations over the past decade have been (i) the decrease in aid for government and civil society (falling from an average of 52% in 1998-2002 to 19% in 2008/09); and (ii) the increase in the share of refugee costs, from an average of 2% of bilateral aid between 2003 and 2007 to 9% in 2008/09. This reflects the large inflow of refugees to Greece in recent years (Chapter 2). According to the Ministry of Interior, 2009 was a peak year for mixed irregular immigration flows (Box 3).

As stated in the 2006 peer review (OECD, 2006), the bulk of Greece's support to education consists of its scholarships and imputed student costs. Imputed student costs for tertiary education have increased significantly (by five times) since 2006 from USD 13 million to USD 71 million in 2009, accounting for 24% of bilateral aid and 11% of total aid in 2009. The peer review team welcomes DG Hellenic Aid's decision to suspend the allocation of new scholarships and to develop a comprehensive Greek policy and strategy on scholarships, focusing on priority countries. This was recommended in the 2006 peer review. Greece is urged to take this opportunity to evaluate its scholarship programmes in the light of their development impact and then define whether and how a scholarship program can best serve the purpose of capacity development in the beneficiary countries. In doing so, Greece could learn from Belgium, Portugal and Australia's experience in updating their scholarship programmes.

### ***The increasing importance of gender equality, environment and climate change***

Greece is to be commended for making gender equality and women's empowerment a sector priority over the past decade. This has been achieved through the General Secretariat for Gender Equality in the Ministry of Interior, Decentralisation and E-government, as well as through the whole-of-government anti-trafficking action plan. Reflecting this priority, Greece has increased its expenditure on gender equality and women's empowerment since 2002. Fifty-three percent of Greece's aid programme had a gender equality focus in 2009 (OECD, 2011e). The focus on gender as a cross-cutting issue in the draft law and five-year programme is good. To support this work DG Hellenic Aid needs to build staff capacity and develop tools and guidance for the practical

16 According to current OECD practice, the Palestinian Administered Areas are now named « West Bank and Gaza Strip »

implementation and monitoring of gender equality priorities throughout the aid programme, in close collaboration with line ministries and the gender equality secretariat, in particular. Greece should also look to the experience of other DAC members through the DAC's Network on Gender Equality.<sup>17</sup>

Greece has strengthened its focus on environment and climate change as a sector since 2007. According to the draft law and five-year programme, Greece intends to give more attention to those cross-cutting issues in the future. This reflects the high political priority the Prime Minister and the government give to green development, protecting biodiversity, enhancing energy efficiency and combating climate change, both nationally and internationally (MEECC, 2011). The share of environment-focused aid allocated by Greece fell between 2008 and 2009 from 11% to 6% of bilateral aid (OECD, 2011d). The five-year programme should outline clearly how Greece intends to focus on these subjects in the future.

The Ministry of Environment, Energy and Climate Change (MEECC) and DG Hellenic Aid collaborate closely to identify and support environment and climate change projects with a strong focus on the Mediterranean, south-east Europe and the Black Sea region. There are several strengths to the collaborative approach between the two authorities, which shows that Greece can deliver aid in line with effectiveness principles. Greece has made multi-annual aid commitments to climate change adaption<sup>18</sup> and mitigation<sup>19</sup> programmes and has signed memoranda of understanding with four international organisations<sup>20</sup> to support climate change adaptation. It also supports a joint energy project with USAID in the Balkan region. By supporting such programmes Greece adds value to its limited financial resources. As Greece turns its attention to mainstreaming environment and climate change throughout development co-operation, DG Hellenic Aid should work closely with the Ministry of Environment, Energy and Climate Change to develop implementation guidelines and tools, including for monitoring. It should learn from the experiences and good practices of other DAC members through the DAC Network on Environment and Development.<sup>21</sup>

### Greece's multilateral ODA

Greece channelled 51% of its total assistance through the multilateral system in 2009 (Annex B, Table B.6). Almost all of this was provided by the Ministry of Economy and Finance to the EU institutions as core contributions (92% or USD 291 million). Core contributions disbursed to UN agencies accounted for USD 14 million, (2% of total aid), in 2008 and in 2009. In 2009, Greece also provided an additional USD 14 million as earmarked financing to UN funds and programmes, mainly the United Nations Development Programme and the United Nations Relief and Works Agency for Palestine Refugees in the Near East. Forty-five percent of Greece's non-core multilateral aid in 2009 was allocated to the Middle East, while 35% went to sub-Saharan Africa, mainly as humanitarian assistance, for social infrastructure and services, and as general programme

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17. The DAC's Gender Equality website contains good practice material for downloading: [www.oecd.org/document/27/0,3746,en\\_2649\\_34541\\_46582811\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/27/0,3746,en_2649_34541_46582811_1_1_1_1,00.html)
  18. EUR 22 million between 2008 and 2013.
  19. EUR 6 million between 2008 and 2013.
  20. Data provided by DG Hellenic Aid. The organisations are: the African Union, CARICOM, World Meteorological Organisation and the Indian Ocean Commission.
  21. The DAC's Environment and Development website contains good practice material for downloading: [www.oecd.org/document/52/0,3746,en\\_2649\\_34421\\_46582772\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/52/0,3746,en_2649_34421_46582772_1_1_1_1,00.html)

assistance (OECD, 2011f). As stated in its *Memorandum* (MFA, 2011a), DG Hellenic Aid prefers earmarking its funding to multilateral organisations because it allows Greece to keep track of disbursements to specific projects and countries. However, Greece should, like other donors, limit earmarking, which can impose a heavy burden on multilateral partners, especially when donors require the organisations to follow parallel monitoring and reporting procedures. When preparing its policy on multilateral co-operation, Greece should increase synergies with its overall development objectives, reduce earmarking and make aid more predictable through multi-annual, results-oriented partnership agreements with a selected number of multilateral organisations. The planned support of regional priorities through multilateral regional organisations is welcome.

### **Aid to and through NGOs: the need for rationalisation**

DG Hellenic Aid recognizes the important role NGOs can play to implement development projects.<sup>22</sup> However, according to DAC statistics Greece channelled 1% of total ODA to and through NGOs in 2008 and 2009 – down from 4% in 2006 and 2007. In volume terms, Greece disbursed USD 4 million to NGOs in 2009, compared to USD 21 million in 2007 (Annex B, Table B.1.). This decrease in disbursements can be explained by the cuts in DG Hellenic Aid’s budget. In 2009, 2010 and 2011, DG Hellenic Aid did not finance any new NGO projects and there were no calls for proposals. Greece is clearing their backlog of final disbursements for almost 200 projects before financing any new projects.

DG Hellenic Aid plans to reduce the number of NGOs it works with and of projects it funds. Greece must decide on a policy for working with NGOs and other civil society actors. It should be clear on why and how it wants to work with these organisations, and in particular, be clear on which development results are best achieved through this aid delivery channel. Greece must also decide whether to fund NGO programmes in general, or specifically those that work in Greece’s partner countries and priority sectors. One good outcome of this reflection would be a decision to prioritise larger, multi-annual programmes. With such a policy in place, it will be easier to allocate funding to the appropriate NGOs (see Chapter 4). In 2009, Greece funded 83 NGO activities, with an average size of USD 55 000.

### **Future considerations**

- Greece’s fiscal and debt crisis means that its aid budget is decreasing and that Greece will not be able to meet its international commitments of allocating 0.7% of GNI as official aid by 2015. Until the economy recovers, Greece should prioritise reforming the development co-operation system to create the enabling conditions for delivering a high quality and effective aid programme for current and future ODA volumes.
- Greece should move to multi-year programming with budget plans, as planned by the Ministry of Economy and Finance. This should help increase strategic planning, transparency and predictability of Greek aid and should enable DG Hellenic Aid and all relevant line ministries to fund Greece’s policy priorities.

- DG Hellenic Aid should use its role as co-ordinator of development co-operation to better plan all Greek aid while waiting for national budgeting to be reformed. It should convene a meeting of the inter-ministerial committee at the beginning of the financial year to plan allocations by all government departments and ensure that they are consistent with development priorities, and it should organise follow-up monitoring meetings to increase accountability.
- To concentrate its aid, Greece should increase the size of aid projects and programmes in partner countries and reduce the number of funded activities, especially those outside the priority partner countries, to make Greek development co-operation more efficient and effective.

## *Chapter 4*

### **Organisation and management**

Greek authorities and key stakeholders recognize that the overall organisation and management of Greek development co-operation requires thorough review and reform. The 2006 recommendations were made in the context of planned increases in Greece's aid budget to meet international aid commitments. While the situation is radically different in 2011, as already outlined in Chapters 1 and 3, important steps are being taken by the MFA, through DG Hellenic Aid, to reform and re-organise development co-operation. In particular, two fundamental organisational and management constraints still need to be addressed: (i) the fragmented aid system; and (ii) making DG Hellenic Aid fit for purpose. Greece needs a development co-operation programme that can be managed by the resources available. In light of broader public sector reform taking place in Greece, the MFA should be able to make DG Hellenic Aid fit for purpose notably through strategic human resource management, adopting programmatic, results-based approaches and encouraging a shift in the working culture towards greater co-operation between units and evidence-based policy making.

While the proposed new legislation is required to update the organisational structure and procedures, recent decisions taken at DG Hellenic Aid show that it can change how it manages aid and can achieve results through pragmatic and informal measures. For example, there were no calls for proposals in 2009, 2010 and 2011, so DG Hellenic Aid sought to use its budget to support joint programmes with other donors, as well as regional programmes. This shows it can move away from an approach based on calls for proposals. As it waits for the reform to be approved, DG Hellenic Aid has stated its intention to have no or very limited calls for proposals in 2012, and is urged to continue to identify new ways of ensuring value for Greece's limited aid resources, in co-operation with other government departments and other donors.

#### **Immediate priorities for making the aid system more unified**

As discussed in Chapters 1 and 3, the Greek aid system is fragmented across many institutional actors; in practice, DG Hellenic Aid does not have the authority or the technical capacity to fulfil its leadership mandate for development co-operation.

To make the system more coherent, DG Hellenic Aid is encouraged to invest in developing a culture of collaboration and trust among key institutional players and with relevant NGOs. This will require backing from the MFA political leadership and senior management. The peer review team commends DG Hellenic Aid for having taken some steps in this direction already. For example, it requested line ministries to identify new focal points for development co-operation at the June 2011 meeting of the inter-ministerial committee. Line ministries are also responding to DG Hellenic Aid request to supply relevant information for mapping multilateral assistance for the duration of the five-year programme (Chapter 1).

Other useful initiatives that could be taken include:

- ***Gathering and publishing more information about all co-operation activities:*** While DG Hellenic Aid manages a database (using the DAC's creditor reporting system methodology) which is accessible to the public by request, is used for reporting to the DAC and in the annual report on development co-operation, the information is mainly statistical and based on inputs. At present, it is hard to ascertain from the annual report on development co-operation how engaged line ministries are in development co-operation and what they finance. Although the annual report includes statistics on ODA expenditures provided by all ministries, the development co-operation programs financed by line ministries are only presented in detail every second year in the annual report. The database managed by DG Hellenic Aid and the annual report can contribute to identifying synergies and be enhanced by getting line ministries to provide more information on outcomes and results, ideally at the start of the project and followed-up through end of year reporting. Representatives from line ministries confirmed that there is scope for, and that they would welcome, greater exchange between line ministries about their individual development activities.
- ***Preparing framework agreements with line ministries:*** According to the Ministry of Foreign Affairs, it is working, through DG Hellenic Aid on agreements with those line ministries which are most active in development co-operation. Such reciprocal agreements should focus on setting a framework for collaboration. They could, for example, agree on sharing technical expertise (*e.g.* on environment, agriculture, immigration) for programming, monitoring and evaluation. These frameworks could also outline how line ministries could be engaged in implementing activities under the country strategies, thereby avoiding having to compete through calls for proposals.
- ***Encouraging stronger collaboration between DG Hellenic Aid and technical staff in line ministries who are members of the inter-ministerial committee.*** The committee needs to make decisions that can be implemented and the proceedings of committee meetings need to be made available to relevant staff across the administration.

### **Pragmatic actions to make DG Hellenic Aid fit for purpose**

As recommended in 2006 (OECD, 2006), DG Hellenic Aid must evolve its *ad hoc* approach to development programming to develop strategic programme management in line with the aid effectiveness principles (Chapter 5). DG Hellenic Aid's aid budget and its number of staff are not likely to increase given the austerity measures and economic adjustment programme agreed (Chapter 1).<sup>23</sup> It should therefore focus on adding value to its existing budget through more efficient and flexible aid management, and designing a development co-operation programme that can be managed with the staff already in place. We suggest that to do this, Greece should focus on the issues outlined in the following sections.

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23. Only one in five retiring civil servants will be replaced in 2011, and two in five in 2012 and 2013. During its mission to Athens in September 2011, the peer review team heard that this has been changed to one in ten. There has also been a significant reduction of fixed-term contract employees (OECD, 2011i).

### *Rationalise and simplify the organisational set up*

DG Hellenic Aid and the MFA face the same challenges as the Greek civil service in general of top-heavy structures and lack of strategic staff planning and management. In the backdrop of the more general reform the Greek civil service is currently undergoing, the draft presidential decree offers options for redefining the organisational structure of DG Hellenic Aid so that it can deliver aid in line with the priorities in the draft law, which emphasise aid effectiveness, sustainability, partnerships and concentration (see Box 2, Chapter 1).

DG Hellenic Aid recognises the need to focus more on policy and making its aid more effective and less on project management.<sup>24</sup> The new structure for the DG should be simpler, flatter and break down barriers to co-operation in the current organisation. It should also address the fragmentation that is found throughout the Greek administration, and is a result of small general directorates, each having several sections of just one or two people headed by a director. These units do not have the critical size to be efficient and the whole DG seems to have too many managers compared to the number of employees under their supervision. The team at the DG is small (about 30 people), yet has a Director General, a Deputy Director General and six Directors. There is, in addition, a Secretary General for International Economic Relations and Development Co-operation. Moreover, most of the staff are diplomats who move frequently. This high staff turnover makes it difficult to retain institutional memory.

