



The DAC's main findings and recommendations

**Extract from: OECD Development Co-operation Peer Reviews
Greece 2019**

The DAC's main findings and recommendations

Greece seeks to resolve challenges facing the Mediterranean, Southeast Europe and the Middle East, and advocates for a safe marine environment in the Eastern Mediterranean. The government wants to adopt a fairer, more sustainable development approach and will reflect the Sustainable Development Goals in its national development strategy.

Greece experienced two crises since the last peer review of its development co-operation: a severe economic recession resulting in significant cuts to the national budget, including official development assistance (ODA); and an ongoing refugee and migration crisis.

Greece maintained its commitment to development co-operation during the economic and migration crises. It met its commitments to European Union institutions and other multilateral organisations. It also mobilised resources and people to provide significant support to asylum seekers and refugees, and adapted its domestic policies to create conditions for peaceful co-existence between refugees, asylum seekers and the Greek population.

As the economy recovers, the government needs to take a number of steps to improve Greek development co-operation. Build a new vision for development that is supported by stakeholders with a keen interest in development, such as civil society organisations, the private sector and academics, and by the broader public. Update the law governing development co-operation and create a focused, whole-of-government approach, including to Greece's multilateral partners. Determine its comparative advantage in a particular sector of humanitarian response. Restructure the Directorate General of International Development Cooperation-Hellenic Aid to meet its policy, programming and corporate objectives. Document the results achieved with ODA. Establish an evaluation unit and more efficient and effective systems to manage Greek ODA.

A severe economic recession and the migration crisis have significantly impacted Greece's development co-operation

The Greek economy was hit hard by the 2008 global financial crisis, requiring financial assistance from the countries of the euro area and the International Monetary Fund between May 2010 and August 2018. Among the goals of the country's economic adjustment programme were achieving savings in public-sector expenditure and undertaking public-administration reform.

Greece's official development assistance (ODA) plummeted from an all-time high of USD 525 million in 2008 (0.21% of gross national income [GNI]) to USD 191 million (0.10% of GNI) in 2013, recovering to USD 310 million (0.16% of GNI) in 2017 (preliminary figures). Like other public-sector institutions, the Directorate General of International Development Cooperation-Hellenic Aid of the Hellenic Ministry of Foreign Affairs (DG Hellenic Aid) has faced significant constraints to staff recruitment (**Sections 3.1, 4.3**).

Bilateral ODA dropped from 44.4% of total ODA in 2008 to 18.3% in 2013. While Greece has kept up with its commitments to multilateral institutions since 2008, the bulk of its core funding (i.e. no less than 90% over 2009-16, compared with 61% in 2008) goes to the European Union (**Sections 3.2, 3.3**).

Greece's positioning on the south-eastern border of the European Union makes it an attractive entry point for refugees seeking protection or migrants attempting to enter Europe irregularly. In 2015, arrivals of asylum seekers and irregular migrants in Greece represented 84% of all illegal border crossings into the European Union, creating a refugee and migration crisis. Greece was able to mobilise resources and its population, providing significant support to asylum seekers and refugees. It also adapted its domestic policies to create conditions for peaceful co-existence between refugees, asylum seekers and the Greek population (**Section 1.1, Box 5.1**).

Greece maintained its political commitment to development co-operation during the economic and migration crises. However, the crises have significantly impacted the country's ODA. As the country responded to the migration crisis, Greece's expenditure on in-donor refugee costs rose from around USD 16-17 million per year over 2012-14 (averaging 8% of total ODA) to USD 147 million in 2016, representing 40% of total ODA and 92% of bilateral ODA. These costs are supported by other ministries rather than DG Hellenic Aid (**Section 3.2**).