The new structure needs to be rationalised to use staff more efficiently. It should be a simpler structure with larger teams, and provide for knowledge management which would be conducive to retaining institutional memory. A good option for a structure could be a Director General's office without specific substantive functions and that would work directly with, for example, three sections:

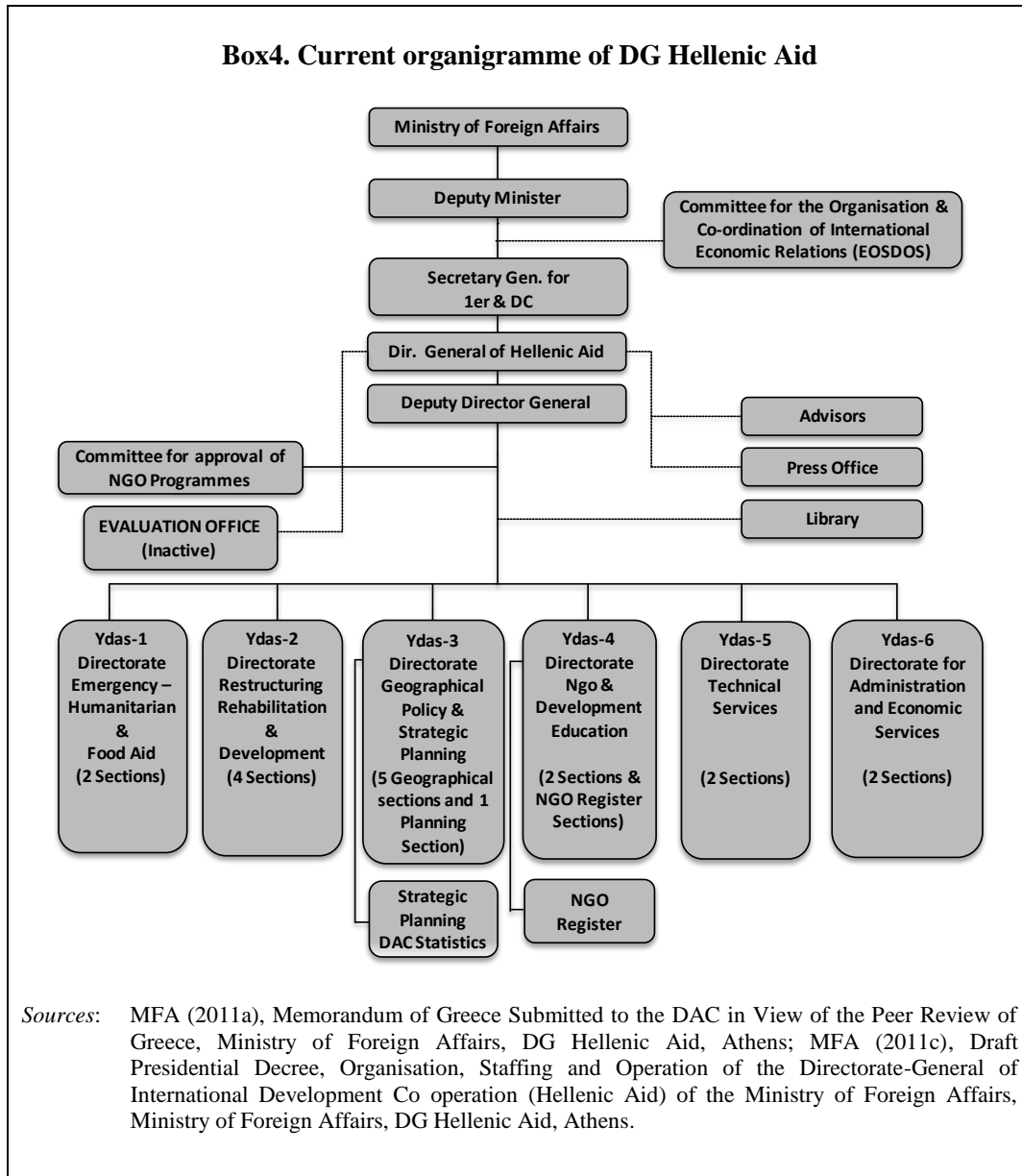
- one section for all policy and strategy questions, developmental and humanitarian, which should also include managing for results, monitoring, reporting and communication. This would contribute to evidence based policy making and stronger links between humanitarian and development programming
- one section for all programming development and humanitarian (including partnerships)
- one section for all corporate services (finance, audit, statistics, human resources)

A specific independent evaluation function with proper expertise should be set up, reporting either to the Director General or to the Secretary General for international economic relations and development cooperation. The MFA also stated its intention to build horizontal links between the different Directorates that deal with development programmes inside the ministry. DG Hellenic Aid may want to look at how other similarly-sized DAC donors work, and especially those with similar set-ups within the MFA.<sup>25</sup>

24. Interviews in Athens, April 2011.

25. For example, Denmark, Ireland and New Zealand.

#### Box4. Current organigramme of DG Hellenic Aid



Sources: MFA (2011a), Memorandum of Greece Submitted to the DAC in View of the Peer Review of Greece, Ministry of Foreign Affairs, DG Hellenic Aid, Athens; MFA (2011c), Draft Presidential Decree, Organisation, Staffing and Operation of the Directorate-General of International Development Co operation (Hellenic Aid) of the Ministry of Foreign Affairs, Ministry of Foreign Affairs, DG Hellenic Aid, Athens.

#### *Development officers for Greek diplomatic missions in priority countries*

The draft law (article 11) allows for officers with a diplomatic, economic, university or expertise background that have spent at least two years in DG Hellenic Aid to be sent to Greek embassies abroad to monitor, co-ordinate and supervise progress on Greece's development and humanitarian projects. This is in line with the 2006 DAC recommendation of placing development specialists in embassies in priority countries. Having competent staff dedicated to development in embassies is good practice. It will be particularly important if Greece implements, as planned, country strategy papers agreed with its priority countries. Development officers should also be capable of conducting more technical monitoring and evaluation of projects – at present embassies mainly evaluate projects for bureaucratic procedures. Should this proposal be approved by law, the MFA and DG Hellenic Aid will need to draft terms of reference for the positions,



provide training ahead of deployment, prepare guidelines to support field officers in their jobs, and ensure good lines of communication between the field and headquarters. However, the actual recruitment and deployment of development officers may prove difficult for the MFA in light of planned staff cut-backs. DG Hellenic Aid recognises that it needs to review how it guides embassies – it might be able to provide more technical back-stopping support from experts in DG Hellenic Aid and line ministries. The MFA should also consider a stronger delegation of authority to the Embassies in designing and managing development projects and programmes in the field.

DG Hellenic Aid has started to prepare a new development co-operation manual and has looked at the manuals of other donors. The peer review team considers that it will be particularly important to prepare guidelines and templates and develop training for MFA field staff on project cycle management, financial follow-up, new aid modalities, cross-cutting issues, evaluation and the aid effectiveness principles. DG Hellenic Aid may also want to refer to the training used by other DAC members for their field staff.

### ***Create a new business model***

#### *Make country strategy papers the focus*

DG Hellenic Aid's current business model needs to be updated in light of Greece's obligations to implement the aid effectiveness commitments, so that Greece can move towards programme-based approaches that are owned by partner countries. The planned country strategy papers will help ensure that projects and programmes are demand-driven and likely to be more sustainable.

The draft law proposes two different sets of documents: State agreements for development and country strategy papers. To rationalise procedures, Greece should consider adopting one single document to be agreed with the partner country. The country strategy paper (or programme), which should contain the shared objectives of Greece and the partner country and an agreement on the contribution Greece can make to implementing the partner country's own development strategy, should be the single shared document that both countries agree on and sign.

The country strategy papers should form the basis for delivering the five-year programme in the priority countries. They should be prepared by DG Hellenic Aid in consultation with priority countries, set common priorities, have multi-annual indicative budget plans (even if budget approvals are annual, see Chapter 3), include all official Greek development activities, identify the most appropriate aid channels, and make full use of a range of aid delivery approaches. Greece can benefit from and refer to country contextual analysis already conducted by other DAC members, such as the EU and should favour joint analysis. Where Greece has bilateral protocols with developing countries, these make a good starting point for preparing the country strategy papers.<sup>26</sup> The country strategy papers should allow for joint approaches with other donors and increase aid predictability.

DG Hellenic Aid is aware that it needs to move away from annual general calls for proposals and that a new business model needs to focus on high impact programmes based on partner country priorities. Nevertheless, the draft law and presidential decree

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26. These bilateral protocols include chapters on development co-operation as well as activities by line ministries – e.g. the protocol between Greece and Egypt. However, line ministries also have separate bilateral agreements with authorities in developing countries.

retain the option of general and specialised calls for proposals. Greece would do well to focus on channelling more aid, as it has done in 2009 and 2010, through multi-bi co-operation, regional programmes and joint projects and programmes with other donors (Chapter 5). If DG Hellenic Aid decides to continue with calls for proposals, it should only use specialised calls to fund specific projects where appropriate (*e.g.* humanitarian aid), and only to a limited extent. Also, the choice of line ministries for the implementation of projects should not be made through calls of proposals. DG Hellenic Aid and line ministers should define their role in implementation of projects through the process of the country strategy papers.

### *Focus on managing for results*

The current project-based business model means that staff spend most of their time appraising proposals, drawing up contracts, and following the detailed financial monitoring procedures outlined in the presidential decree before disbursing three aid tranches a year. Greece should consider adapting its monitoring and auditing procedures so that outcomes and results are as important as input controls, and that it limits administrative demands on partners. This will be possible if procedures stem from mutually-accountable partnerships or contracts with trusted, professional partners. Achieving this will allow staff to invest more time in fulfilling DG Hellenic Aid's role in providing strategic direction and policy guidance for development co-operation, preparing and engaging in policy dialogue with partners and ultimately demonstrating results.

DG Hellenic Aid is encouraged to assess the efficiency of working procedures through an approach such as workflow analysis.<sup>27</sup> This will also help it to build a case to put to the political leadership and parliament for rationalised bureaucratic procedures and a greater emphasis on results. New, simplified procedures should be set out in a manual for staff in Athens and the field, as well as for implementing partners.<sup>28</sup> Greece should look to the experience of other DAC donors which have undertaken a similar task, for example Denmark.

### *Design robust systems for monitoring and accounting*

In a climate of public demand for greater transparency over the use of public finances, and concern over possible corruption or mismanagement of funds by Greek development NGOs,<sup>29</sup> it is understandable that the Greek authorities, parliament and taxpayers place a lot of emphasis on financial control. With a backlog of approximately 200 projects, some dating back to 2000, which have yet to be signed off, it is positive that DG Hellenic Aid is prioritising clearing the backlog. The MFA is taking the following steps to do so: (i) a special committee chaired by the Secretary General in charge of development co-operation has been created, with the participation of all Directors, that will make

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27. Workflow analysis means reviewing all of a business's processes to identify inefficiencies and recommend improvements. The work begins by establishing desired results from the analysis with an organisation's senior managers. Analysts then interact with staff to document the current state of business processes. The final stage is to recommend processes that need to be changed, automated or left in place to meet the goals. External consultants can perform a workflow analysis effectively, being experts with no loyalty to any particular way of doing business ([www.wisegeek.com/what-is-workflow-analysis.htm](http://www.wisegeek.com/what-is-workflow-analysis.htm)).
28. Humanitarian and emergency activities will need a separate set of procedures (see Chapter 6).
29. Parliamentarians and staff at DG Hellenic Aid referred to a number of NGO projects which are currently being audited.

proposals to the Minister on how to close each project; (ii) an internal task force with the participation of all the Directions and weekly meetings at the technical level has been created; (iii) feedback from the field Embassies has been formally requested; (iv) a legal advisor has been hired to advise on the termination of the contracts and (v) an external auditing company is to be hired to support DG Hellenic Aid in solving the more complex cases, where additional technical expertise is needed. In addition, a clear manual of procedures should be prepared and widely disseminated to enable stronger accuracy and accountability in monitoring.

***Prioritise, plan and resource a politically-backed evaluation policy***

The MFA has yet to establish an evaluation function and develop an evaluation culture throughout the system, even though this was recommended in the 2006 peer review (OECD, 2006). The draft law and presidential decree make provisions for establishing an evaluation unit, which is a positive development. The evaluation function should report directly to the Director General or to the Secretary General. When outlining the role and responsibilities of this unit, Greece should draw on the experience of other DAC donors (OECD, 2010f). For example, Portugal has lessons to share from setting up its Internal Audit and Evaluation Office. If in-house expertise is not available, DG Hellenic Aid could look to external partnerships.

At present DG Hellenic Aid does not evaluate development co-operation using the accepted DAC approach.<sup>30</sup> Final project evaluations by embassies are procedural and focused on verifying inputs rather than reporting on outputs, outcomes and impacts. DG Hellenic Aid needs to train staff in good evaluation norms and practices. It could, for example, as a start, organise a seminar on evaluation with members of the DAC Evaluation Network.

DG Hellenic Aid will need an evaluation policy which clearly defines the role of the evaluation function, its responsibilities and its place in the institutional aid structure. When preparing the policy it should keep in mind that evaluation – of programme, process and impact – should inform development and humanitarian policy programming. It should provide evidence on what works and why, and contribute to a culture of learning within the aid system. Evaluations are also a critical component of being transparent and accountable and must, therefore, be credible. This credibility depends on the expertise and independence of the evaluators and the degree of transparency of the evaluation process (OECD, 1991). Transparency is further ensured when evaluations are made public.

***Give staff clear priorities, evaluate staff performance and build development expertise***

As recommended in 2006, the MFA and DG Hellenic Aid need to manage human resources more strategically and build a cadre of development professionals (OECD, 2006). However, there are some rigidities in Greece's system for managing human resources in the public sector which also apply to the MFA<sup>31</sup>: the numbers and categories

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30. An evaluation is a systematic and objective assessment of an existing or completed project, programme or policy, and of its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, developmental efficiency, effectiveness, impact and sustainability. An evaluation should provide information that is credible and useful, enabling lessons to be incorporated into the decision-making process of both recipients and donors (OECD, 1991).

31 OECD Governance Directorate

of staff in the General Directorates are determined by presidential decree and thus can reduce the administrator's flexibility to match skills with changing needs and building a cadre of development professionals. The Ministry of Interior plans to reform human resource management across the public service, with support from the OECD's Governance Directorate. The authorities need to build a culture of evaluation of staff performance based on clear individual objectives, to end automatic promotions linked to seniority, to sanction unsatisfactory behaviour and reward efforts (OECD, 2011i:16). However, this reform will take time.

While waiting for this reform to be implemented, the MFA and DG Hellenic Aid can start taking pragmatic and informal measures to manage and motivate staff to work on policy priorities, measuring and assessing staff performance in relation to DG Hellenic Aid's objectives and by establishing a more collaborative working culture. A recent, positive example is the weekly meetings of Hellenic Aid directors convened by the Director General to share information and deal with issues that cut across several directorates. Staff welcome this new procedure, which has built a stronger team spirit. The Director General and senior management could also review staff objectives and tasks and give them clear, time-bound priorities.

The constraints of the general civil service structure and of the diplomatic rotation do not make it easy to develop good and sustainable development capacity in DG Hellenic Aid. It is essential to have a well-trained and dedicated staff with a clear development co-operation background and expertise. Even though recruiting specialist staff is not currently a viable option because of the constraints on the administrative budget, DG Hellenic Aid could try to influence the personnel department's rotation decisions by submitting clear job descriptions with the skills required for all its positions. It could request that staff rotate from the DG to partner countries and back again at an acceptable frequency. The MFA could also create incentives for staff to build their development expertise. These include recognising development co-operation as a career path in the ministry and allowing staff with an interest in development issues to be assigned to DG Hellenic Aid for longer terms. Greece could also look to other donors with integrated systems which face similar challenges.

DG Hellenic Aid could also draw more on development capacity outside the ministry – from other line ministries, universities and civil society. While it requests line ministers to share their technical expertise if it meets the needs of partner countries, it should consider including this co-operation in the planned joint action plans with line ministries. The DG could also seek support and input from peers in other DAC member countries, the OECD and EU in areas such as programming, managing for results, making aid more effective to learn lessons from them and establish new working methods based on evidence. It could also use training modules already developed by DAC donors to build the capacity of staff. Greece would also benefit from joining the Train4Dev network.<sup>32</sup>

### ***Co-operate with NGOs through strategic partnerships***

Over the past decade DG Hellenic Aid and key line ministries have worked closely with 15-20 Greek NGOs and other civil society organisations to implement the aid programme. Moreover, the Greek NGO platform for development, which is a member of CONCORD (the European NGO Confederation for Relief and Development), has existed

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32. See [www.train4dev.net](http://www.train4dev.net)

since 1985 and has 12 active members.<sup>33</sup> However, while DG Hellenic Aid values the comparative advantage of NGOs in development co-operation (e.g. flexibility and knowledge of local conditions), it is under pressure from parliament to explain how it channels aid through NGOs. Parliamentarians, notably through the Special Standing Committee of Institutions and Transparency, consider that NGOs receiving public finances should be more transparent and accountable.<sup>34</sup> However, Greece does not have a policy nor a national framework, regulations or system for awarding charity/NGO status,<sup>35</sup> which results in lack of clarity on how the public service should engage with the civil society sector. DG Hellenic Aid fills this vacuum with its own NGO register. It plans in the new legislative framework to enforce stricter eligibility criteria and terms of financing for registered NGOs. Greece could, like other donors, do capacity assessments of NGOs as a means to identify reliable partners with whom it could work. Greece needs to finalise and put into place the draft policy for engaging with NGOs and Civil Society as it will also help clarify which organisations are desirable partners and for what purposes.

While proposals in the draft legislation address administrative and financial management concerns, these conditions need to be framed by a clear strategy or policy for co-operating with NGOs (Chapter 3).<sup>36</sup> DG Hellenic Aid plans to issue a new policy on working with NGO's. In finalizing this policy, DG Hellenic Aid needs to integrate lessons from the current process of clearing a backlog of projects, assess how it has worked with NGOs in the past, what development results have been achieved through this channel and update its approach to financing projects and programmes (Chapter 5 and OECD, 2010e). Aid allocations to NGOs should reflect the NGO policy and could be based on results-oriented multi-annual partnerships with trusted NGOs, rather than through the general calls for proposal approach (OECD, 2010e). Such a partnership approach, with clear criteria for selecting NGOs and auditing, monitoring, and evaluation, should also eliminate the perceived need (partnerships are made with trusted, professional NGOs in a spirit of mutual accountability) for bank guarantees. These are costly for NGOs due to the interest they pay on the finances guaranteed by banks. They also tie up NGO resources that could be spent on other development activities and reduce overall resources available for development.

DG Hellenic Aid could also capitalise on NGO expertise and perspectives through more systematic consultations on development strategy and policies with proper follow-up mechanisms. The peer review team noted recent meetings between the General Director of Hellenic Aid and members of the Greek NGO platform to discuss the new legislative framework and the National Advisory Committee on NGO issues.

33. See [www.dev-ngos.gr/members\\_en.htm](http://www.dev-ngos.gr/members_en.htm) for a list of members.

34. Minutes of the 15 February 2011 session of the Special Permanent Committee on Institutions and Transparency of the Greek Parliament on NGO issues, available in the Greek language only.

35. See for example Ireland's Charities Act (<http://www.oireachtas.ie/documents/bills28/acts/2009/a0609.pdf>) and database of organisations with a charity reference number (<http://www.revenue.ie/en/business/faqs-charities.html>).

36. See Chapter 1, page 6 of *DCD/DAC(2010)42* for an internationally agreed definition of CSOs and Chapter 3, pages 14 and 16 on strategic objectives for working with CSOs.

## Future considerations

- The MFA should reorganise DG Hellenic Aid into a flatter and tighter structure with fewer directorates and larger teams focusing on policy, programming and corporate processes..
- The MFA, through Hellenic Aid, is encouraged to continue to find informal ways to strengthen collaboration across the aid system.
- DG Hellenic Aid should change its business model and only use calls for proposals for specific purposes and to a limited extent. It should build on its recent experience with more effective financing instruments and establish well-framed, results-based partnerships with priority countries and other partners in the form of commonly agreed country strategy papers. Greek line ministries, official agencies and civil society should integrate their activities into, and implement relevant activities in the country strategy papers.
- Greek development co-operation needs an evaluation policy based on international standards. The MFA should establish an active evaluation function with experts in evaluation.
- The MFA should invest in relevant training to build a cadre of development professionals with the capacity to develop strategies and policies, prepare operational guidelines and co-ordinate and monitor development co-operation. It should create incentives for attracting and retaining staff with expertise in development at DG Hellenic Aid, and develop a culture of measuring staff performance. It could also recognise development co-operation as a career path and allow staff with an interest in development to be assigned to DG Hellenic Aid for longer terms. DG Hellenic Aid should try to influence staff rotation decisions by submitting clear job descriptions and skills required for all its positions.
- Awaiting further reforms, the MFA and DG Hellenic Aid should provide embassy staff in partner countries with more technical back-office support in development policy, monitoring and evaluation. The MFA should consider a stronger delegation of authority to the Embassies regarding project and program implementation in the field.
- DG Hellenic Aid should adopt an NGO policy with clear objectives and results frameworks to guide its co-operation with NGOs. It should define and update its financing mechanisms based on these objectives. It should also establish systematic consultation mechanisms with NGOs and reconsider the need for bank guarantees.

## *Chapter 5*

### **Aid effectiveness and results**

#### **Greece is committed but not set-up to implement Paris and Accra**

Staff across the administration is aware of Greece's commitment to make aid more effective, in line with the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action. DG Hellenic Aid has used the inter-ministerial committee to deepen awareness of Greece's commitment and identify how to achieve this. However, Greece's centralised, mainly project-based business model and fragmented development co-operation system are bottlenecks to making progress. Furthermore, DG Hellenic Aid controls only a small share of the aid budget, making it difficult to ensure that aid delivered by other parts of the administration complies with the Paris principles (see Chapters 3 and 4). Nevertheless, joint programmes such as the Balkans programme (HiPERB) and the Mediterranean component of the EU Water Initiative (MED EUWI, see Box 5) demonstrate that Greece can deliver aid according to the principles of ownership, alignment and harmonisation.

Given the systemic and structural problems facing Greek development co-operation, the priorities for making aid effective identified in 2006 remain valid (see Annex A and OECD, 2006). Nevertheless, the peer review team commends Greece for underpinning the changes proposed in the draft law, presidential decree and five-year programme with the principles of ownership, alignment, harmonisation, results and mutual accountability. The sooner Greece approves the new institutional and strategic framework, the sooner a more effective implementation of the Paris and Accra commitments will be possible.

#### ***Integrating Paris and Accra into policy documents***

Greece prepared an aid effectiveness action plan in 2004 which was approved by the inter-ministerial committee. However, this plan has not been updated since the 2005 Paris Declaration or the Accra Agenda for Action in 2008. The plan identified four areas where Greece needs to improve the effectiveness of its aid (MFA, 2011a):

- (i) To align work with partner country priorities and build stronger partnerships through dialogue with partner countries to achieve their ownership over and the sustainability of Greek projects.
- (ii) To co-ordinate with other donors and agree on priorities, practices and procedures with a specific focus on co-ordinated capacity building and the ultimate goal of alignment.
- (iii) To improve co-ordination, coherence and complementarity of priorities, practice and procedures across the Greek system with a focus on results, evaluation and evidence-based decision-making.
- (iv) To raise implementing partners' awareness about the aid effectiveness principles.

DG Hellenic Aid reported on the action plan in the 2009 annual report on development co-operation (MFA, 2010). This describes efforts by the authorities to ensure ownership through the Balkans programme (HiPERB), harmonisation by co-financing multi-donor projects, and capacity building through its technical co-operation. However, the report provides no evidence of results achieved, the proportion of total aid that these examples cover, or lessons learnt from applying the Paris principles for future projects and programmes. While this does not mean that results have not been achieved, it highlights the need for evaluations and greater focus on managing for results (see chapter 4). Another weakness of the action plan is the lack of time-bound targets and monitoring of progress.

The draft five-year programme outlines principles and guidelines for implementing the Paris and Accra commitments. DG Hellenic Aid, in collaboration with relevant line ministries, could also identify objectives for applying the principles and indicators for monitoring progress. This could include realistic actions that Greece can achieve, notably through the country strategy papers' process and through its contributions to regional and multi-donor programmes in priority countries and regions.

### ***The Paris Declaration monitoring survey: indications of low scores for Greece***

Greece participated in both the 2006 and 2008 “Monitoring Surveys of the Paris Declaration” (OECD, 2008a). However, Greece was not included in the relevant Reports of the DAC because the flows granted to the countries that participated in the survey were very small in relation to other donors. The five recipient countries<sup>37</sup> chosen by Greece to participate in the 2008 Monitoring Survey have sent the available data. In these responses, Greece scores low on the indicators for alignment (aid on partner's budget, using country systems) and harmonisation (programme-based approaches, co-ordinated donor missions, technical co-operation and analytical work).

### **Greece tests new more effective ways of delivering aid but this is not systematic**

Greece has made efforts since the last peer review to make its aid more effective by contributing to pooled and trust funds and through silent partnerships. Its role as the lead country for the Mediterranean Component of the European Water Initiative (MED EUWI) shows that Greece is capable of supporting long-term comprehensive programmes which build institutional capacities in line with international good practice and which use a small aid budget to catalyse development. The success and international recognition of this programme has resulted in good visibility for Greece in partner countries and internationally (Box 5). The Balkans programme (HiPERB) is another example that demonstrates Greece can commit to multi-year programmes along with partner country governments and use country systems. However, the Balkans programme continues to encounter disbursement problems. These stem from Greece's annual budget planning and resource shortfalls, as well as partners' weak institutional capacity to fulfil conditions.

37. The recipient countries reporting on Greece in 2008 are: Albania, Egypt, Jordan, Sudan and Democratic Republic of Congo.



The challenges to making Greece's aid more effective are the same as those outlined in the 2006 peer review: need for strategic country programmes for priority countries based on these countries priorities; division of labour with other donors; review programming and aid delivery to facilitate alignment and harmonisation; devolve more authority to the field level; and develop a results-based approach (OECD, 2006). That the draft law provides for the possibility of budget support and there are plans for priority country strategies, are positive developments in this context.

### ***Channel more aid through joint programmes and international organisations***

Between 2007 and 2010 Greece, in order to enhance the harmonisation of donors principle, used delegated co-operation in Afghanistan in health, sanitation, education and agriculture, and contributed to USAID programmes (EUR 2 million in total) and to several provincial reconstruction teams (PRT) programmes (EUR 2.6 million).<sup>38</sup> The peer review team welcomes Greece's efforts to support countries by delegating co-operation to other donors. As recognised by the Greek authorities, Greece can capitalise on the know-how and established operations of other donors in priority countries, especially when it does not have a field presence or development experts on the ground.