Greece engages in global processes, and addresses risks to peace and stability in its neighbourhood

Greece engages in global processes that affect sustainable development. It considers domestic application of the 2030 Agenda as an opportunity to adopt a fairer and more sustainable development approach, and will reflect the Sustainable Development Goals in its forthcoming national development strategy. The Greek Government strives to be a responsible broker in promoting peace and security, stability and religious tolerance in the Mediterranean region and the Middle East, and plays an active role in creating a safe marine environment in the Eastern Mediterranean (**Section 1.1**).

Greece faces several challenges

Funding of non-governmental organisations (NGOs) is on hold as the Greek judicial authorities investigate allegations of misuse and mismanagement of previous grant funding. In addition, the economic and migration crises have impacted the level and content of Greece's ODA, which focuses on maintaining multilateral commitments and providing support to refugees. As a result of DG Hellenic Aid's limited operational activities, the OECD Development Assistance Committee (DAC) peer review of Greece's development co-operation was delayed by two years.

Greece lacks a modern legal framework and vision for development co-operation

The law framing Greece's development co-operation has not been updated since being issued in 1999. Greece postponed plans to refine and approve draft legislation following the last DAC peer review, restricting its ability to further develop the policy framework and institutional structure for development co-operation (**Section 2.1**).

Greece lacks a clear vision for its ODA and has not adopted a medium-term strategy since 2006. An agreed vision and strategy would enhance inter-ministerial coherence and co-ordination, and enable DG Hellenic Aid to exercise its leadership role. Reactivating the Inter-Ministerial Committee for the Organization and Coordination of International Economic Relations would enable Greece to develop a whole-of-government vision for its development co-operation, as well as offer a vehicle for dialogue among stakeholders regarding Greece's development policy and priorities (**Sections 2.1, 4.1**).

In response to the crises, Greece concentrated its ODA on multilateral assistance, in-donor refugee costs and scholarships. As Greece considers the future content of its development programme, it should take the opportunity to select a few themes where it has a comparative advantage. DG Hellenic Aid could draw on Greece's experience with environmental protection and gender equality to develop guidance on mainstreaming cross-cutting issues in development co-operation (**Sections 2.1, 2.2**).

Recommendations:

- (i) Greece should update the law governing its development co-operation.**
- (ii) Greece should reactivate the Inter-Ministerial Committee for the Organization and Coordination of International Economic Relations and charge it with preparing a whole-of-government vision and medium-term strategy for development co-operation.**

Strategic engagement with stakeholders has stalled

Greece provides the bulk of its multilateral funding to European institutions. In addition, line ministries determine which multilateral institutions to support, and whether to provide voluntary contributions. As a result, limited multilateral funds are spread across over 27 organisations. A coherent and co-ordinated whole-of-government approach – defining priorities and the issues to be advocated – would add value to Greece's ability to influence its multilateral partners and the global development agenda. In addition, working more closely with like-minded donors could enhance Greece's ability to influence the governance and priorities of its key multilateral partners (**Sections 2.3, 3.3**).

Recommendation:

- (iii) **Greece should develop a whole-of-government framework as well as criteria for engaging with a few multilateral and regional institutions, focusing on agreed priorities.**

Greece's bilateral funding only covers in-donor refugee costs, and modest technical assistance and scholarships. Engagement with civil society organisations (CSOs), the private sector and academics is restricted to occasional events discussing topics related to the Sustainable Development Goals and opportunities for the private sector to participate in European Union development co-operation funding. Despite the lack of funding, DG Hellenic Aid could engage CSOs and other stakeholders in regular dialogue about Greece's development co-operation policy, building relationships it could exploit in the future. DG Hellenic Aid could also draw valuable lessons from experience gained by CSOs and others during the response to the migration crisis. As the economy recovers and Greece considers stepping up its development co-operation, it needs to determine which delivery modalities and partnerships would best serve its intentions and policy (**Sections 2.3, 5.1**).