Like other donors, Greece encounters challenges when it comes to relying on and accepting the monitoring and evaluation procedures and reports of its partners. At the same time, to reach its ultimate objective of alignment, Greece will need to find ways to rely on partners' mechanisms. In addition, it needs to take into account the scale of its contributions to joint programmes: it can expect partners to take on board more of its reporting requirements if it is a significant donor to the programme. Moreover, to respect partner country ownership, flag-raising should not be an objective in itself. Greece should instead prioritise gaining visibility from its contribution to policy dialogue and institutional capacity building, as it has done with MED EUWI (Box 5).

#### **Box 5. Good practice example: Greece's lead role in MED EUWI**

The Mediterranean component of the EU Water Initiative (MED EUWI) aims to help developing countries to meet the water-related Millennium Development Goals and World Summit on Sustainable Development (Johannesburg) targets. The Government of Greece (Ministry of Environment, Energy and Climate Change and the Ministry of Foreign Affairs) has taken the lead in MED EUWI since it was launched in 2003. MED EUWI has several strengths and is achieving results. Key features include:

- **A strategic partnership** among stakeholders in the Mediterranean region. It creates an enabling environment, builds institutional capacity and uses local as well as international expertise. In Egypt, for example, technical work is carried out by Egyptians and international consultants. Greece, the Global Water Partnership-Mediterranean, and the OECD provide technical support.

.../...

38. PRTs led by Hungary (0.5 million € and 0.3 million €), Lithuania (0.5 million €), the United Kingdom (co-operation with PRT member Estonia. 0.3 million €), Czech Republic (0.3 million €) and Spain (0.7 million €).

(Cont'd)

- **Strong ownership:** MED EUWI responds to demands for assistance and technical advice from participating countries. For example, the Government of Egypt requested MED EUWI to assist with the sustainable management of its water resources. In response MED EUWI launched a Country Policy Dialogue on Water which facilitates multi-stakeholder discussions around solid technical analyses to generate consensus on the most appropriate reforms in the water supply and sanitation sector.
- **Co-ordination and harmonisation:** country discussions on water create a platform for multi-stakeholder consultations, setting priorities, agreeing on roadmaps and strengthening co-ordination between different partners. Discussions are being carried out in Egypt, Lebanon, Morocco, the Palestinian Administered Areas, Tunisia and Syria. A Director's Forum provides institutional support, advice and guidance for implementing activities. This forum has evolved into the Water Expert Group which is mandated to develop the new Strategy for Water in the Mediterranean. MED EUWI provides technical and administrative assistance for this new strategy and accompanied action plan.

This programme is one model of how Greece can contribute to the MDGs and provide development co-operation in line with good practice for effective aid:

- **Comparative advantage:** Greece adds value to its small budgetary contribution (EUR 100 000 per year with additional project financing from DG Hellenic Aid's budget) by providing demand-driven, relevant technical expertise in the Mediterranean region. Political support for this co-operation is easily won and sustained in Greece because good water management is a shared concern for all Mediterranean countries. However, DG Hellenic Aid should include project financing related to MED EUWI in the overall programme rather than processing project proposals through the annual call for proposals.
- **Predictability:** Greece has been committed to MED EUWI over the long-term (since 2003) and is involved in activities that run up to 2017 (e.g. Egypt's National Water Resources Plan 2017).
- **Mutual accountability:** Greece's contribution to the MED EUWI Egypt Dialogue, for example, is included in a protocol signed between Greece and Egypt during the Bilateral Ministerial Committee on Economic and Technical Co-operation in 2006.

Sources: MED EUWI and OECD (2010), *MED EUWI Egypt Country Dialogue on Water; Framework conditions for Private Sector Participation in Water Infrastructure in Egypt*, OECD, Paris.

### ***Provide more strategic and relevant technical co-operation***

As shown in Chapter 3, 64% of Greek bilateral aid is provided as technical co-operation by several Greek ministries. Greece should examine all its forms of technical co-operation to ensure that they contribute to capacity building in line with international best practice (OECD, 2011g). Paragraph 14 of the Accra Agenda for Action (AAA) states that technical co-operation is only one of several means of developing capacity. Under the AAA donors committed to supporting demand-driven capacity development which is designed to support country ownership. Developing countries and donors also agreed to: (i) jointly select and manage technical co-operation; and (ii) promote the provision of technical co-operation by local and regional resources, including through South-South co-operation (AAA, 2008).

The review team was informed that Greece has decided not to fund new scholarships for the time being. This offers an opportunity to reflect on the value of

such scholarships as a form of technical cooperation and how scholarships financed by DG Hellenic Aid and other government departments meet the needs of priority countries. An independent evaluation of Greece's scholarship programmes could be commissioned to look at the contribution of scholarships to sustainable development and country ownership. Recent evaluations undertaken by other donors have highlighted recurring problems with scholarships and educational grants. These include their high cost, difficulty with assessing impact and uncertain sustainability (OECD, 2011g).

### ***Untie aid further***

Greece fully complies with the *2001 DAC Recommendation on Untying to Least Developed Countries (LDCs) and the Highly Indebted Poor Countries*, untying 96% of its ODA that is covered by the Recommendation. However, only 15% of total Greek ODA was allocated to LDCs in 2009.

The 2001 untying recommendation does not cover all ODA – it excludes, for example, technical co-operation, food aid and applies only to the LDC and HIPC country groups. Accordingly, the OECD also monitors and reviews the broader picture of untying aid. This contributes to monitoring the AAA commitment (paragraph 18a) by DAC members to develop plans to further untie their aid to the maximum extent possible (OECD, 2011h). From this broader perspective, 67% of Greece's bilateral ODA was tied in 2009, making Greece the DAC member with the highest percent of tied bilateral aid (OECD, 2011h).<sup>39</sup> This performance is caused principally by the composition of its aid with a high share of tied technical co-operation in Greece's aid portfolio (i.e. scholarships, imputed student costs) as well as the importance of refugee costs in its aid programme. This situation may improve once the MFA has designed a new policy on scholarships in technical cooperation.

In 2009, Greece reported for the first time on the tying status of all its aid, thereby providing the international community with a base line picture of its tying practice. Greece claims that comparative analysis of the tying status of its aid is misleading because DAC member countries do not necessarily interpret and, thus report, on the tying status in the same way. Nevertheless, the OECD secretariat states that Greece's interpretation of what is tied and untied is correct and therefore the data on Greece are accurate.

To improve its performance on untying, Greece should seek to increase the value for money of the aid it provides to partner countries by offering untied technical co-operation and education services to developing country students. Greece should also submit a clear plan (e.g. with targets and a timetable) to the DAC to meet its commitments under the AAA to untie its aid to the maximum extent.

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39. Greece is lauded for fully reporting the tying status of all its bilateral aid since 2009. In 2008 it reported on the tying status of just half of its bilateral aid (reporting on the tying status of TC is not mandatory – see DAC statistical Table 7B). When the seven DAC donors who did not fully report the tying status of their bilateral aid in 2009 improve their reporting, Greece's performance compared to other donors or the DAC average may improve. Nevertheless, over two-thirds of Greece's bilateral aid in 2009 was tied.

## Future considerations

- The five-year programme should outline how Greece plans to apply the principles for more effective aid throughout all its development activities.
- In order to concentrate its aid and achieve a scale which can give it leverage in policy discussions with partners, Greece should engage in a limited number of delegated co-operation agreements, joint programmes or pooled funds in priority countries and allocate more aid to those programmes. Increasing the scale of its contributions in fewer countries could also make Greece more visible.
- Review the articles on administrative and financial procedures in the draft presidential decree to ensure that they promote the use of partner systems (government and others); joint monitoring and reporting; and strategic, multi-annual partnerships with key stakeholders, including NGOs.
- Review how technical co-operation can be untied and implement Greece's commitments in the Accra Agenda for Action to untie remaining tied aid "to the maximum extent possible".

## *Chapter 6*

### **Humanitarian assistance**

Greek humanitarian assistance is at an important crossroads, as Hellenic Aid draws up a new legal framework and strategic plan to guide its humanitarian programming. Greece must seize this opportunity to thoroughly appraise its past humanitarian successes, current opportunities and ongoing risks; map out its future strategic focus; and narrow and deepen its humanitarian portfolio. Developing closer links with overall Greek development co-operation goals and Greek comparative advantage will be an important part of this process. Greece must also remain realistic in its aspirations, given the likely short-term constraints such as budget volume, cumbersome compliance systems and the need to reset Greece's partnerships with the wider humanitarian community.

Recommendations from the 2006 peer review remain pertinent in this new environment (OECD, 2006 and Annex A). In particular, the recommendations to develop a clear overall humanitarian strategy, and to streamline procedures for working with NGOs are still clear priorities. Some progress has been made on cross-government co-ordination, where procedures to harmonise the delivery of in-kind aid have been formalised. These structures could now be extended across all humanitarian funding and delivery mechanisms. Greece will also need to determine the role of embassy staff in humanitarian programming, and, as recommended by the previous peer review, work to strengthen staff skills and capacity to fulfil this role.

#### **Consultation is key to ensuring wide buy-in to the new humanitarian framework**

Greece does not yet have an overall clear definition of its humanitarian goals or a strategic programming framework. This results in a fragmented response portfolio covering a number of different crises, in different areas of the world, across a number of sectors (Figure 3). DG Hellenic Aid staff report that past programming decisions have been based more on the quality of individual project submissions, rather than on the contribution of these projects to clear overarching Greek humanitarian objectives – either globally or for individual crises.

A new Greek humanitarian framework is currently under development, providing a much needed opportunity to develop a focused humanitarian strategy and to back it up with an effective law that will support constructive humanitarian programming into the future. The peer review team's discussions with Greek officials and humanitarian partners, and reading the draft legal and strategic documents, have highlighted two main areas where future Greek humanitarian assistance could build on its comparative advantage and deliver effective results:

- **Migration:** humanitarian programmes to provide protection and durable solutions for refugees and internally displaced persons as close to their home as possible.<sup>40</sup>
- **Disaster risk reduction:** Greece could support disaster preparedness and response capacity in partner countries, building on the expertise of its civil protection unit (Box 6).

### **Box 6. Humanitarian preparedness and response through Greece’s civil protection mechanism**

Greece faces the risk of a number of disasters – including earthquakes forest fires; flash floods; landslides; chemical, biological, radiological and nuclear hazards; epidemics; and incidents in installations containing hazardous materials. The country has developed a strong disaster response mechanism to deal with these domestic threats, and also participates in EU preparedness and response activities and supports international disaster response efforts.

The General Secretariat for Civil Protection, under the Ministry of Citizen Protection, is responsible for leading Greece’s domestic, EU and international disaster response efforts. It is charged with leading cross-government efforts in disaster preparedness, early warning, mobilising resources, and co-ordinating response and recovery actions. To carry out this mandate it co-ordinates the work of a number of services, including the Greek fire corps, the coast guard, police, health services, the earthquake planning and protection organisation, regional and local authorities, and voluntary organisations.

Building on its experience and strong skills in domestic response, Greece has also now developed a number of EU registered civil protection modules that it deploys as part of its international disaster response. These cover the areas of urban search and rescue; medical assistance; forest fire fighting; and chemical, biological, radiological and nuclear search and rescue.

In addition to these EU mechanisms, Greece and Turkey have established a joint Hellenic-Turkish standby disaster response unit, JHET-SDRU. This mechanism, supported by the UN’s Office for the Co-ordination of Humanitarian Affairs, oversees disaster preparedness seminars and drills in both countries. In the near future, JHET-SDRU will be accredited for deployment under the international response system, following international operating procedures under the International Search and Rescue Advisory Group (INSARAG).

Greece could now draw on this expertise to develop the disaster preparedness and response capacity of its partner countries. In particular, current domestic Greek activities, such as enhancing the emergency management capacity of local authorities, supporting research and development programmes, and conducting local response exercises, could be usefully replicated in Greece’s partner countries, leaving them better able to co-ordinate responses to future disasters.

*Source: European Commission Humanitarian Aid and Civil Protection: Country Profile – Greece.*  
[http://ec.europa.eu/echo/civil\\_protection/civil/vademecum/el/2-el.html](http://ec.europa.eu/echo/civil_protection/civil/vademecum/el/2-el.html)

40. See, for example, UNHCR’s durable solutions programme, which suggests three possible ways of helping refugees: voluntary repatriation, local integration or resettlement to a third country in situations where it is impossible for a person to go back home or remain in the host country. More details at: [www.unhcr.org/pages/49c3646cf8.html](http://www.unhcr.org/pages/49c3646cf8.html)

The draft legal framework for Greek development co-operation, which will also cover humanitarian assistance, now refers to the *Principles and Practices of Good Humanitarian Donorship*.<sup>41</sup> Greece endorsed the principles in 2004 to guide its official humanitarian aid and as a mechanism for encouraging greater donor accountability. Making clear reference to these principles in Greek law will ensure that Greece adopts the internationally-accepted definition of humanitarian assistance and commits to enhancing the coherence and effectiveness of its donor actions. It will also ensure that Greece adopts good practices in funding, promotes standards and enhances implementation, learning and accountability.

Donors have committed to providing humanitarian assistance in ways that support the recovery and long-term development of survivors; Greece could make this a priority in its new framework. Greek humanitarian programming does not currently have formal links with Greek development programmes, and does not currently form part of the country plans for priority countries. This is despite a number of those countries either undergoing protracted crises or being at high risk of disaster (*e.g.* the Democratic Republic of Congo, Ethiopia, the West Bank and Gaza Strip, Afghanistan and Iraq). In addition, partners who want to include recovery elements in their Greek-funded emergency programmes must, under the current system, apply for funds from both the humanitarian and development budgets.

**Top 20 recipients of Greek humanitarian assistance, 2009**



Source: OECD/DAC data

### **Building strategic partnerships should now be a priority**

Wide participation by operational partners and cross-government consultation will be critical for ensuring that the new humanitarian framework is realistic, inclusive and widely owned. Greece does not yet have a plan for how it will consult with partners and other key actors across government on the new framework, but consultations should certainly involve the lead ministries implementing humanitarian aid programmes: the Ministry of Defence, the Ministry of Health and Solidarity, and the Ministry of Citizen Protection. Multilateral and NGO partners consulted for this peer review also showed a

41 See [www.goodhumanitarianandonorship.org/gns/principles-good-practice-ghd/overview.aspx](http://www.goodhumanitarianandonorship.org/gns/principles-good-practice-ghd/overview.aspx)

strong appetite for participating in the design of the new humanitarian framework, and the peer review team believes that including their views would also be useful.

Greece will also need to strengthen its partnerships with key multilateral organisations and NGOs as it rolls out its new humanitarian framework. There is currently no formal mechanism, either in Athens or in the field, to ensure that Greece talks regularly with its humanitarian partners, although Greece says that it does receive information through the European civil protection's monitoring and information centre (MIC). Wide consultation on Greece's new framework documents could promote ownership of the new strategy and help to reset the partnerships that Greece will need as it moves towards implementation.

Funding to multilateral partners represented 40% of Greece's humanitarian assistance in 2009, provided as a mix of core and earmarked funds. An analysis of these funding decisions does not show a noticeable strategic pattern – and partners report that funding amounts and earmarks are not usually predictable. In addition to funding for individual agencies, since 2001 Greece has also contributed to the United Nations Central Emergency Response Fund, with its annual contributions for the years 2009-2010 reaching USD 500 000. Greece is commended for this and it should review how and where it wants to interact with the multilateral agencies in the future, and incorporate this into its new humanitarian strategy. It should ensure that its future partnerships and funding are predictable and flexible.

The 2006 peer review recommended that Greece streamline procedures for funding NGO partners; this remains important. Currently, Greece provides project funding to Greek NGOs on an *ad hoc* basis, with programme cycles not longer than six months. Humanitarian funding decisions for protracted crises are made through the annual NGO call for proposals, whose lengthy and complex procedures (Chapter 4) significantly hamper timely and predictable Greek funding – two key good humanitarian donorship principles. NGO proposals for new emergency situations can take up to 18 months to assess – seriously hampering the timeliness of the response. Greek officials interviewed for this peer review indicated an intention to re-evaluate the share of funding allocations to multilateral and NGO agencies. A review of funding procedures will be an important part of this change in focus. Recent developments related to the reform of Greek public finances provide an important opportunity to implement these changes, balancing fiscal controls with the need to deliver results.

### **Maximising impact of the humanitarian budget will require clearer allocation criteria**

Greece intends to make a sizeable commitment to humanitarian programming under its draft legislation; this has the potential to increase the humanitarian budget beyond the USD 15.4 million allocated in 2009.<sup>42</sup> The current economic situation in Greece means that Hellenic Aid must be prudent about the amount of funding that will be made available for humanitarian assistance in the short-term. However, the draft development co-operation law envisages that up to 25% of DG Hellenic Aid's ODA budget will, when conditions improve, be set aside for humanitarian assistance. Unspent funds will be made available for transfer to development programmes.

42. OECD/DAC statistics, based on current prices.



It will be critical to demonstrate clear results to the Greek taxpayer on the use of humanitarian funds. As noted earlier in this chapter, Greece's funding decisions have historically focused on the merit of individual proposals, rather than on a set of objective and rigorous criteria tied to a focused humanitarian strategy. Greece is encouraged to determine clear funding criteria, tied to its new humanitarian strategy, to guide its future humanitarian funding decisions. It should publish on its website these criteria, the actual humanitarian funding decisions, and indications of results achieved.

Greek NGOs also solicit funds directly from the public for emergency responses. These campaigns are subsidised by the Greek government, allowing Greece to broaden the total funds available for emergencies. The process to approve NGO and Greek Red Cross fundraising campaigns, and to obtain free media space, involves two levels of approval: the organisation must first submit their campaign goals to the Ministry of Health and Solidarity, and then to the National Media Council who will approve the campaign material. This process can take up to two weeks. Supporting the provision of free media space for NGO emergency fundraising campaigns is a good practice that could be further enhanced if the approval process could move more quickly, perhaps by pre-accrediting a set of credible NGOs.

### **Refine delivery procedures and mechanisms so they are fit for purpose**

In-kind aid has been the most common Greek direct response to sudden onset emergencies; Greece must now determine what role this type of aid will play in its future programming. Under Standing Order 5-4/2009, which sets out the procedures for providing overseas humanitarian aid, Hellenic Aid is charged with co-ordinating the collection and delivery of in-kind goods for disaster affected countries. Items regularly dispatched include medical staff, drugs, vaccines and equipment through the Ministry of Health; civil protection modules under the Ministry of Citizen Protection; and surplus stocks from the Ministry of Defence, who can also provide the transport logistics, if these are not covered by DG Hellenic Aid. Greek embassy staff in the affected country then distribute the goods, often through NGO partners, or, where there is no Greek diplomatic presence, through international humanitarian agencies. Greece should review its recent experiences with this mode of humanitarian assistance and draw up clear criteria for its future use. The following good practice questions may help guide these decisions:

- Are the in-kind goods appropriate for the local climate, culture and religion?
- Does the affected population actually need the goods?
- Are the goods available locally?
- Is the cost of transport good value for money?
- After a disaster, will an influx of donated goods clog the ports and logistics channels?
- Will the people receiving the goods be able to afford to fix or replace the donated item?
- Can the goods be purchased and/or delivered in a more co-ordinated way with other donors?

The new cross government co-ordination mechanism for in-kind aid delivery could also serve as a useful model for wider co-ordination of humanitarian work, and for establishing a clear division of labour among the various ministries. While the roles of various government actors in disaster response are clearly outlined by Standing Order 5-4/2009, there is no corresponding mechanism for other humanitarian work. Funding relationships with multilateral agencies are currently shared between DG Hellenic Aid and the Ministry of Health and Solidarity: consolidating these under DG Hellenic Aid could be a useful first step towards a more coherent programme. Closer strategic co-ordination across government would also be useful for issues such as migration, where humanitarian assistance has a role in seeking durable solutions for refugees and displaced people (Chapter 2).

Civil-military co-ordination seems to work well in the Greek system. The Ministry of Defence has entered into a partnership with the Greek Red Cross to provide training for officers in international humanitarian law, and this is a good practice to continue.

Greece recognises that its accountability procedures for humanitarian assistance are cumbersome, and need to be significantly streamlined (see Chapter 4 for further analysis). Current systems focus strongly on controlling expenditure and inputs, with very little emphasis on monitoring programme impact and results, or on learning. In its review of procedures, Greece should consider whether the requirement to deliver original copies of all invoices to Athens, duly stamped by local embassy staff and translated into Greek, is appropriate for emergency settings. Relationships with NGO partners are further strained by the requirement to provide a bank letter of guarantee until Hellenic Aid closes the grant file. They note that the process to clear receipts often takes well over 12 months – blocking funds that could be better used for other emergency responses. These types of controls are imposed on DG Hellenic Aid by the wider Greek public finance system, overseen by the Ministry of Finance, the Court of Auditors and Parliament. Current reviews of public finances could provide an opportunity to streamline these accountability requirements.

The role of embassy staff in humanitarian programming also needs to be re-evaluated. Current regulations requiring Greek embassy staff to visit each NGO project have proven unworkable when the embassy is under travel restrictions for security reasons, and/or is insufficiently staffed. If embassy staff are to have a role under the new humanitarian strategy, they will need to be sufficiently trained and equipped in order to perform their role effectively. In this light, provisions in the draft legal framework promoting the training of staff at Greek embassies are welcomed. The deployment of Greek staff to support the humanitarian response in Libya could also provide a useful model for future humanitarian crises.

## Future considerations

- Ensure the new legal framework and strategic plan for humanitarian assistance are based on humanitarian principles, Greek comparative advantage and reflect overall Greek development priorities. Legal documents should specifically mention the *Principles and Practices of Good Humanitarian Donorship*. Consult widely across government, and with the humanitarian community, to ensure that the new humanitarian framework is realistic, inclusive and widely-owned.
- Build better links between Greece's humanitarian and development programmes, drawing on the good practices of other donors, such as:

- Providing multi-annual funding for protracted crisis situations.
- Integrating humanitarian programming systematically into all priority country strategies.
- Integrating humanitarian expertise or desk officers into country teams.
- Develop and streamline its systems, procedures and partnerships to support its new strategic framework. Special consideration should be given to:
  - Narrowing and deepening the humanitarian portfolio to promote a more strategic approach.
  - Outlining clear criteria and guidelines for Greek in-kind aid.
  - Formalising the division of labour and co-ordination mechanisms across government, building on the existing co-ordination model for in-kind aid.
  - Streamlining procedures for working with NGOs and other donors.
  - Developing a coherent system for monitoring programme results, and learning lessons.
  - Building the skills and capacity of embassy staff so that they can properly carry out their future roles.



## *Annex A*

### Progress since the 2006 DAC peer review recommendations

Key Issues	Recommendations 2006	Achievements since 2006
<i>Overall framework and new orientations</i>	<ul style="list-style-type: none"> <li>– Greece should take the opportunity of the launch of its next medium-term programme to announce a clear strategy for its aid, reflecting Greece's comparative advantages, as the framework for the medium term programme in terms of country and sector priorities and allocation among aid channels.</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Recommendation partially implemented.</i></li> <li>• A draft five-year development co-operation programme (2011-2015) is being prepared by the Greek authorities and should be submitted to parliament in 2012. Once approved by the Ministerial Council, this medium-term programme should provide a clear strategy for Greek development co-operation as recommended in 2006. Greece has not had a medium-term strategy for development since 2006.</li> </ul>
	<ul style="list-style-type: none"> <li>– As the aid programme changes in size, geographic focus and ways in which it is delivered, public accountability will become crucial. The DAC encourages further developing the dialogue with the Parliament in order to strengthen political support for Greek development co operation. Greece also needs to further raise public awareness on development co operation issues and to continue its efforts to build public support.</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Recommendation partially implemented.</i></li> <li>• The DG Hellenic Aid in the Ministry of Foreign Affairs has made efforts to increase public accountability to parliament and the public through the annual report on development co-operation and some public information campaigns. However, this is not done in a strategic manner and communication is rather passive, rather than promoting active awareness raising and accountability. In 2010 the government launched a transparency programme through the opengov.gr website. This is helping to increase transparency in Greek public policy, decision making and budgeting.</li> </ul>
	<ul style="list-style-type: none"> <li>– Greece should adjust existing structures to foster more systematic and selective attention to policy coherence for development. Greece could consider expanding the</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Recommendation not implemented.</i></li> <li>• Greece is making some progress in taking into account development, and other domestic issues (e.g. crime, health care costs) in environment and</li> </ul>

Key Issues	Recommendations 2006	Achievements since 2006
	<p>mandate of the Inter-ministerial Committee to cover policy coherence issues. To provide adequate analytical support, Hellenic Aid should have enough capacity to access information from other line ministries, the EU and other sources.</p>	<p>migration policy. However, existing structures have not been adjusted to ensure that coherence for development is addressed systematically. Hellenic Aid does not have the capacity or the development expertise to access and analyse information as recommended.</p>
<p><i>Aid volume and distribution</i></p>	<p>– Greece needs to address urgently the challenge of implementing its political commitment to reach the 0.51% ODA/GNI target by 2010. Therefore Greece should include an ODA growth implementation plan focusing both on the resourcing and spending dimensions of the equation, in its new medium-term programme.</p>	<ul style="list-style-type: none"> <li>• <i>Recommendation not implemented.</i></li> <li>• Greece is going through a severe recession, fiscal deficit and public debt crisis, and is subject to an economic adjustment programme with the EC, IMF and ECB. Greece was therefore not able to meet the 2010 ODA/GNI target and is unlikely to meet the 2015 target of 0.7%. Greece remains committed to reaching this level once it can.</li> </ul>
	<p>– Greece is encouraged to build a medium-term geographical strategy into its development co-operation. In shaping this geographical strategy, Greece should be cautious to strike a balance between the need for continuity with its key partners in the region and the imperative of gradually adjusting its portfolio to take into account that some of its current partner countries will not be eligible to receive ODA in future, while ensuring continued public support.</p>	<ul style="list-style-type: none"> <li>• <i>Recommendation partially implemented.</i></li> <li>• The draft five-year programme for 2011-2015 outlines a series of criteria for selecting geographic priorities. Greece plans to adopt the five-year programme in 2012</li> </ul>
	<p>– Greece should maintain a strong focus based on its comparative advantage, in order to maximise its aid effectiveness and concentrate the allocation of its resources on a core group of partner countries.</p>	<ul style="list-style-type: none"> <li>• <i>Recommendation partially implemented.</i></li> <li>• Greek development co-operation is fragmented and unfocused. With the exception of the Balkan region, resources have not been concentrated on a core group of partner countries. According to the draft five-year programme for 2011-2015, Greece plans to</li> </ul>