Recommendation:

- (iv) **DG Hellenic Aid should engage CSOs, the private sector and academics in regular dialogue about Greece's development policy, to build a common understanding of – and support for – development co-operation.**

Greece does not have a coherent approach to scholarships and has not assessed their development impact

Greece seeks to build capacity in partner countries through scholarships, offered in Greece by a range of ministries and institutions. However, it has no coherent and co-ordinated approach to scholarships, and partner countries do not participate in selecting candidates and fields of study. The Greek Minister of Foreign Affairs recently approved a strategy paper on scholarships. An evaluation would help Greece assess the impact of its scholarship programme on developing countries and support reforms aiming to enhance the development impact (**Sections 3.2, 5.2**).

Recommendation:

- (v) **Greece should evaluate its scholarship programme to determine its development impact, and use the findings to ensure it can achieve a strong and demonstrable development focus.**

Greece needs to use results and evidence to guide its development co-operation

Recent peer reviews have highlighted the need for Greece to develop a results-based focus for its development co-operation, shifting DG Hellenic Aid's approach to monitoring development activities from one emphasising inputs and financial controls, to one focused on outputs and outcomes. To this end, Greece needs a results-based management system

that provides a clear understanding of the results achieved through its ODA investments (**Section 6.1**).

The lack of an evaluation system constrains Greece's ability to learn from its experience in implementing bilateral and multilateral development co-operation initiatives. As recommended previously – and as Greece considers stepping up its development co-operation as the economy recovers – Greece would benefit from creating an evaluation unit, guided by a policy that clearly defines the role of evaluation, along with the unit's functions, responsibilities and position in Greece's institutional structure for development co-operation. Such a unit, endowed with a plan and budget enabling implementation, would also help the Greek Government meet its legal requirement to evaluate Greece's development co-operation (**Section 6.2**).

A good understanding of the development co-operation results achieved by Greece, and lessons drawn from evaluations, would help DG Hellenic Aid to improve its decision-making and provide a basis for learning. It would also enable Greece to communicate better with the public, raising support for development and accounting for its use of taxpayer funds (**Section 6.2**).

Recommendation:

(vi) Greece should:

- **create a results-based management system documenting the results achieved by its ODA investments**
- **develop an evaluation policy and establish an evaluation unit, supported by an annual evaluation plan and budget.**

Greece's systems for managing development co-operation are not fit for purpose

DG Hellenic Aid's procurement, risk management and due-diligence mechanisms were not strong enough to prevent past misuse or mismanagement of grants. To avoid similar problems in the future, DG Hellenic Aid should draw on lessons from its recent experience and create the essential building blocks for a fit-for-purpose development co-operation system, including risk-management mechanisms informing control and due diligence (**Section 4.2**).

Recommendation:

(vii) To ensure a fit-for-purpose development co-operation system, DG Hellenic Aid should establish more efficient and effective:

- **procurement and contracting procedures**
- **quality assurance**
- **control and due-diligence mechanisms**
- **risk management**
- **public and parliamentary accountability and performance-reporting systems.**

DG Hellenic Aid's structure and staff composition do not enable it to adapt to the evolving needs of Greece's development co-operation portfolio

DG Hellenic Aid's core structure has remained unchanged since its creation in 1999. Six directorates, comprising just 24 staff members, result in a top-heavy organisation dominated by diplomats and rotating staff, with few development and humanitarian experts. Structuring DG Hellenic Aid around three key functions – policy, programming and corporate processes – would allow it to adapt to the evolving needs of Greece's development co-operation portfolio (**Section 4.3**).

The current period of reduced activities offers an opportunity for DG Hellenic Aid to consider the expertise it will need, including an appropriate mix of development and humanitarian experts, to implement a larger development and humanitarian programme in the future. While resources are limited, DG Hellenic Aid could consider building staff capacity by accessing training delivered by other DAC members, as well as participating in DAC networks and European Commission training programmes (**Section 4.3**).