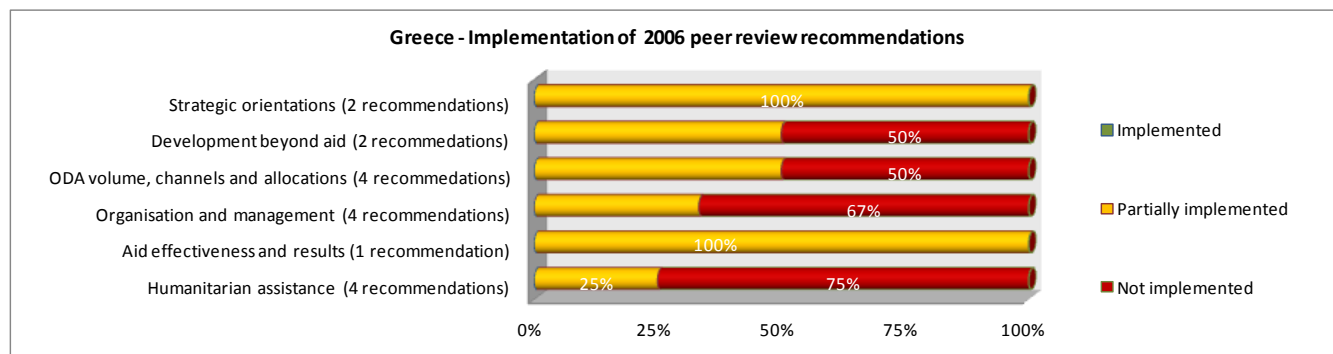
Key Issues	Recommendations 2006	Achievements since 2006
		strengthen its partner country focus. Greece plans to adopt the five-year programme in 2012.
	<ul style="list-style-type: none"> <li>– With a view to maximising its aid effectiveness while increasing its aid volume, Greece should increase the share of aid to multilateral organisations beyond the EC. While expanding its multilateral programme, Greece is encouraged to be more selective and to develop a strategic approach to multilateral assistance.</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Recommendation not implemented.</i></li> <li>• The share of aid to multilateral organisations beyond the EC has not increased and Greece's approach to multilateral assistance has not become more strategic. A first step towards building a strategy was taken in 2011 when DG Hellenic Aid mapped the multilateral support provided by the various line ministries so as to rationalise this support and focus on priority multilateral partners. The draft five-year programme identifies policy priorities for Greece's multilateral co-operation but needs to be further improved to include a strategic approach.</li> </ul>
<i>Aid management and implementation</i>	<ul style="list-style-type: none"> <li>– Greece should pursue the consolidation of its development co-operation system.</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Recommendation not implemented.</i></li> <li>• Proposals in the draft legislation, presidential decree and five-year programme will bring some coherence to the development co-operation system, principally through working/technical level inter-ministerial co-ordination. However, current proposals are not sufficient.</li> </ul>
	<ul style="list-style-type: none"> <li>• With a view to strengthening its capacity, Hellenic Aid should put in place all units of the organisational structure laid out in 2002, and rationalise its procedures. It should adopt a strategic approach to the management of its human resources in terms of recruitment, training, and career development, and provide development assistance specialists to embassies in priority countries.</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Recommendation partially implemented.</i></li> <li>• The draft legislation and draft presidential decree allow for the restructuring of Hellenic Aid, including creating an evaluation unit and establishing "development" posts in embassies in priority countries. However, the envisaged changes are not sufficient to make the system fully efficient, and human resource management is still not strategic.</li> </ul>
	<ul style="list-style-type: none"> <li>– Greece is encouraged to develop new ways of programming and</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Recommendation not implemented.</i></li> </ul>

Key Issues	Recommendations 2006	Achievements since 2006
	<p>delivering aid, in addition to an improved call-for-proposals system. In line with the aid effectiveness agenda, it should establish strategic country programmes based on partners' own strategies in each priority country and review its instruments in order to facilitate joint approaches with other donors and increase aid predictability. Efforts towards decentralising the programme and further delegating authority should be pursued.</p>	<ul style="list-style-type: none"> <li>• The draft law, presidential decree and five-year programme allow for more focused calls for proposals, country strategy papers, delegating authority to other donors and new ways of programming. While the drafts envisage the deployment of development officers to the ground, they do not envisage providing more decision-making power to them or a stronger delegation of authority to the Embassies for the implementation of projects and programmes in the field.</li> </ul>
	<ul style="list-style-type: none"> <li>• Greece is encouraged to develop a results-based approach to its aid programme. An evaluation unit, along with adequate mechanisms to build a knowledge management system linked to programme management, should be set up. A priority should be to review the developmental relevance and impact of Greek tertiary scholarships schemes, given their importance in the Greek aid programme.</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Recommendation not implemented</i></li> <li>• Greece does not manage its development co-operation according to results-based approaches. There is no evaluation unit or knowledge management system at present. Greece is planning to review the scholarship programme for its developmental impact.</li> </ul>
<p><i>Aid effectiveness and results</i></p>	<ul style="list-style-type: none"> <li>• Greece is encouraged to develop new ways of programming and delivering aid, in addition to an improved call-for-proposals system. In line with the aid effectiveness agenda, it should establish strategic country programmes based on partners' own strategies in each priority country and review its instruments in order to facilitate joint approaches with other donors and increase aid predictability. Efforts towards decentralising the</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Recommendation partially implemented.</i></li> <li>• The draft law, presidential decree and five-year programme allow for more focused calls for proposals, country strategy papers, delegating authority to other donors and new ways of programming. While the drafts envisage the deployment of development officers to the ground, they do not envisage providing more decision-making power to them or a stronger delegation of authority to the Embassies for the implementation of projects and programmes in the field.</li> </ul>



Key Issues	Recommendations 2006	Achievements since 2006
	programme and further delegating authority should be pursued.	
<i>Humanitarian aid</i>	– As the scale of Greek humanitarian response grows, more formal systems of co-ordination within government and with external actors should be developed.	<ul style="list-style-type: none"> <li>• <i>Recommendation partially implemented.</i></li> <li>• While the roles of various government disaster response entities are clearly outlined by the new Standing Order 5-4/2009, there is no corresponding mechanism for other humanitarian programmes. There are no mechanisms for involving partners in formal or informal consultations or co-ordination processes, although Greece does work closely with the European Civil Protection's monitoring and information centre for sudden onset crises.</li> </ul>
	– The development of an explicit overall humanitarian strategy will help to ensure that all those contributing to the growing response do so on the basis of a clear statement of policy and priorities. Such a strategy would also provide transparent guidance on assessing the opportunity costs of different interventions.	<ul style="list-style-type: none"> <li>• <i>Recommendation not implemented.</i></li> <li>• Greece is currently working to develop the legal framework and strategic direction for its overall development co-operation programme, and this should include a strategy for humanitarian assistance, guided by the good humanitarian donorship principles.</li> </ul>
	– There is a case for further strengthening the capacity of embassies to contribute to humanitarian action in areas of protracted humanitarian crises.	<ul style="list-style-type: none"> <li>• <i>Recommendation not implemented.</i></li> <li>• There has not been any capacity strengthening of staff at either Athens or field level since the last peer review. However, the draft</li> </ul>

Key Issues	Recommendations 2006	Achievements since 2006
		legal framework does include provisions to support training of embassy staff. DG Hellenic Aid Task Forces, convened for major sudden onset emergencies, provide additional support to embassies in crisis affected countries.
	– If, as expected, NGOs become more active partners in implementing Greek humanitarian assistance, there will be a need to further streamline procedures and build capacity to cope with an expanded response.	<ul style="list-style-type: none"> <li>• <i>Recommendation not implemented.</i></li> <li>• Streamlining procedures for working with NGOs remains a clear priority. Current systems focus strongly on controlling expenditure, with little emphasis on monitoring programme impact and results, or on learning. The current review of Greek public expenditure could provide an opportunity to better balance financial controls with supporting and monitoring the delivery of results.</li> </ul>



## Annex B

### OECD/DAC standard suite of tables

**Table B.1. Total financial flows**  
USD million at current prices and exchange rates

Greece	<i>Net disbursements</i>						
	1996-99 <sup>a</sup>	2000-2004	2005	2006	2007	2008	2009
<b>Total official flows</b>	<b>188</b>	<b>279</b>	<b>384</b>	<b>432</b>	<b>504</b>	<b>704</b>	<b>607</b>
Official development assistance	182	277	384	424	501	703	607
Bilateral	52	135	206	189	249	312	297
Multilateral	131	142	178	235	252	391	310
Other official flows	6	1	-	8	4	1	-
Bilateral	6	1	-	8	4	1	-
Multilateral	-	-	-	-	-	-	-
<b>Net Private Grants</b>	-	<b>6</b>	<b>1</b>	<b>10</b>	<b>7</b>	<b>2</b>	<b>2</b>
<b>Private flows at market terms</b>	-	<b>12</b>	<b>325</b>	<b>2 454</b>	<b>2 880</b>	<b>460</b>	<b>241</b>
Bilateral: <i>of which</i>	-	12	325	2 454	2 880	460	241
Direct investment	-	12	325	2 454	2 880	460	241
Export credits	-	-	-	-	-	-	-
Multilateral	-	-	-	-	-	-	-
<b>Total flows</b>	<b>188</b>	<b>297</b>	<b>709</b>	<b>2 896</b>	<b>3 391</b>	<b>1 166</b>	<b>850</b>
<i>for reference:</i>							
ODA (at constant 2008 USD million)	305	465	490	519	546	703	618
ODA (as a % of GNI)	0.15	0.19	0.17	0.17	0.16	0.21	0.19
Total flows (as a % of GNI) (b)	0.15	0.20	0.32	1.18	1.10	0.35	0.26
ODA to and channelled through NGOs							
- In USD million	0	11	9	16	21	8	4
- In percentage of total net ODA	0	4	2	4	4	1	1
- DAC countries' median	4	9	7	6	6	7	8

a. Data available as from 1996.

b. To countries eligible for ODA.

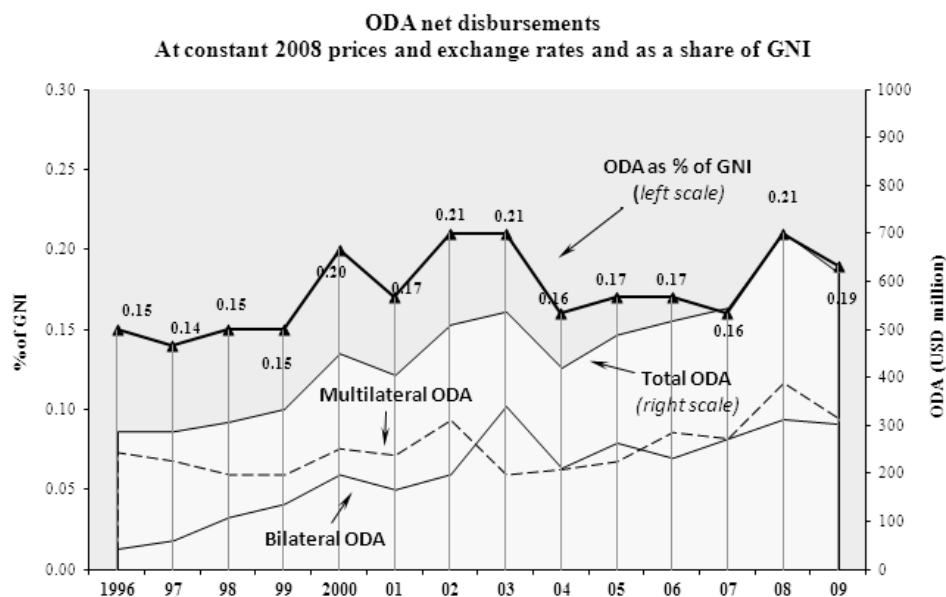


Table B.2. ODA by main categories

Greece	Constant 2008 USD million					Per cent share of gross disbursements					Total DAC 2009%
	2005	2006	2007	2008	2009	2005	2006	2007	2008	2009	
	<i>Disbursements</i>										
<b>Gross Bilateral ODA</b>	<b>264</b>	<b>232</b>	<b>272</b>	<b>312</b>	<b>302</b>	<b>54</b>	<b>45</b>	<b>50</b>	<b>44</b>	<b>49</b>	<b>73</b>
<i>Grants</i>	<i>264</i>	<i>232</i>	<i>272</i>	<i>312</i>	<i>302</i>	<i>54</i>	<i>45</i>	<i>50</i>	<i>44</i>	<i>49</i>	<b>61</b>
Project and programme aid	33	39	41	33	36	7	7	7	5	6	25
Technical co-operation	98	109	150	191	193	20	21	27	27	31	13
Developmental food aid	2	0	1	6	-	0	0	0	1	-	1
Humanitarian aid	22	24	14	17	16	4	5	3	2	3	6
Action relating to debt	-	-	-	-	-	-	-	-	-	-	2
Administrative costs	38	23	26	23	24	8	5	5	3	4	4
Other grants	71	37	40	41	35	14	7	7	6	6	9
<i>Non-grant bilateral ODA</i>	-	-	-	-	-	-	-	-	-	-	<b>12</b>
New development lending	-	-	-	-	-	-	-	-	-	-	9
Debt rescheduling	-	-	-	-	-	-	-	-	-	-	2
Acquisition of equity and other	-	-	-	-	-	-	-	-	-	-	1
<b>Gross Multilateral ODA</b>	<b>227</b>	<b>288</b>	<b>274</b>	<b>391</b>	<b>316</b>	<b>46</b>	<b>55</b>	<b>50</b>	<b>56</b>	<b>51</b>	<b>27</b>
UN agencies	8	17	16	14	14	2	3	3	2	2	5
EU institutions	201	201	238	239	291	41	39	44	34	47	10
World Bank group	6	52	10	80	-	1	10	2	11	-	6
Regional development banks (a)	1	-	-	44	1	0	-	-	6	0	2
Other multilateral	11	18	10	14	10	2	4	2	2	2	4
<b>Total gross ODA</b>	<b>490</b>	<b>519</b>	<b>546</b>	<b>703</b>	<b>618</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Repayments and debt cancellation	-0	-	-	-	-	-	-	-	-	-	-
<b>Total net ODA</b>	<b>490</b>	<b>519</b>	<b>546</b>	<b>703</b>	<b>618</b>						
<i>For reference:</i>											
Associated financing (b)	-	-	-	-	-						
Net debt relief	-	-	-	-	-						
Imputed student cost	-	13	52	73	71						
Refugees in donor countries	11	6	5	29	25						

a. Excluding EBRD.

b. ODA grants and loans in associated financing packages.

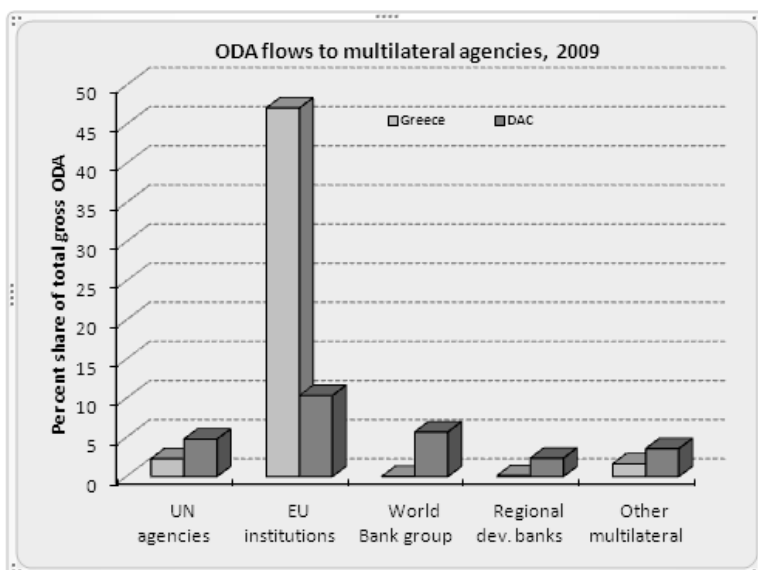
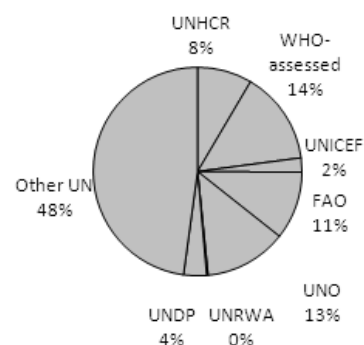
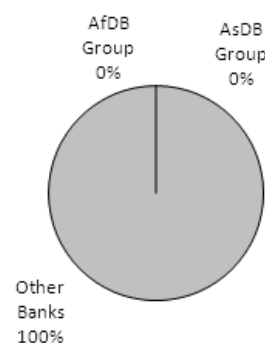
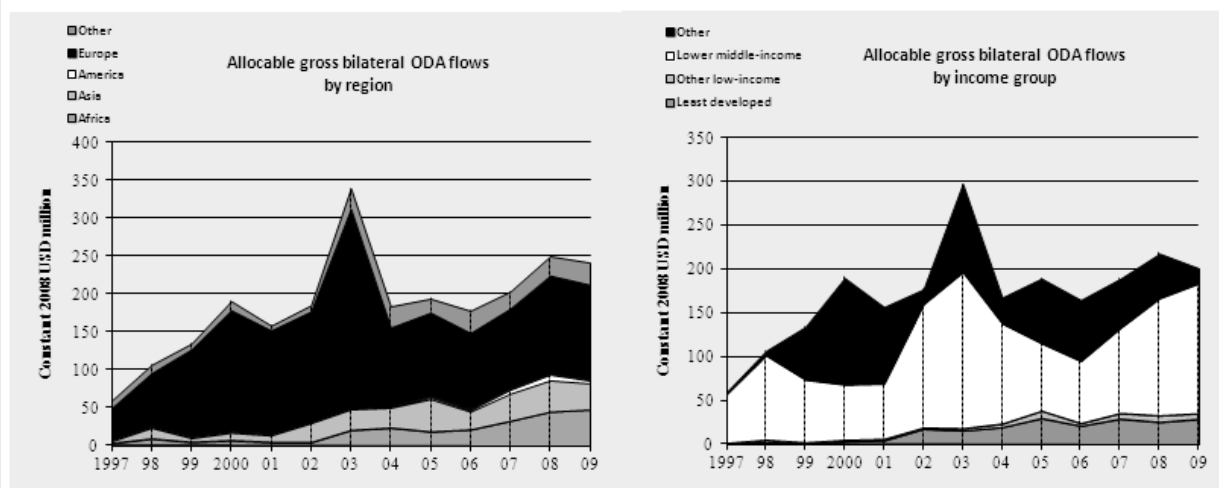
Contributions to UN Agencies  
(2008-09 Average)Contributions to Regional Development  
Banks (2008-09 Average)

Table B.3. Bilateral ODA allocable by region and income group

Greece	Gross disbursements										
	Constant 2008 USD million					Per cent share					Total DAC 2009%
	2005	2006	2007	2008	2009	2005	2006	2007	2008	2009	
<b>Africa</b>	18	21	32	44	47	9	12	16	18	20	<b>42</b>
Sub-Saharan Africa	12	16	18	25	24	6	9	9	10	10	<b>36</b>
North Africa	6	5	9	15	20	3	3	4	6	8	<b>4</b>
<b>Asia</b>	44	25	37	43	36	23	14	18	17	15	<b>33</b>
South and Central Asia	40	23	36	27	30	21	13	18	11	12	<b>18</b>
Far East	1	2	1	11	3	1	1	1	4	1	<b>14</b>
<b>America</b>	2	2	5	8	4	1	1	3	3	2	<b>10</b>
North and Central America	0	1	3	1	1	0	0	1	0	0	<b>4</b>
South America	2	1	2	4	2	1	1	1	2	1	<b>5</b>
<b>Middle East</b>	18	29	22	23	28	9	16	11	9	12	<b>8</b>
<b>Oceania</b>	0	0	1	2	1	0	0	0	1	0	<b>2</b>
<b>Europe</b>	111	101	107	130	126	57	57	52	52	52	<b>5</b>
<b>Total bilateral allocable by region</b>	<b>194</b>	<b>178</b>	<b>204</b>	<b>250</b>	<b>242</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Least developed</b>	30	22	30	26	29	16	13	16	12	15	<b>36</b>
<b>Other low-income</b>	8	2	6	7	6	4	1	3	3	3	<b>16</b>
<b>Lower middle-income</b>	78	71	98	135	149	41	43	51	62	74	<b>39</b>
<b>Upper middle-income</b>	74	70	56	51	17	39	42	30	23	9	<b>9</b>
<b>More advanced developing countries</b>	0	0	0	-	-	0	0	0	-	-	<b>-</b>
<b>Total bilateral allocable by income</b>	<b>190</b>	<b>166</b>	<b>190</b>	<b>219</b>	<b>202</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<i>For reference:</i>											
<i>Total bilateral</i>	264	232	272	312	302	100	100	100	100	100	100
<i>of which: Unallocated by region</i>	69	54	68	62	61	26	23	25	20	20	22
<i>of which: Unallocated by income</i>	73	66	82	93	100	28	29	30	30	33	29



1. Each region includes regional amounts which cannot be allocated by sub-region. The sum of the sub-regional amounts may therefore fall short of the regional total.

Table B.4. Main recipients of bilateral ODA

Greece	1998-2002 average				Memo: DAC countries' average %	2003-07 average				Memo: DAC countries' average %	2008-09 average				Memo: DAC countries' average %
	Current	Constant	Per cent	Per cent		Current	Constant	Per cent	Per cent		Current	Constant	Per cent	Per cent	
	USD million	2008 USD mln	share			USD million	2008 USD mln	share			USD million	2008 USD mln	share		
Serbia	28	53	32		Serbia	38	50	19		Albania	63	63	21		
Albania	17	31	20		Albania	35	47	17		Serbia	19	20	6		
Macedonia, FYR	11	20	12		Afghanistan	13	16	6		Kosovo	16	17	5		
Bosnia-Herzegovina	9	16	10		Bosnia-Herzegovina	8	10	4		Afghanistan	14	14	5		
Palestinian Adm. Areas	3	5	3		States Ex-Yugoslavia	6	8	3		Egypt	14	14	4		
<b>Top 5 recipients</b>	<b>67</b>	<b>125</b>	<b>78</b>	<b>25</b>	<b>Top 5 recipients</b>	<b>100</b>	<b>130</b>	<b>48</b>	<b>32</b>	<b>Top 5 recipients</b>	<b>126</b>	<b>127</b>	<b>41</b>	<b>28</b>	
Armenia	3	5	3		Lebanon	5	6	2		Palestinian Adm. Areas	9	9	3		
Afghanistan	2	4	2		Turkey	5	6	2		Turkey	6	6	2		
Georgia	2	3	2		Iraq	4	5	2		Syria	5	5	2		
Lebanon	1	2	1		Egypt	4	5	2		Bosnia-Herzegovina	5	5	2		
Turkey	1	2	1		Palestinian Adm. Areas	4	5	2		China	4	4	1		
<b>Top 10 recipients</b>	<b>76</b>	<b>142</b>	<b>88</b>	<b>40</b>	<b>Top 10 recipients</b>	<b>121</b>	<b>157</b>	<b>59</b>	<b>46</b>	<b>Top 10 recipients</b>	<b>155</b>	<b>157</b>	<b>51</b>	<b>39</b>	
Egypt	1	1	1		Georgia	4	5	2		Georgia	4	4	1		
Ethiopia	0	1	1		Syria	3	4	2		Ukraine	4	4	1		
Syria	0	1	1		Armenia	3	3	1		Jordan	4	4	1		
Moldova	0	1	1		Jordan	2	3	1		Lebanon	3	3	1		
States Ex-Yugoslavia	0	1	0		Sri Lanka	2	3	1		Armenia	3	3	1		
<b>Top 15 recipients</b>	<b>78</b>	<b>146</b>	<b>91</b>	<b>50</b>	<b>Top 15 recipients</b>	<b>135</b>	<b>175</b>	<b>65</b>	<b>53</b>	<b>Top 15 recipients</b>	<b>173</b>	<b>175</b>	<b>57</b>	<b>48</b>	
India	0	1	0		Macedonia, FYR	2	3	1		Ethiopia	3	3	1		
Tunisia	0	1	0		Moldova	2	3	1		Sudan	3	3	1		
Iran	0	0	0		Ethiopia	1	2	1		Nigeria	2	2	1		
Uzbekistan	0	0	0		Ukraine	1	2	1		Congo, Dem. Rep.	2	2	1		
Jordan	0	0	0		Sudan	1	1	1		Moldova	2	2	1		
<b>Top 20 recipients</b>	<b>79</b>	<b>149</b>	<b>92</b>	<b>58</b>	<b>Top 20 recipients</b>	<b>144</b>	<b>185</b>	<b>70</b>	<b>59</b>	<b>Top 20 recipients</b>	<b>185</b>	<b>186</b>	<b>61</b>	<b>55</b>	
<b>Total (91 recipients)</b>	<b>82</b>	<b>154</b>	<b>95</b>		<b>Total (136 recipients)</b>	<b>158</b>	<b>203</b>	<b>76</b>		<b>Total (115 recipients)</b>	<b>209</b>	<b>210</b>	<b>68</b>		
Unallocated	4	8	5	22	Unallocated	49	61	24	24	Unallocated	96	97	32	29	
<b>Total bilateral gross</b>	<b>86</b>	<b>161</b>	<b>100</b>	<b>100</b>	<b>Total bilateral gross</b>	<b>207</b>	<b>263</b>	<b>100</b>	<b>100</b>	<b>Total bilateral gross</b>	<b>305</b>	<b>307</b>	<b>100</b>	<b>100</b>	

**Table B.5. Bilateral ODA by major purposes**  
at current prices and exchange rates

Greece	Gross disbursements - Two-year averages						
	1998-2002 average		2003-07 average		2008-09 average		2008-09 Total DAC per cent
	2008 USD million	Per cent	2008 USD million	Per cent	2008 USD million	Per cent	
<b>Social infrastructure &amp; services</b>	<b>115</b>	<b>71</b>	<b>177</b>	<b>68</b>	<b>194</b>	<b>65</b>	<b>41</b>
Education	13	8	58	22	92	31	9
of which: basic education	0	0	10	4	4	1	2
Health	9	5	32	12	11	4	4
of which: basic health	5	3	28	11	5	2	3
Population & reproductive health	0	0	4	1	7	2	7
Water supply & sanitation	1	0	2	1	2	1	6
Government & civil society	84	52	71	27	55	19	12
of which: Conflict, peace & security	-	-	30	11	43	14	3
Other social infrastructure & services	8	5	11	4	27	9	4
<b>Economic infrastructure &amp; services</b>	<b>6</b>	<b>3</b>	<b>13</b>	<b>5</b>	<b>10</b>	<b>4</b>	<b>16</b>
Transport & storage	1	1	10	4	6	2	8
Communications	2	1	1	0	0	0	0
Energy	0	0	0	0	2	1	4
Banking & financial services	1	1	1	0	1	0	3
Business & other services	1	1	2	1	1	0	1
<b>Production sectors</b>	<b>6</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>6</b>	<b>2</b>	<b>7</b>
Agriculture, forestry & fishing	2	1	3	1	4	1	5
Industry, mining & construction	3	2	0	0	1	0	1
Trade & tourism	1	1	1	0	2	1	1
<b>Multisector</b>	<b>6</b>	<b>4</b>	<b>14</b>	<b>5</b>	<b>14</b>	<b>5</b>	<b>7</b>
<b>Commodity and programme aid</b>	<b>14</b>	<b>9</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>5</b>
Action relating to debt	-	-	-	-	-	-	6
<b>Humanitarian aid</b>	<b>12</b>	<b>7</b>	<b>18</b>	<b>7</b>	<b>16</b>	<b>6</b>	<b>8</b>
Administrative costs of donors	1	1	27	10	24	8	5
Aid to NGOs (core support)	0	0	0	0	0	0	1
Refugees in donor countries	1	1	6	2	27	9	3
<b>Total bilateral allocable</b>	<b>161</b>	<b>100</b>	<b>262</b>	<b>100</b>	<b>297</b>	<b>100</b>	<b>100</b>
<i>For reference:</i>							
Total bilateral	161	40	263	52	307	47	75
of which: Unallocated	0	0	1	0	11	2	1
Total multilateral	241	60	240	48	354	53	25
<b>Total ODA</b>	<b>402</b>	<b>100</b>	<b>503</b>	<b>100</b>	<b>661</b>	<b>100</b>	<b>100</b>