Recommendations:

- (viii) Greece should restructure DG Hellenic Aid to enable it to fulfil its mandate and meet its policy, programming and corporate objectives.**
- (ix) DG Hellenic Aid should consider the expertise it will need, including an appropriate mix of development and humanitarian experts, to implement a larger development and humanitarian programme in the future.**

DG Hellenic Aid is not building up its humanitarian capacity with the domestic crises

As a competent Ministry for Migration Policy has been established and concrete measures have been taken by the Greek authorities to meet the needs of refugees and asylum seekers, DG Hellenic Aid is not involved in the response to the domestic migration crisis apart from collecting data on in-donor refugee costs from relevant stakeholders. This could be regarded as a lost opportunity for building capacity and rebuilding its partnership with Greek civil society, which is very active in meeting migrants' needs. While DG Hellenic Aid continues to participate in humanitarian policy fora, Greek humanitarian aid has stalled. DG Hellenic Aid should take the opportunity of the current low level of activity to determine its comparative advantage in humanitarian assistance, so that it can leverage its limited budget and contribute to this important sector in the future.

Recommendation:

- (x) DG Hellenic Aid should determine its comparative advantage in a particular sector of humanitarian response, so that it can meaningfully add value to the global humanitarian community.**

Ensuring continuity of services to refugees as greater use is made of national systems

In responding to the emergency humanitarian needs that arose as a consequence of the refugee and migration crisis, Greece adapted its legislation and government architecture to make the most of the financial and technical support provided by the Emergency Support Regulation (EU) 2016/369 through the European Union's Directorate-General for European Civil Protection and Humanitarian Aid Operations. As the European Union's support to Greece in managing asylum and migration transfers to the Directorate-General for Migration and Home Affairs, the use of national financial and administrative systems will increase. To manage the transition effectively and efficiently, and to reduce the risk of disruption in the provision of services to migrants and refugees by NGOs, Greece will have to act quickly to adapt its own administrative processes in order to speed up disbursements and ensure service continuity (**Sections 1.1, 5.1**).

Recommendation:

- (xi) **Greece should adapt its administrative processes to ensure service continuity and swift disbursement to the institutions and organisations involved in managing migration.**

Summary of recommendations

List of all recommendations featured above:

- (i) Greece should update the law governing its development co-operation.
- (ii) Greece should reactivate the Inter-Ministerial Committee for the Organization and Coordination of International Economic Relations and charge it with preparing a whole-of-government vision and medium-term strategy for development co-operation.
- (iii) Greece should develop a whole-of-government framework as well as criteria for engaging with a few multilateral and regional institutions, focusing on agreed priorities.
- (iv) DG Hellenic Aid should engage CSOs, the private sector and academics in regular dialogue about Greece's development policy, to build a common understanding of – and support for – development co-operation.
- (v) Greece should evaluate its scholarship programme to determine its development impact, and use the findings to ensure it can achieve a strong and demonstrable development focus.
- (vi) Greece should:
 - create a results-based management system documenting the results achieved by its ODA investments
 - develop an evaluation policy and establish an evaluation unit, supported by an annual evaluation plan and budget.
- (vii) To ensure a fit-for-purpose development co-operation system, DG Hellenic Aid should establish more efficient and effective:
 - procurement and contracting procedures
 - quality assurance
 - control and due-diligence mechanisms
 - risk management
 - public and parliamentary accountability and performance-reporting systems.
- (viii) Greece should restructure DG Hellenic Aid to enable it to fulfil its mandate and meet its policy, programming and corporate objectives.
- (ix) DG Hellenic Aid should consider the expertise it will need, including an appropriate mix of development and humanitarian experts, to implement a larger development and humanitarian programme in the future.
- (x) DG Hellenic Aid should determine its comparative advantage in a particular sector of humanitarian response, so that it can meaningfully add value to the global humanitarian community.
- (xi) Greece should adapt its administrative processes to ensure service continuity and swift disbursement to the institutions and organisations involved in managing migration.

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