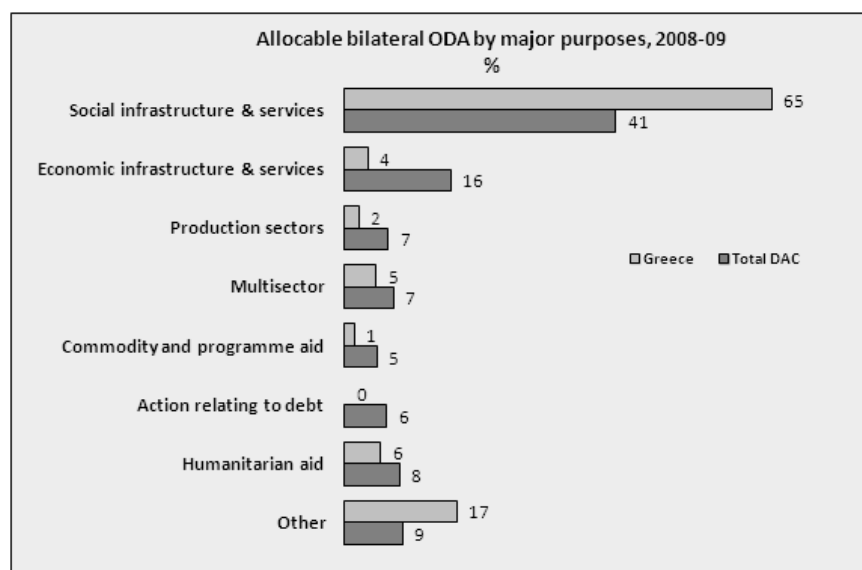


Table B.6. Comparative aid performance

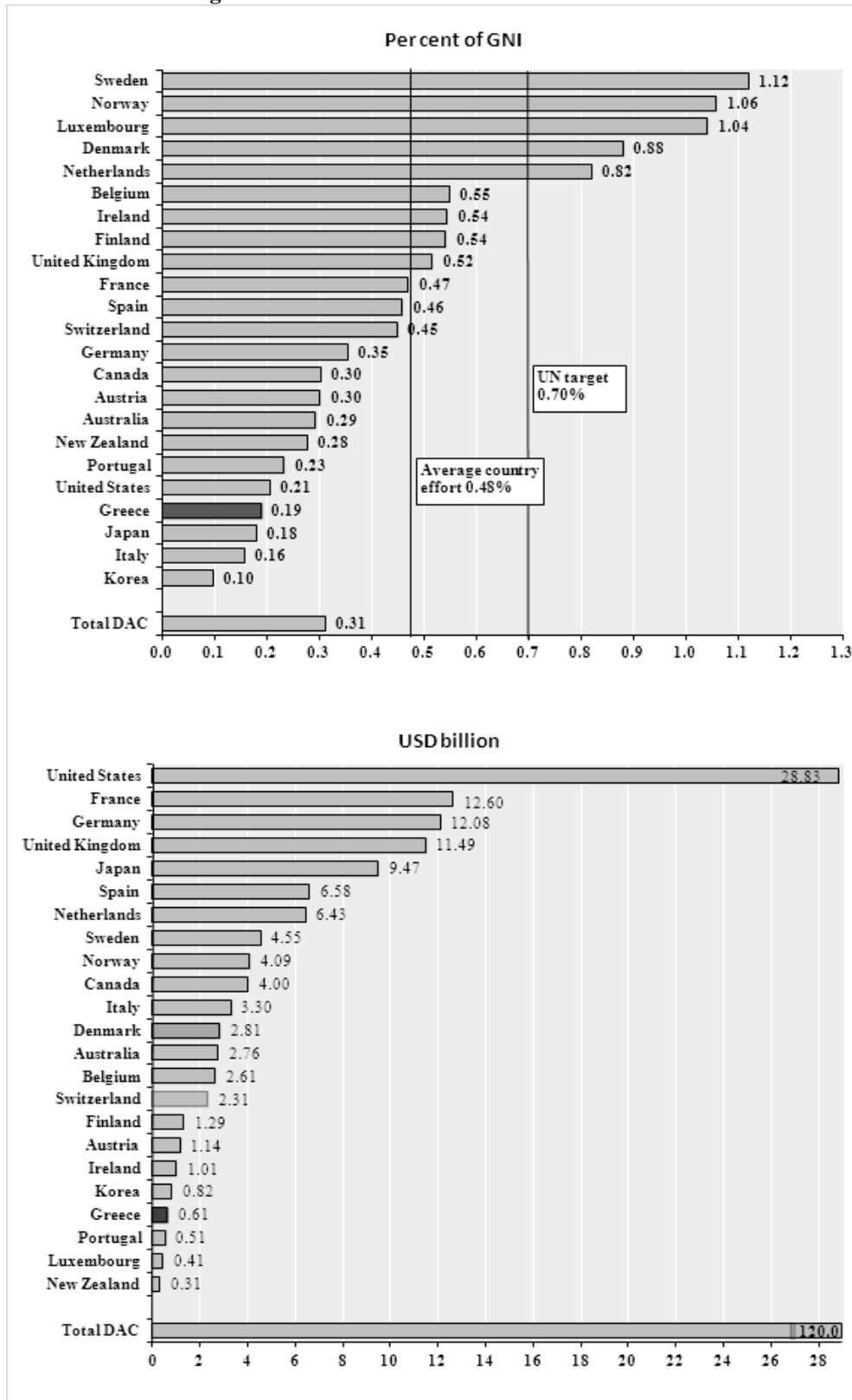
	Official development assistance			Grant element of ODA (commitments) 2009	Share of multilateral aid				ODA to LDCs Bilateral and through multilateral agencies 2009	
	2009		2003-04 to 08-09 Average annual % change in real terms		2009				% of ODA	% of GNI
	USD million	% of GNI		% (a)	% of ODA (b)	% of GNI		% of ODA		
			(b)			(c)	(b)		(c)	
Australia	2 762	0.29	8.2	99.0	16.3	0.05			26.4	0.08
Austria	1 142	0.30	13.2	100.0	55.6	26.9	0.17	0.08	30.4	0.09
Belgium	2 610	0.55	2.4	99.8	39.3	16.6	0.22	0.09	36.7	0.20
Canada	4 000	0.30	6.4	100.0	21.5	0.07			37.0	0.11
Denmark	2 810	0.88	2.1	100.0	32.2	22.6	0.28	0.20	39.1	0.34
Finland	1 290	0.54	9.2	99.9	38.7	22.0	0.21	0.12	34.9	0.19
France	12 602	0.47	2.5	88.8	44.3	21.3	0.21	0.10	26.0	0.12
Germany	12 079	0.35	7.7	93.3	41.2	17.3	0.15	0.06	28.1	0.10
Greece	607	0.19	6.7	100.0	51.10	4.00	0.10	0.01	19.2	0.04
Ireland	1 006	0.54	10.8	100.0	31.1	14.9	0.17	0.08	50.9	0.28
Italy	3 297	0.16	4.4	98.6	73.5	17.0	0.12	0.03	34.5	0.05
Japan	9 457	0.18	-0.3	86.5	34.8	0.06			34.0	0.06
Korea	816	0.10	14.0	93.3	28.8	0.03			30.7	0.03
Luxembourg	415	1.04	5.9	100.0	35.9	26.1	0.37	0.27	36.9	0.39
Netherlands	6 426	0.82	4.7	100.0	25.3	16.4	0.21	0.13	25.3	0.21
New Zealand	309	0.28	7.3	100.0	26.9	0.07			33.5	0.09
Norway	4 086	1.06	4.4	100.0	22.5	0.24			30.8	0.33
Portugal	513	0.23	-8.4	94.3	46.1	9.3	0.11	0.02	41.2	0.10
Spain	6 584	0.46	16.9	96.4	32.1	13.3	0.15	0.06	25.9	0.12
Sweden	4 548	1.12	8.8	99.9	33.8	27.30	0.38	0.31	30.7	0.34
Switzerland	2 310	0.45	3.7	100.0	24.2	0.11			30.2	0.14
United Kingdom	11 283	0.51	8.0	100.0	34.5	17.26	0.18	0.09	34.8	0.18
United States	28 831	0.21	6.1	100.0	12.7	0.03			32.6	0.07
<b>Total DAC</b>	<b>119 782</b>	<b>0.31</b>	<b>5.6</b>	<b>96.3</b>	<b>30.3</b>	<b>0.09</b>			<b>31.3</b>	<b>0.10</b>
Memo: Average country effort		0.48								

*Notes:*

- a. Excluding debt reorganisation.
- b. Including EU institutions.
- c. Excluding EU institutions.
- .. Data not available.



Figure B.1. Net ODA from DAC countries in 2009





## Description of key terms

*The following brief descriptions of the main development co-operation terms used in this publication are provided for general background information.*<sup>43</sup>

**ASSOCIATED FINANCING:** The combination of official development assistance, whether grants or loans, with other official or private funds to form finance packages.

**AVERAGE COUNTRY EFFORT:** The unweighted average ODA/GNI ratio of DAC members, *i.e.* the average of the ratios themselves, not the ratio of total ODA to total GNI (cf. ODA/GNI ratio).

**DAC (DEVELOPMENT ASSISTANCE COMMITTEE):** The committee of the OECD which deals with development co-operation matters. A description of its aims and a list of its members are given at the front of the Development Co-operation Report.

**DAC LIST OF ODA RECIPIENTS:** For statistical purposes, the DAC uses a list of ODA recipients which it revises every three years. From 1 January 2007, the list is presented in the following categories (the word "countries" includes territories):

**LDCs:** Least Developed Countries. Group established by the United Nations. To be classified as an LDC, countries must fall below thresholds established for income, economic diversification and social development. The DAC List is updated immediately to reflect any change in the LDC group.

**Other LICs:** Other Low-Income Countries. Includes all non-LDC countries with per capita GNI USD 825 or less in 2004 (World Bank Atlas basis).

**LMICs:** Lower Middle-Income Countries, *i.e.* with GNI per capita (Atlas basis) between USD 826 and USD 3 255 in 2004. LDCs which are also LMICs are only shown as LDCs – not as LMICs.

**UMICs:** Upper Middle-Income Countries, *i.e.* with GNI per capita (Atlas basis) between USD 3 256 and USD 10 065 in 2004.

**DEBT REORGANISATION (also RESTRUCTURING):** Any action officially agreed between creditor and debtor that alters the terms previously established for repayment. This may include forgiveness, or rescheduling or refinancing.

**DIRECT INVESTMENT:** Investment made to acquire or add to a lasting interest in an enterprise in a country on the DAC List of ODA Recipients. In practice it is recorded as the change in the net worth of a subsidiary in a recipient country to the parent company, as shown in the books of the latter.

**DISBURSEMENT:** The release of funds to, or the purchase of goods or services for a recipient; by extension, the amount thus spent. Disbursements may be recorded **gross** (the total amount disbursed over a given accounting period) or **net** (the gross amount less any repayments of loan principal or recoveries of grants received during the same period).

43. For a full description of these terms, see the *Development Co-operation Report 2009*, Volume 10, No. 1.

**EXPORT CREDITS:** Loans for the purpose of trade and which are not represented by a negotiable instrument. They may be extended by the official or the private sector. If extended by the private sector, they may be supported by official guarantees.

**GRANTS:** Transfers made in cash, goods or services for which no repayment is required.

**GRANT ELEMENT:** Reflects the financial terms of a commitment: interest rate, maturity and grace period (interval to the first repayment of capital). It measures the concessionality of a loan, expressed as the percentage by which the present value of the expected stream of repayments falls short of the repayments that would have been generated at a given reference rate of interest. The reference rate is 10% in DAC statistics. This rate was selected as a proxy for the marginal efficiency of domestic investment, *i.e.* as an indication of the opportunity cost to the donor of making the funds available. Thus, the grant element is nil for a loan carrying an interest rate of 10%; it is 100% for a grant; and it lies between these two limits for a loan at less than 10% interest.

**LOANS:** Transfers for which repayment is required. Data on net loan flows include deductions for repayments of principal (but not payment of interest) on earlier loans.

**OFFICIAL DEVELOPMENT ASSISTANCE (ODA):** Grants or loans to countries and territories on the DAC List of ODA Recipients and multilateral agencies that are undertaken by the official sector; with the promotion of economic development and welfare as the main objective; at concessional financial terms (if a loan, having a grant element of at least 25%).

**ODA/GNI RATIO:** To compare members' ODA efforts, it is useful to show them as a share of gross national income (GNI). "Total DAC" ODA/GNI is the sum of members' ODA divided by the sum of the GNI, *i.e.* the weighted ODA/GNI ratio of DAC members (*cf.* Average country effort).

**OTHER OFFICIAL FLOWS (OOF):** Transactions by the official sector with countries on the DAC List of ODA Recipients which do not meet the conditions for eligibility as official development assistance, either because they are not primarily aimed at development, or because they have a grant element of less than 25%.

**TECHNICAL CO-OPERATION:** Includes both a) grants to nationals of aid recipient countries receiving education or training at home or abroad, and b) payments to consultants, advisers and similar personnel as well as teachers and administrators serving in recipient countries.

**TIED AID:** Official grants or loans where procurement of the goods or services involved is limited to the donor country or to a group of countries which does not include substantially all aid recipient countries.

**VOLUME (real terms):** The flow data are expressed in United States dollars (USD). To give a truer idea of the volume of flows over time, some data are presented in constant prices and exchange rates, with a reference year specified. This means that adjustment has been made to cover both inflation in the donor's currency between the year in question and the reference year, and changes in the exchange rate between that currency and the United States dollar over the same period.

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